

# ***WE SHAPE THE WORLD***

Through efficient melting solutions  
using advanced material science and  
engineering

**MORGANITE CRUCIBLE (INDIA) LIMITED**

Annual Report 2020-21

## 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 because of new information, future events or otherwise.

## Inside the Report

### 01-08

#### CORPORATE OVERVIEW

- 01 We Shape the World
- 02 Introducing Morganite Crucible (India) Limited
- 03 Diversified Product Mix
- 04 Message to Shareholders
- 05 Managing Director's Review
- 06 Our Financial Metrics
- 08 Corporate Information

### 09-45


#### STATUTORY REPORTS

- 09 Board's Report and Management Discussion and Analysis
- 30 Corporate Governance Report

### 45-107

#### FINANCIAL STATEMENTS

- 45 Independent Auditors' Report
- 52 Balance Sheet
- 54 Statement of Profit and Loss
- 55 Statement of Changes in Equity
- 56 Cash Flow Statement
- 58 Notes to Financial Statement
- 70 Notes on Accounts
- 99 Notice



At the heart of every industry and at the core of every manufacturing process that involves melting of metals is where our experience and expertise is.

For over a century and a half, ever since the Morgan brothers patented their graphite crucibles in 1856 in Battersea (now part of London), England, we have been synonymous with crucibles and engineered consumables for the metals industry. From Aerospace to Electronics, from Power to Petrochemicals and from Mining to Medicine and Military, our world-class crucibles and extensive range of engineered ceramic products have provided efficient melting and metal casting solutions to suit every plant and process across industries.

Driven by latest technology and innovations, our global research and product development team leverages advanced materials, science and engineering expertise to develop and deploy metal melting solutions that are economical and efficient, creative and cutting-edge as well as stable and sustainable. This not only translates into a distinct competitive advantage for our customers, and also contributes to a more benign approach to the planet through a lower environment footprint.

Today, we are the first name and the last word in the world of crucibles, integrating safety with success, science with sustainability and performance with purpose. We continue with a single-minded focus and commitment to what we have been doing best for the last one hundred and fifty years.

## ***WE SHAPE THE WORLD***

**Through efficient melting solutions using advanced material science and engineering.**

# Introducing

## Morganite Crucible (India) Limited

Morganite Crucible (India) Limited is a division of Morgan Advanced Materials Plc, a UK-based company, and is a prominent manufacturer of high-functioning crucibles, foundry consumables, and allied refractory products.

We are a section of the Molten Metal Systems (MMS) Division and concentrate in providing melting solutions to foundries, die-casters, and metal melting facilities covering applications including zinc, precious metals, aluminium, copper, brass, and other non-ferrous metals.

Molten Metal Systems is a distinguished tech-driven enterprise, offering crucibles and engineered consumables to the metal industry. Our widespread knowhow and applications enable Molten Metal Systems to swiftly respond to customer requirements worldwide.

### GROUP LEGACY

With a century and a half of continuous engineering innovation, Morgan Advanced Materials has become a recognised name in crucibles and foundry products. The Company dates back to 1856 when six Morgan brothers began making their patented graphite crucibles in Battersea, now part of London, England.

### OUR OFFERINGS

We produce best-in-class silicon carbide crucibles, clay graphite crucibles, foundry, and allied products for ferrous and non-ferrous metal industries. Our products use industriously chosen materials to accurately match the traits and operational performance to each customer's metal melting, holding or transfer application, and come in diverse shapes and sizes.

### MANUFACTURING PROWESS

Our hi-tech manufacturing units are situated in Aurangabad and Mehsana, India. Besides maintaining a strategic manufacturing footprint, we have a wide sales and distribution network in India and around the globe, facilitating us to accommodate to varied customers competently.

## Our Vision

We are dedicated to make the finest possible use of advanced materials to propel progress and solve challenging problems for our customers and the world at large. We will prosper because we have expertise in three key areas –



### Materials Science

- Leading Technologists
- Extensive Institutional Knowledge



### Application Engineering

- Passion for Problem-Solving
- Culture of Knowledge Sharing & Collaboration



### Customer Focus

- Customer Fascination
- Deep Market Insight

## Our Core Values

We are driven by four core values in all the things that we do:



### Ambition

We aim to build our business promptly and sustainably.



### Innovation

We pursue fresh ways of outshining in all that we do.



### Integrity

We always act with honesty to preserve the trust of those that depend on us.



### Collaboration

We endorse one another actively and participate to each other's growth.

## Diversified Product Mix

Our product portfolio encompasses a broad range of crucibles and foundry products offered in distinct shapes and sizes. These products find function in a broad range of industries including mining, auto, industrial machinery, electrical equipment, and railways.

### Our products are extensively acclaimed for:

- Consistency ■ Execution ■ Energy proficiency
- Robustness ■ Uniformity ■ Quality

**MORGANITE ACE**  
Engineering Superior Performance

### Crucibles



Syncarb Z2e2



Suprex



Sigma



Excel & Himelt



Salamander



Ladle Liners

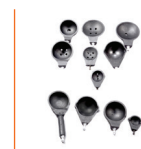
### Foundry Products



Degassing Rotors and Mobile Degassing Unit



Blue Lightning Thermocouple Sheaths



Skimmer Bowls



Nozzle



Stopper Rods and Heads



Launders & Liners



Morcem Cement



Tubes & Plunger Mix



Transfer Ladle

## Key Strengths

### Brand Recall

Strong parentage support, a well-built manufacturing infrastructure, and highly efficient processes, together with a skilled workforce form the backbone of Morgan. Morgan has proven itself to be the most recognised brand with immense expertise and profound domain knowledge acquired over the years. Its strong brand name has empowered the Company to gain over 40% market share in the industry.

### Technology Competence

We understand the importance of emerging technologies and remain focussed on strengthening our digital interventions. Robust technological prowess of the parent company facilitates us to propel innovation and stay at the forefront in the marketplace. We work in close alliance with our customers to understand their needs and provide personalised products and solutions for complex and demanding applications.

### Highest Quality Standards

We give utmost significance to quality superiority as it forms the foundation of the corporate philosophy. We ensure adherence to the most stringent quality standards. We retain a thorough quality management system based on ISO 9001:2015. We are

devoted in presenting greatest quality products and services and accomplish customer satisfaction.

### Strong Clientele

Our customers include some of the most respected and eminent corporates such as Tata Group, Indian Railways, Jindal Saw, Titan Company Limited, Sundaram Clayton Group and Mahindra CIE & Bajaj Auto, among others.

### Safety Standards

We aim for zero harm to everyone. We are continuously looking for avenues to make our factories, systems, and people safer. We are committed to performing all our activities in an approach that achieves high standards of health and safety for all employees and stakeholders.

### Ethics

Each one of us is accountable for the culture and repute of Morgan and the environment in which we operate. Our purpose is to make the world more sustainable and improve the quality of life. If we see examples of behaviours that do not justify our ethical standards, we show audacity, stand up, call it out and stop it.

# Message to Shareholders

We value the commitment of our investors in having faith in the leadership of the company, understanding of our business, our strategy, the market environment, and our governance arrangements.



## Dear Shareholders,

It is amidst singularly challenging times that I present you the Annual Report for Morganite Crucible (India) Limited for the year 2020-21.

The year 2020 was extremely difficult with the COVID-19 pandemic impacting every part of our business across the world. We saw the initial effects in China, with our Suzhou plant in China closed for an extended period beyond the Chinese New Year holidays. The quick spread of COVID-19 to Europe, the Americas and wider Asia forced governments all around the world to implement unprecedented lockdowns that disrupted economies, businesses and the society at large.

During recent times what has been an unprecedented pandemic, our first focus was to protect the health and safety of our employees. Since the outbreak of COVID-19, we have emphasised plant disinfection and improved hygiene, allowed our employees to work from home wherever possible, and continuously advised employees to practice COVID-19 appropriate behaviour - wash or sanitise their hands often, wear masks and follow social distancing. With all these protocols in place, we were able to keep our MMS plants operating through the second half of 2020.

As a result of lack of business demand compounded with supply-side disruptions, our revenue declined by 17%. However, due to our rapid cash management actions, we were able to maintain a healthy balance sheet which is a testament to the resilience and commitment of our people. I am proud to state that we were able to minimise any negative effect on people's employment and compensation during this very difficult period. I thank all our employees and related stakeholders for their hard work, perseverance and dedication.

### INDUSTRY SCENARIO

The gradual lifting of worldwide restrictions beginning in the second half of 2020. Stimulated by government incentives and the subsequent global vaccine rollout, demand bounced back in our key markets around the world. This restoration of market demand, combined with a more efficient operation

resulting from the pre-planned consolidation of the Mehsana site operations with Aurangabad positions, ensured your Company quickly resume the path to growth that we have been pursuing over the past few years.

We aim to deliver service-excellence, so that our customers feel valued and choose us as their 'go-to' supplier. We work cohesively with them, listening and engaging closely to their views and feedback. We develop lasting relationships with our customers based on mutual trust and constructive dialogue. We have been working closely with our customers to develop new solutions for their next-generation of products and processes.

We value the commitment of our investors in having faith in the leadership of the company, understanding of our business, our strategy, the market environment, and our governance arrangements. We always foster an open and transparent relationship with our investors to enable them to make effective investment decisions in the Company.

### OUTLOOK

With new strains of the COVID-19 virus emerging, business outlook remains uncertain with lockdowns and travel restrictions being maintained to some degree around the world. Nevertheless, in the second half of 2020-21, we experienced a rising trend in order intake, which is a positive development that we hope will persist in the coming year. Morgan's strategy implementation and continuous focus on improving product quality and new product development will be the key drivers of optimism and growth in 2021.

I would like to thank our employees, business partners and investors once again for their continued support in these difficult times and look forward to a healthy, safe and a successful year ahead.

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

# Managing Director's Review

I must especially appreciate and value how our employees responded throughout this crisis. They have shown great professionalism and commitment, adjusting quickly to new ways of working and looking out for one another.



Dear Shareholders,

I present Morganite Crucible (India) Limited's (MCIL's) Annual Report for the year 2020-21 – a year of that will long be remembered for the despair and disruption brought about by the COVID-19 pandemic. This is my third Annual Report after taking over the responsibilities as Managing Director of MCIL.

Safety of our employees has always been our top priority, and the outbreak of COVID-19 pandemic has further strengthened our focus on this area. We implemented a range of measures at our facility to protect our employees, including physical changes to layout and people flow, social distancing, requirements for additional protective equipment, additional hygiene, cleaning and disinfection protocols, insurance protection etc. We encouraged flexible working from home for required roles as well as introduced paid break for all to combat the stressful pandemic situation. These measures have helped us boost and maintain the confidence of our employees and they continue delivering their best performance even during challenging circumstances.

I must especially appreciate and value how our employees responded throughout this crisis. They have shown great professionalism and commitment, adjusting quickly to new ways of working and looking out for one another. During these hard times, few of our employees, business partners have lost their friends and loved ones. Our thoughts are with them and their families.

## FINANCIAL RESULTS

Business conditions were very difficult during the year and are expected to remain uncertain in coming year as well. The pandemic hit hard on global and Indian economies. In anticipation of such uncertainties, we proactively took many early steps to mitigate all potential risks by reducing our discretionary cost base and focussing on protecting our cash flows.

- As of March 31, 2021, we achieved revenue of ₹ 10,685 Lakhs, around 17% below the prior year.

- On a statutory reporting basis, operating profit was ₹ 893.64 Lakhs and loss after tax was ₹ ( 93.46). Earnings per share were ₹ (1.67) per share compared to ₹ 23.42 per share in the previous year.

We have had continuous focus on improving our operational efficiencies, improving product quality and ensuring health and safety of our employees. These enabled us to fight through these challenging times with minimal adverse impact. We also understand the importance of agility and to remain alert to the myriad of short and long-term changes that could impact our business. We took many early steps to ensure the long-term sustenance of our business.

## OUTLOOK

Against the backdrop of continuous lockdown in many states in India and across the globe, we are expecting the business to return to normalcy from the end of second quarter of 2021. We are witnessing positive momentum on order booking as OEM's are slowly gearing up after the pandemic learnings.

The pace of vaccination and the containment of pandemic in the large industrial geographies will critically influence industrial and economic growth in India as well as globally. Our technology teams have continued to make progress with the development of new materials and products. We are working with our customers, providing new material samples, supporting product qualification and facilitating the introduction of new products.

I would like to thank our employees for their engagement, care and support in 2020. On behalf of everyone at Morgan, I wish that you, our shareholders, and your loved ones keep safe and healthy as we navigate through these extraordinary times.

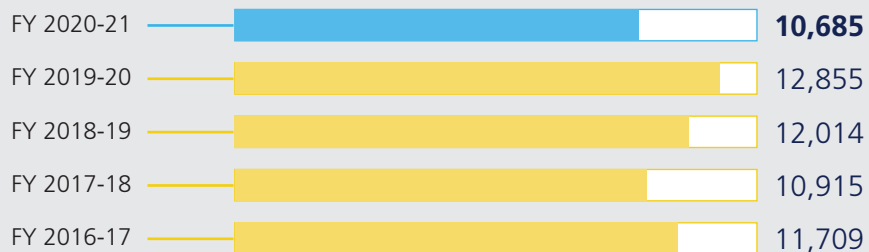
**Vikas Kadlag**

**Managing Director**

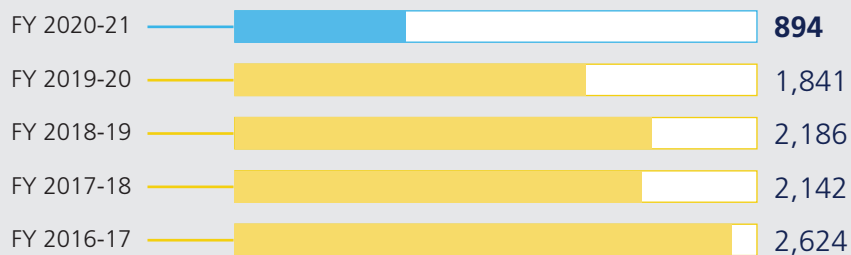
Morganite Crucible (India) Limited

# Our Financial Metrics

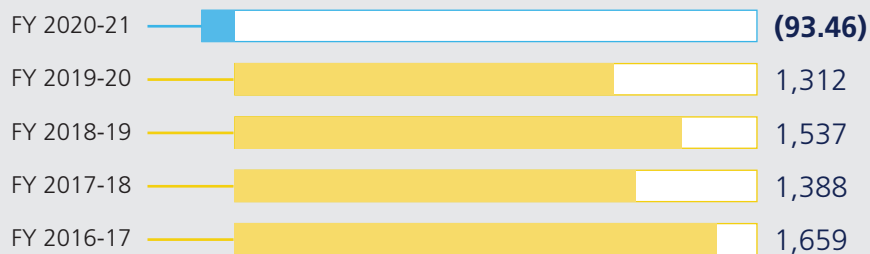
## Revenue (₹ in Lakhs)



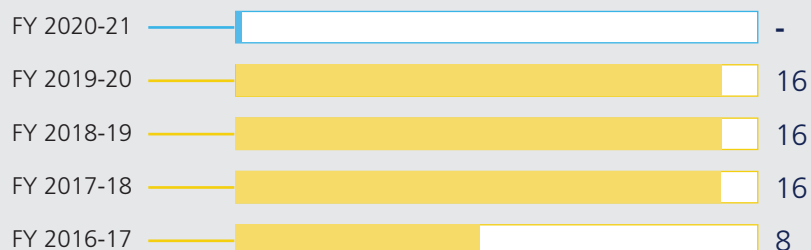
## Operating Profit (₹ in Lakhs)



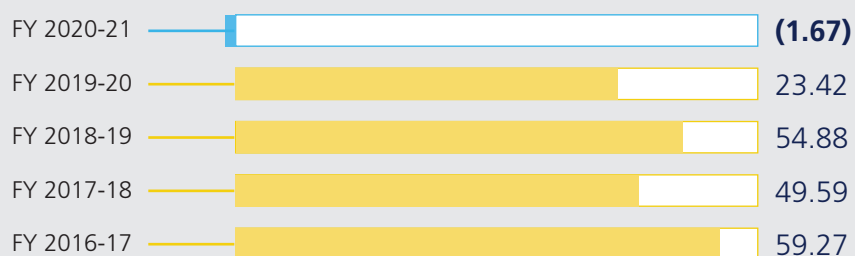
## Profit After Tax (₹ in Lakhs)



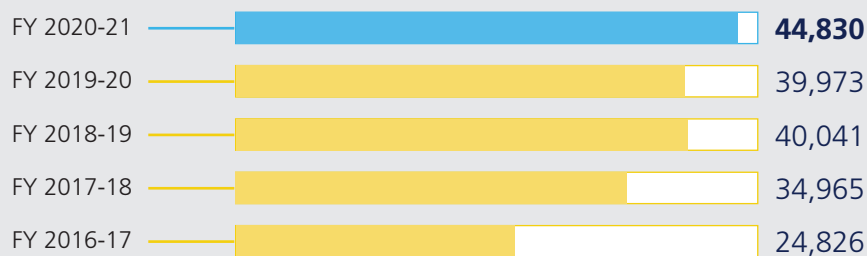
## Dividend Per Share (₹)



## Earnings Per Share (₹)



## Market Capitalisation (₹ in Lakhs)



# Corporate Information

## BOARD OF DIRECTORS

### Aniruddha Karve

Director

### Vikas Kadlag

Managing Director

### Martin Coll

Director

### Mukund Bhogale

Chairman & Independent Director

### Subhash Kolapkar

Independent Director

### Maithilee Tambolkar

Independent Director

## KEY MANAGERIAL PERSONNEL

### Vikas Kadlag

Managing Director

### Atithi Majumdar

Chief Financial Officer

### Rupesh Khokle

Company Secretary

## AUDITORS

### Deloitte Haskins & Sells LLP

Chartered Accountant

706, 'B' Wing, 7th Floor, ICC Trade Tower,

Senapati Bapat Road,

Pune – 411 016

Firm Registration No:

117366W/W-100018

## 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

The Hongkong and Shanghai Banking Corporation 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](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://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

# Boards' Report

## And Management Discussion and Analysis

To,  
The Members,

Your Directors are pleased to present the 36th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

### FINANCIAL PERFORMANCE:

	₹ in Lakhs	
Particulars	2020-21	2019-20
Revenue from Operations	10,685	12,855
Other income	409	664
<b>Total income</b>	<b>11,094</b>	<b>13,519</b>
Operating Expenses	9,475	10,539
Mehsana Relocation Cost	160	605
<b>Profit before finance cost, depreciation and amortisation</b>	<b>1,459</b>	<b>2,375</b>
Depreciation and Amortisation Expense	565	534
<b>Profit before tax &amp; exceptional item</b>	<b>894</b>	<b>1,841</b>
<b>Exceptional Items</b>	<b>310</b>	-
Provision for tax	677	529
<b>Profit after tax (Loss)</b>	<b>(93)</b>	<b>1,312</b>
Proposed equity dividend	-	448
Corporate dividend tax	-	-
<b>Total Outflow</b>	<b>-</b>	<b>448</b>

### PERFORMANCE REVIEW:

During the year under review, the Company has achieved net turnover of ₹ 10,685/- lakhs as compared to ₹ 12,855/- lakhs in the previous year. The gross profit before tax and depreciation were ₹ 1,459/- lakhs as compared to ₹ 2,375/- lakhs in the previous year. The operating expenses were down to ₹ 9,475/- lakhs as compared to ₹ 10,539/- lakhs in the previous year.

Due to COVID-19 pandemic and in view of various Central, State and Local Govt. Orders your Company were forced to temporarily suspend its business operations multiple times during the lock-down period in previous year. The gradual lifting of restriction enabled your Company to re-start business activity with minimum manpower with adhering all safety measures. The market demand drop resulting from the effects of the global pandemic has impacted revenue generation of your Company which is down by 17% as compared to previous year and PAT were 107%. However, your Company is confident

of a strong recovery once market demand normalises and our operations can continue un-interrupted.

The Board of Directors in their meeting held on February 10, 2021 and the members by way of postal ballot resolutions have approved sale of the company's land and building assets in Mehsana, Gujarat to M/s Manmohan Steel Traders at a consideration of ₹ 900/- lakhs.

Further, no other material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

### DIVIDEND:

In view of the diminished business performance of the company due to COVID-19 disruption and the cash outlay for the successful resolution of the APA and pending tax litigation, your Directors are compelled to suspend the payment of dividend for FY 2020-21 in order to preserve the strength of the Company's balance sheet. The Directors expect to reinstate dividend payments in FY2021-22 in view of improving market conditions.

### ECONOMIC SCENARIO AND OUTLOOK:

The previous year gone was dominated by the COVID-19 pandemic worldwide. Despite being battered by the national lockdown last year and continuing regional lockdowns, many key sectors are struggling to cope with the pent-up demand that had been unleashed in the second half of the year. The Indian economy was already struggling with a slowdown from the past few years and just when things were about to normalize, India was struck with an upsurge of the second wave of Covid-19 cases. This is now likely to shake the country's economic progress due to restriction in people and trade movement. Apart from the global disruptions caused by the pandemic, geopolitical tensions and realignments are leading to disruption in the global supply chains and these global trends need to be factored while calibrating strategy for economic growth. While the Indian GDP contracted by 7.3% in FY2020-21, it is expected to grow at 10% rate in FY2021-22.

With the start of the vaccination drive across the country, India is expected to track to a quicker recovery in the coming year. This and other proactive steps by the government and policy makers will certainly help the country's faster economic revival.

Globally, there are a number of spots of good economic recovery in our key markets in the Americas and Asia. The rollout of mass

vaccination in the European and American countries should provide a solid foundation to increasing business momentum in these markets in the coming months. However, volatility in intercontinental shipping costs and capacity may continue to depress global trading activity for the coming months.

### **Industry Insight:**

Despite the COVID-19 fallout, the foundry sector has improved after the second quarter in 2020. During May and June 2020, foundry units were affected due to the migration of migrant workers and regulations of COVID-19. The foundry sector improved mainly because of automobile, electrical, construction, industrial machinery and agricultural equipment demand have increased and are recovered to pre COVID levels.

In India's Union Budget 2021-22, more focus has been given to domestic manufacturing sector and ease of doing business. A balanced approach to foreign direct investment (FDI) will help to further strengthen India's attractiveness as an investment destination. It has also announced the scrapping policy of vehicles older than 15 years and also are offering incentives on the same, this will boost the demand for the new Automobile industry in India and the Foundry and also minimized the cost of raw material used to manufacture the casting. India is the one of the largest foundry casting exporters to the rest of the world which will have a cost-competitive advantage in the export market. Besides, an increase in import duty on automotive spare parts will be a boon for local manufacturers and will further increase the demand of foundry produce.

Your Company has already enhanced its capacity to meet increase demand of the products to be used in the foundry sector. Your Company has also been focusing on machined products to provide technological solutions to our customers for energy efficiencies.

### **EXPANSION PROJECT**

#### **Project Avatar – Phase II**

Due to COVID-19 outbreak in the last year the Project Avatar – II progressed slowly in view of availability of manpower, technical assistance from foreign vendors however your Company has completed the required milestones including installation of high temperature Kiln, shifting of LPG yard to new location, replacement of fire hydrant system, installation of sprinklers in the factory premises, administration building construction and shifting of remaining plant and machineries from Mehsana to Aurangabad site. Your Company has now initiated the construction of machining centre, new logistics & warehouse building and expected to complete the same by September-2021.

#### **Installation of Solar Roof-top**

Your Company has signed Power Purchase Agreement (PPA) with Amplus Solar for installation of 835 kWp at Aurangabad

site and has completed Phase-I installation of 540 kWp. The Company has also signed Net Metering Agreement with MSEDCL and applied for eligibility certificate with the Ministry for getting continuous benefit of subsidy from MSEDCL. Your Company has also started Phase-II installation for approximate 160 kWp and expected to be completed in a few months. The Company has also planned to complete remaining solar installation after construction of required building sections in the factory premises.

### **CHANGES IN SHARE CAPITAL**

The paid-up equity share capital of the Company stood at ₹ 280 lakhs as on March 31, 2021. During the year, the Company has not issued any shares or convertible securities and does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

During the year under review, your Company have sub-divided the equity share capital of the Company from ₹ 10/- to ₹ 5/- in order to improve the liquidity of the Company's equity shares and to make equity shares more affordable for the small retail investors. The Board of Directors and the Members in their respective meetings unanimously given the consent for such sub-division of share capital.

### **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. There are no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or others, which may raise a potential conflict with the interest of the Company or requires approval of the shareholders. No material contracts or arrangements with related parties were entered during the year. Further, the Company has not given any loans and advances which are in the nature of loans to any 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. During the fiscal year 2020-21, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

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 fellow subsidiaries 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.

In accordance to Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of the contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure - I** of this report.

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 have not provided any loans, given guarantees and made investments covered under Section 186 of the Companies Act, 2013.

#### **BOARD OF DIRECTORS:**

During the year under review, there has been no change in composition of Board of Directors. Your Company is in compliant with applicable provisions of Companies Act, 2013 and SEBI LODR regulations.

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

#### **BOARD EVALUATION**

As per provision of the Companies Act, 2013 and Regulation 17(10) the SEBI Listing Regulations, the annual evaluation process of the Board of Directors, as individual Director and Board as a whole, were carried out internally in the Board of Directors meeting held on February 10, 2021.

The Board Evaluation Form was circulated to all Directors on parameters such as board composition and quality, board

meetings and procedure, board development, succession plan and independent judgement etc. The entire Board has actively participated in every Board and Committee meeting having focused on adherence of corporate governance norms. Based on the outcome of the evaluation and feedback of the Directors, the Board and the Management have agreed on various action points which will be implemented in the coming financial year.

#### **INDEPENDENT DIRECTOR**

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 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 four times on June 16, 2020, August 7, 2020, November 10, 2020 and February 10, 2021. The 35th Annual General Meeting was held on August 6, 2020. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

#### **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:**

The Board considers that risk management and internal control are fundamental to achieving the Morgan Group's aim of delivering long-term sustainable growth. The Risk Framework covers business, operational and financial risks reviewed by the Committee on a periodic basis. The severity of each risk is quantified by assessing its inherent impact and mitigated probability to ensure that the residual risk exposure is understood and prioritised for control to avoid future implications.

As a result of the review, the number of actions were identified to continue to improve internal control and management of risks including adoption of protocol to protect the workforce from COVID-19.

The Morgan Group is willing to take considered risks to develop new technologies, applications, partnerships and markets for its products and to meet customer needs. The Morgan Group strives to eliminate risks to product quality and health and safety, which are essential to the success of our products and the safety of our people and contractors.

During the year, the Committee in its meeting held on February 10, 2021 has reviewed risk relating to competition, operations, people management and development, product quality, technological obsolescence, quality of contract, compliances, tax related matters, macroeconomics & political environment 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 believes, commitment towards social responsibility is key to equitable growth and upliftment of the society that can benefit us all by encouraging moral of the society at respectable position.

Your Company's CSR efforts continue to focus on education, skill development, healthcare and hygiene and all such other activities as mentioned in the Corporate Social Responsibility Policy. We have undergone various CSR programmes during the year on maintaining hygiene at schools, green belt development at nearby industrial area and providing basic amenities to orphanage home etc. In compliance with the provisions of Section 135 of the Companies Act, 2013, during FY 2020-21, your Company has spent ₹ 6.71 Lakhs and balance is identified for ongoing projects which will be spent in coming years.

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 – II** 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.

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 available on the website of the Company at - <http://www.morganmms.com/en-gb/investors/>

During the year, the Nomination and Remuneration Committee met once on June 16, 2020.

The details of remuneration to Directors & KMP and other details as prescribed is given as **Annexure – III** to this report.

#### **PARTICULARS OF EMPLOYEES:**

During the year under review, no employee was in receipt of remuneration of ₹ 102 lakhs or more or employed for part of the year and in receipt of ₹ 8.50 lakhs or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The prescribed particulars of Employees required under section 134(3)(g) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – III** and forms a part of this Report of the Directors.

#### **CORPORATE GOVERNANCE:**

As required under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, your Company has complied with required regulations and provision of the Companies Act, 2013. A separate section on the auditors' certificate regarding compliance of conditions of Corporate Governance is provided separately.

#### **CODE OF CONDUCT**

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. The Managing Director Certificate on affirmation to the Code of Conduct is attached as part of Corporate Governance Report.

#### **PRODUCT QUALITY AND CERTIFICATIONS:**

The Technical Services and Product Development (TSPD) team continues to strive its commitment for providing the highest quality of products and services to our customers across the globe. Our purpose is to make more efficient use of world's resources and to improve quality of life. We continuously review and analyse a set of quality parameters for improvement of overall quality of the product. This purpose, guides our actions, aiding our efforts to work with our environment,

informs how we treat our people and ensures we fulfil our responsibility of good corporate governance. The TSPD team has continuously focused on new product development and product enhancement by introducing process improvement changes and various re-engineering and re-designing projects. Your Company is also giving greater focus on riser tube, transfer ladle for non-ferrous application, aluminium degassing, hopper linings, anti-vortex plates, aluminium scrap melting, ductile iron flow control and induction furnace crucibles etc.

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):

We are committed to conducting all our activities in a manner that achieves high standards of health and safety for all employees and stakeholders. The Morgan Group's aspiration always be 'zero harm' to our employees. Preventing fatalities and serious injuries continues to be a focus in the organisation. We are pleased to report that your Company has achieved total 1872 LTI free man days with 4.28 million man hours which means we have had no employee or contractor fatalities in the past five years.

### WORKING SAFELY DURING THE PANDEMIC:

Although our teams have now settled into new ways of working, we have not lost sight of the requirement to always working safely. We have put in place stringent physical and procedural COVID-19 control measures to ensure the safety of our people, contractors and visitors. During the year we have provided a COVID-19 secure environment, in line with World Health Organization and local jurisdictional guideline.

In 2020, we conducted trainings on the topics of manual handling, challenging positively and 'we care, we check'. Despite the pandemic, we have continued to investigate near misses proactively and generated a safety alert focusing on high-risk activities related to COVID-19.

There were no lost time accidents in your Company's sites, however during the year, there were 12 non-LTA injuries and 16 significant near misses 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.

At Morgan we recognise the importance of our people, and we strive to support their wellbeing. We have built up a grass-roots wellbeing programme called 'Better You, Better Life', which supports our purpose of improving the quality of life. In a similar way to our Morgan safety week, the programme

runs activities across the Group to promote healthy choices and encourages our people to take part.

### OPERATIONAL, HEALTH AND SAFETY IMPROVEMENTS:

- Created awareness through the FMO and respective management representatives on regular basis.
- CTO & Consent renewal under process
- CIP Plant commissioning completed and plant running successfully.
- Obtained PESO permission for use of new LPG yard.
- Various automation projects on improving productivity has been completed.
- Procured Kiosk for improving the Safety trainings to all employees.
- Installation of New STP & Shifting of ETP is completed, commissioning under progress.
- Installed art fire hydrant & sprinklers as per statutory norms.
- New high capacity Kiln & Oven commissioning completed
- Avatar phase 2 civil activities for machining product and new logistic is under progress.

### Well-being:

- MCIL, Aurangabad has achieved the mile stone of 5 Years without Lost Time Accident.
- Runner-up prize for Global CAPEX & Ergonomic competition
- Focused on "Contractor Safety Management".
- Allocated E learning (refresher) courses to all staff & company workman.
- Continuous monitoring of body temp. & Oxygen level of all employees, visitors at gate entrance.
- Annual medical check-up for all employees with additional parameters conducted & necessary counselling provided through medical experts.
- Strict implementation of COVID-19 protection protocol has been in place since Mar.2020 covering entry gates, canteen management, toilets & facility sanitization.
- Provided the FFP2 mask & other PPEs.
- Provision of soap dispensers & automated sanitizers, sanitization booths at all entry points.
- Provision of tables with partitions and use of disposable dishes, glasses at canteen.

- Sanitization of work place, offices, project sites on daily basis and in between two shift for shop floor.
- Sanitizations of all vehicles at gate
- RTPCR / RAT test camp for all employee as per local authorities guidelines.

## FINANCE AND TAXATION:

During the Financial year 2020-21, your Company has made all statutory compliances under Goods and Service Tax Act, Income Tax Act, Foreign Trade Policy, Customs Act etc. During the year your company has not received any new show cause notices (SCN) or demand note for non-compliances. During the financial year 2020-21, your Company has liquidated accumulated IGST input credit of INR 557 Lakh as per provision of GST law. Our VAT assessment till FY 2016-17 has been completed and refund order received from the Department.

Your Company has continued to apply for Export Incentives under Merchandise Exports from India Scheme (MEIS) as part of the Foreign Trade Policy 2015-20. During the year 2020-21, we have received Duty Benefit Scripts amounted to ₹ 79 Lakhs. The process of claiming MEIS benefit is established and we are receiving MEIS duty benefit scripts on regular basis.

MCIL Advance Pricing Agreement (APA) with the Central Board of Direct Tax (CBDT) is in the final stages and we are awaiting final approval from CBDT. Once APA will be signed, this will be an important milestone as it will give certainty in tax treatment on transactions with our parent company as well as other Morgan group companies.

## ETHICS AND LEGAL GOVERNANCE:

The Morgan Code underpins our commitment to our people, our communities, our customers, our suppliers and our shareholders. It defines how we do business ethically and safely. The Morgan Code is a set of principles (supported by Group policies) that lay out how we should conduct ourselves. The Morgan Code applies to all employees and to the extent appropriate, to Morgan's business partners including agents, joint venture partners and third-party representatives.

The Morgan Code has four sections i.e working safely, working ethically, treating our people fairly and protecting our business. The refresher training has been given to all employees and workers periodically. It requires our people to operate not only in accordance with applicable laws and regulations, but also in line with internal rules and reporting requirements relating to areas such as ethical business behaviour, trade compliance, hospitality, gifts, donations and sponsorships.

## Ethics and Compliance Training Programme

In compliance with Morgan Group's guidelines, your Company has given e-learning training programme to all employees on various topic of anti-bribery and corruption, conflict of interest and anti-competitive practice. Apart from employees, we have also updated the various changes in the Morgan policies to workers and contractual labours. Your Company shall continue

to engage in various training programmes in coming year on various topics for refreshing the knowledge.

## Ethics 'speak-up' hotline

During last year, the refresher speak-up training has been given to all employees & workers. The face to face training program on various policies of the Morgan Group have been given to third parties and vendors with following all COVID-19 precaution guidelines.

The employees, contractors or other third parties who have a question about the Code or see something that they feel is unethical or unsafe can discuss these with their managers, supporting teams, or through the ethics hotline, a confidential helpline operated by an independent company.

The ethics hotline, operated by the independent third-party company EQS, enables employees and others who are aware of, or suspect, misconduct, illegal activities, fraud, abuse of Company's assets or violations of any Group policy to report these confidentially without fear of retribution should they feel they cannot use a local channel. During the year, your Company has not received any complaint about frauds, misconduct etc. from anyone in the organisation or outside third parties.

Further, in compliance with SEBI LODR regulations and the provisions of Companies Act, 2013, the policy is also available on the website –

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

## Compliance Commitment

Your Company is committed to follow all applicable local, central and international laws & regulations wherever we operate. The Compliance Officer submits quarterly compliance report to Audit Committee and Board Members on various applicable laws to the Company and its compliance status thereon. During the year, your Company has not identified any non-compliance relating to various statute applicable to the Company which affects the business operation.

## HUMAN RESOURCES:

Morgan believes our people are responsible for the culture and are the driving force behind our success. In return we aim to be an open and engaging organisation where everyone feels valued and appreciated. Our key principle is that 'it is not just what you do, but how you do it that is important'. We use our leadership behaviours and the Morgan Code to guide the actions we take. This helps us to achieve our strategic aim of delivering performance and value creation for our stakeholders.

Further, we continue to empower our employees to make them more productive and efficient in their respective areas. We strive to maintain collaborative, non-discriminative and safe working culture in the organisation. We promote equal opportunities for all employees and job applicants, and do not unlawfully discriminate on the grounds of gender, pregnancy/

maternity leave, marriage/civil partnership status, race, disability, sexual orientation, age, religion or belief etc.

Your Company believes that we need to recruit a diverse range of professionals to help in solving our customers' challenges, including materials scientists, application engineers and functional specialists. Our focus will remain continue in recruiting and developing talent, to promote our culture and ensure diverse representation in the organisation.

We expect every employee to perform at their best, reach their full potential and feel rewarded for what they do. During last year, although face-to-face training per person has been decreased due to the pandemic however we focused on virtual learning offering to our employee. The specific training on enhanced protective measures to combat the COVID-19 was prioritised. In addition, we have provided wider access to e-learning resources, which employees can utilise on an ad-hoc basis to develop.

During the year, your company has organised nearly 506 man-days training on 82 of various topics against 508 man-days on 83 topics as compared to previous year for nurturing existing people's talent and motivating them to attain organisation goals. The employee turnover ratio was 8.08% as compared to 19.02% as compared to previous year.

The principle of pay for performance underpins our compensation approach and we set compensation levels using external benchmarking and relevant commercial considerations that are both competitive and affordable. We offer short-term performance incentives to our managers, and technical and functional experts. 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 Succeeding Together, Sales Effectiveness, Lean Management, Ethics & Contractor Safety Management, Importance of Aluminium & Alloys Degassing, Model Selection & Assembly Challenges, Aluminum Foundry & Morgan MMS Products Offering, DI Pipe Manufacturing, Effective Preventive, Predictive & Proactive maintenance, Effective Supply Chain Management, Empowerment of Frontline Leads, Finance for Non Finance, Fire Fighting, Induction Crucible -Selection & Installation, Safer Precaution for COVID-19, Purchase Negotiations Skills, Root Cause Analysis, Sigma process flow chart, Master Class in Logistics, Flammable liquid and other technical and functional trainings to the employee and workmen of the Company.

Effective engagement enables our employees to contribute to improving Morgan's business performance. We keep employees informed about what is happening across the business, including Company results, major business decisions,

and other matters which affect them. We seek to maintain constructive relationships with all trade and labour unions across the geographies in which we work.

In 2020, the COVID-19 pandemic sharply elevated the need for strong employee communications and two-way feedback for our people. As a result, we provided regular updates using a variety of communication channels, to keep our people updated on our mitigating actions to deal with the pandemic. Our principle has been to reach our people first to discuss the impact on the business of what is happening locally and globally.

## AUDITORS:

### Statutory Auditors

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Pune (Registration No. 117366W/W-100018) were appointed as statutory auditor of the Company for a further period of five years from conclusion of 35th Annual General Meeting until conclusion of 40th Annual General Meeting as per approval of the members in the 35th Annual General Meeting on such professional fees and charges as mutually agreed between M/s Deloitte Haskins & Sells LLP and the Company.

The report is given by the Statutory 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 Statutory Auditors in their report.

### Secretarial Auditor

M/s KMP & Associates, (FCS9710 / COP 11947) Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for financial year 2020-21 forms part of the Board's Report as **Annexure - IV**. The Board has continued appointment of M/s KMP & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2021-22.

There has been no qualification, reservation, adverse remark or disclaimer given by Secretarial Auditor in their report. The cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company during previous financial year.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has overall responsibility for establishing and maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing the effectiveness of this system. 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 2020-21. 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 reviewed the adequacy and effectiveness of the implementation of audit recommendations, including those relating to strengthening your company's risk management policies and systems.

In compliance with 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 consider that the internal financial control provides reasonable assurance in the area of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations safeguarding of Company's assets, transactions are authorised and recorded in a correct and timely manner and that such controls would prevent or detect, within a timely period, material errors or irregularities. The system is designed to mitigate and manage risk, rather than eliminate it and to address key business and financial risks. The Company has continued emphasised to align all its processes and controls as per Morgan Group's guidelines and policies.

Your Company as well as statutory, internal & secretarial auditors 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 2020-21 however have made certain recommendation for continuous improvement of the process.

#### **ANNUAL RETURN:**

In accordance with Section 92 and Section 134 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website - <https://www.morganmms.com/en-gb/investors/>

#### **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, 2021, 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.

#### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("the IEPF rules") all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat Account of IEPF Authority.

During the year, your Company has transferred the unpaid and unclaimed dividends for the financial year 2012-13 of ₹ 53,671/- to IEPF Authority.

#### **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 - V** to the Board's report.

#### **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,

**Vikas Kadlag**  
(Managing Director)  
DIN: 05122774

**Aniruddha Karve**  
(Director)  
DIN: 07180005

Place: Aurangabad  
Date: May 31, 2021

# Annexure – I

## FORM NO. AOC-2

April 1, 2020 to March 31, 2021

Particulars of contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which are not at arm's length basis.

### Details of contracts or arrangement or transactions at arm's length basis

No material Related Party Transactions i.e. 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. The details of transactions with Related Parties are as follows:-

Name of the related party	Nature of Relationship	Duration of Contract	Nature of Transactions	Amount (₹ in Lakhs)
Morgan Advanced Materials plc.	Ultimate Holding Company	Not applicable	Management Charges and Trademark charges	628.07
Morgan Advanced Materials plc.	Ultimate Holding Company	Not applicable	Reimbursement of Expenses	81.93
Morganite Crucible Limited	Significant Influence – Holding Company	Not applicable	Payment of Dividend	155
Morgan Terreassen BV	Significant Influence – Holding Company	Not applicable	Payment of Dividend	147
Morganite Crucible Inc.	Fellow Subsidiary	Not applicable	Sale of finished goods	790
Mkgs. Morgan Karbon Grafit	Fellow Subsidiary	Not applicable	Sale of finished goods	8
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Sale of finished goods, raw materials	41
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	362
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Reimbursement of expenses - Service income	13
Morgan Molten Metal System GmbH	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	558
Morgan Molten Metal System GmbH	Fellow Subsidiary	Not applicable	Reimbursement of expenses - Service income	14
Morgan Molten Metal System GmbH	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	17
Morganite Brasil Ltda.	Fellow Subsidiary	Not applicable	Sale of finished goods	63
Grupo Industrial Morgan, S.A. De C.	Fellow Subsidiary	Not applicable	Sale of finished goods	21
Morganite Carbon Kabushiki Kaisha	Fellow Subsidiary	Not applicable	Sale of finished goods	86

Name of the related party	Nature of Relationship	Duration of Contract	Nature of Transactions	Amount (₹ in Lakhs)
Dalian Morgan Refractories Ltd	Fellow Subsidiary	Not applicable	Sale of finished goods	-
Morgan Advanced Materials (Taiwan) Co.	Fellow Subsidiary	Not applicable	Sale of finished goods	-
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	11
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Purchase of capital goods	21
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Sale of finished goods	0.03
Thermal Ceramics Limited (UK)	Fellow Subsidiary	Not applicable	Purchase of raw material	0.78
Morgan Ceramics Aisa Pte. Ltd.	Fellow Subsidiary	Not applicable	Purchase of raw material	-
Morgan Ceramics Middle East FZE	Fellow Subsidiary	Not applicable	Sale of finished goods	-
Morgan Advanced Materials India Pvt Ltd.	Fellow Subsidiary	Not applicable	Reimbursement of expenses - Service income	42
MORGAN AM&T B.V. NETHERLANDS	Fellow Subsidiary	Not applicable	Sale of finished goods	0.47
Mr. Vikas Kadlag	Managing Director	Not applicable	Remuneration and sitting fees	58
Mr. Atithi Majumdar	Chief Financial Officer	Not applicable	Remuneration	38
Mr. Rupesh Khokle	Company Secretary	Not applicable	Remuneration	16
Mr. Martin Coll	Non-Executive Director	Not applicable	Sitting Fees	-
Mr. Aniruddha Karve	Non-Executive Director	Not applicable	Sitting Fees	-
Mr. Mukund Bhogale	Non-Executive Independent Director	Not applicable	Sitting Fees	0.80
Mr. Subhash Kolakpar	Non-Executive Independent Director	Not applicable	Sitting Fees	0.80
Ms. Maithilee Tambolkar	Non-Executive Independent Director	Not applicable	Sitting Fees	0.80

# Annexure – II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web link to CSR policy and projects or programmes	<p>Morgan's CSR policy envisages on better society development, to create self empowered communities, reach out to the destitute population to upbring their lives. Morgan continue to focus on child's education and continuously supporting to local schools and orphanage enable them to get quality of education, facilities to build the better future of the country.</p> <p>Morgan's CSR policy is available on Company's website  <a href="http://www.morganmms.com/en-gb/investors/">http://www.morganmms.com/en-gb/investors/</a></p>					
2	Composition of CSR Committee	<ol style="list-style-type: none"> <li>1. Mr. Mukund Bhogale (Chairman and Independent Director)</li> <li>2. Mr. Aniruddha Karve (Non-Executive Director)</li> <li>3. Mr. Martin Coll (Non-Executive Director)</li> </ol>					
3	Average net profit of the Company for last 3 financial years	₹ 2,054.32/- lakhs					
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 41.09/- lakhs					
5	Details of CSR spent during the financial year						
	(a) Total amount to be spent for the financial year;	₹ 6.71/- lakhs					
	(b) Amount unspent, if any;	₹ 34.38/- lakhs (Identified for on going project)					
	(c) Manner in which the amount spent during the financial year is detailed below.						
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency*
1	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water	Maintaining quality of soil, air & water. MIDC Green Belt Development The Company have made tree plantation in Maharashtra Industrial Development Corporation (MIDC) open plot in the previous year and this year focused towards their maintenance like regular fertilisers, periodical watering etc.	Local Area	05.00	3.57	1.43	Direct

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency*
2	Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Eradication of hunger and preventive health care and sanitation Due to the Covid-19 pandemic, there was a complete lockdown, due to which many people faced hardship and also factory was closed. In this situation the Company donated towards distribution of food to unemployed & migrant workers. Distributed face shields & Sanitisation to local police station and hospitals for protecting from infection of Corona virus	Local Area	5.00	2.17	2.83	Direct
3	Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Eradication of poverty and malnutrition, promoting preventive health care The Urmi Foundation provides staying and education facility of orphaned children at nearby Aurangabad location. The NGO runs without any Govt. aids and with help of CSR funds the children/ students of the Orphan Age attends the school and colleges. The Company has provided beds, cupboards and other furniture during last year to the NGO and provided food grains and groceries for more than 6 months.	Local area	2.00	0.96	1.04	Direct
4	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;	The Company is planning to engage skilled students from different universities and colleges for imparting skill trade training for a period of certain years.	Local area	29.00	0.00	29.00	Direct

**Mr Vikas Kadlag**  
(Managing Director)

**Mr Mukund Bhogale**  
(Chairman CSR Committee)

## Annexure – III

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(Q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(Amt ₹ in Lakhs)

Name	Age	No. of Shares Held	Designation	Remuneration	Qualification	Experience (Years)	Date of Commencement of employment	Previous employment and position hold
Vikas Kadlag	48	NIL	Managing Director	57.60	Bachelor of Production Engineering	26	January 01, 2019	Metalis India Managing Director
Atithi Majumdar	49	NIL	Chief Financial Officer	37.70	Cost and Management Accountant	20	March 15, 2013	Allied Blenders & Distillers Pvt Ltd Head Plant Accounts
Ramdas Chitalkar	55	NIL	DGM Technology	32.00	Master in Science	30	July 24, 1990	First Employment
Sanjay Dubey	44	NIL	AGM – Technical Services and Product Development	27.42	Master in Material Science and Technology	20	June 29, 1999	First Employment
Rahul Kshirsagar	47	NIL	Assistant general Manager - HR IR & Admin	23.57	Masters in Personnel Management	20	January 30, 2020	Concentrix India Ltd. Senior Manager – HR, IR
Santosh Badve	52	NIL	Manager - Manufacturing Engineering	21.58	Diploma in Automobile Engineering	30	December 14, 2017	Yashshree Press Components Senior General Manager
Chetak Mahajan	44	NIL	Manager - EHS	20.44	Diploma in Chemical & Petro Chemical & Diploma in Fire Safety	20	February 19, 2018	Toyo Engineering India Pvt Ltd Principal Engineer - EHS
Popat Pawar	55	NIL	Senior Manager - Quality	20.13	BSC & Diploma in Industrial management	33	July 11, 1991	Ajay Metachem Pvt. Ltd. Inspection Incharge
Vikram Nalawade	41	NIL	Senior Manager - Sales	19.74	Mechanical Engineering	20	March 03, 2008	Atul Auto Ltd. Sales Manager
Nikhil Patil	38	NIL	Material Scientist - Technology	17.95	Master of Science in Material Science	11	March 22, 2016	Bosch Limited Asst. Manager – R & D

## 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 2020-21

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Vikas Kadlag	Managing Director	7.58	Not Applicable

**Note:**

- Employees for the purpose above include all employees excluding employees governed under collective bargaining.
- ii. The percentage increase in remuneration of Chief Financial Officer and Company Secretary during the financial year 2020-21 -

Name	Designation	Percentage increase in Remuneration
Atithi Majumdar	Chief Financial Officer	8.10%
Rupesh Khokle	Company Secretary	8.10%

**Note:**

- For calculating percentage increase in remuneration salary as per form 16 has been considered.
- iii. The percentage increase in the median remuneration of Employee for the financial year was 8.10 per cent.
- iv. There were 83 employee staff and 62 workers on rolls of the Company as on March 31, 2021.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 8.10 per cent. The average increase in employee remuneration shows competitive market and general market practice.
- vi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

# Annexure – IV

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

### SECRETARIAL AUDIT REPORT OF

#### M/S. MORGANITE CRUCIBLE (INDIA) LIMITED

For the Financial Year ended 31<sup>st</sup> March, 2021

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.

Due to COVID-19 Pandemic situation we have not physically verified the documents, information however based on information provided on electronic mode by the Company we have verified 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 31<sup>st</sup> March 2021 (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 31<sup>st</sup> March 2021 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);**
- i. Further the management has confirmed that there are no industry specific Act Applicable to the Company.

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.
- (ii) The Company has filed various returns and forms under the Listing agreement with the Bombay stock exchange, are in compliance with the provisions of the respective statutes, beyond the time specified in the Listing agreement.

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.

**For KMP & Associates  
Company Secretaries**

**CS Mandar Takalkar**

Partner  
FCS 9710  
COP 11947  
UDIN: F009710C000403444

Date: 31.05.2021  
Place: Aurangabad

**(Note: 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 since the same have been subject to review by statutory financial audit and other designated professionals, and is not covered under the scope of statutory audit.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KMP & Associates**  
**Company Secretaries**

**CS Mandar Takalkar**

Partner

FCS 9710

COP 11947

UDIN: F009710C000403444

Date: 31.05.2021

Place: Aurangabad

# Annex-A

## SECRETARIAL COMPLIANCE REPORT OF MORGANITE CRUCIBLE (INDIA) LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

I, Mandar Ganesh Takalkar Partner of KMP & Associates Company secretaries have examined the documents online due to COVID 19 Pandemic:

- (a) all the documents and records made available to us online and explanation provided by Morganite Crucible (India) Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31<sup>st</sup> March 2021 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable)** and based on the above examination,

I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines/including clause)	Deviations specific	Observation /Remarks of the practicing company secretary
1.	NIL	NIL	NIL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action Taken by	Details of violation	Details of action taken	Observations remarks of PCS
1.	NIL	NIL	NIL	NIL

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the practicing company secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March 2020	Action Taken by listed entity	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	NIL	NIL	NIL	NIL

#### For KMP & Associates Company Secretaries

#### CS Mandar Takalkar

Partner

FCS 9710

COP 11947

UDIN: F009710C000403444

Date: 31.05.2021

Place: Aurangabad

# Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**The Members of  
MORGANITE CRUCIBLE (INDIA) LIMITED  
B-11 MIDC INDUSTRIAL AREA, WALUJ, AURANGABAD MH 431136 IN**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Morganite Crucible (India) Limited having CIN L26920MH1986PLC038607 and having registered office at B-11 MIDC Industrial Area, Waluj, Aurangabad MH 431136 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR KMP & ASSOCIATES**

Company Secretaries

**Mandar Ganesh Takalkar**

Partner

FCS No. 9710

CP.No. 11947

UDIN: F009710C000514687

Date: 25/06/2021

Place: Aurangabad.

# Annexure V

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:

- Planned solar installation for reduction in electricity bills
- Waste heat recovery from Kilns
- Upgradation in Ovens for energy saving

## B. Technology Absorption, Adaptation & Innovation:

The efforts made towards technology absorption –

- IP protection initiative taken and so far two project are successfully filed and both are under examination
- Focusing on the new materials development for next generation products.
- New binder development for high temperature application
- Non-wetting and erosion resistance coating development
- Developing additives and new mix to reduce firing temperature which will reduce the energy consumption.
- R&D investment is planned to develop internal testing capability for material analysis to enhance the speed of new material development. Test foundry in under commission
- 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.
- Foundry products for non -ferrous application such as energy efficient and longer life transfer ladle for aluminium molten metal transfer
- Technology transfer for XL Rib forming crucible

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

- IPR protection
- Better customer service and reliability of product performance
- 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 2020-21 for reporting purpose.

## Foreign Exchange Earnings and Outgo:

	(₹ in Lakhs)
Foreign Exchange Earnings	5,658.79
Foreign Exchange Outgo	2,722.93

For and on behalf of the Board,

**Vikas Kadlag**  
(Managing Director)  
DIN: 05122774

**Aniruddha Karve**  
(Director)  
DIN: 07180005

Place: Aurangabad  
Date: May 31, 2021

# Corporate Governance Report

## 1. MORGAN GROUP'S PHILOSOPHY ON CODE OF GOVERNANCE

The Morgan Group's Corporate Governance framework guides to achieve business strategies and ensures commitment to behaving with integrity, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Morganite Crucible (India) Limited ("the Company") business practices are aligned with the Morgan Group's core value i.e. Innovation, Collaboration, Integrity and Ambition. The Company is continuously emphasizing 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 Board of Directors of the Company places great emphasis to adhere sound corporate governance practices in setting-up of clear objectives and appropriate ethical framework, establishing due processes, safety of the employees & stakeholders, providing for transparency and clear enunciation of responsibility and accountability, implementing sound business practices, 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 organization 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, 2021 the Board comprises of 6 Directors out of which 5 are Non-Executive Directors (more than 80% of the total Board strength) and among these 5 Non-Executive Directors, 3 are Independent Directors. The composition of the Board is in conformity with the requirements of Regulation 17 of Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 with optimum combination of Executive, Non-Executive and Independent Directors with at least one Woman Director and not less than fifty percent of the Board comprising of Non-Executive Directors. The Chairman of the Board of Director is Non-Executive Independent Director with fifty percent of Board comprises of Independent Director. During the year, the Board of Directors met on 4 (four) occasions on June 16, 2020, August 7, 2020, November 10, 2020, and February 10, 2021. The details of composition of the Board of Directors, 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	Last AGM
Mr. Mukund Bhogale (Chairman)	Non-Executive Independent	-	-	4	Yes
Mr. Vikas Kadlag (Managing Director)	Executive	-	-	4	Yes
Mr. Aniruddha Karve (Director)	Non-Executive	-	-	4	Yes
Mr. Subhash Kolapkar (Independent Director)	Non-Executive Independent	-	-	4	Yes
Ms. Maithilee Tambolkar (Independent Director)	Non-Executive Independent	-	-	4	Yes
Mr. Martin Coll (Director)	Non-Executive	-	-	4	Yes

# excludes directorship in private limited companies, alternate directorship and companies incorporated outside India

- There are no Nominee Directors on the Board
- There are no inter-se relationship between Board members
- As on date of this report, none of Non-Executive Director has attended the age of seventy five years.
- As per Regulation 17A, none of the Director held directorship in more than 8 listed entities and none of the Independent Director (ID) is serving as ID in more than 7 listed Companies.
- Mr. Vikas Kadlag, Managing Director of the Company is not serving as Independent Director in more than 3 listed entities.
- None of the Director occupies any position in other listed entities.
- During the previous year, due to Covid-19 pandemic, the Board of Directors Meetings and 35<sup>th</sup> Annual General meeting were conducted through video conferencing mode.

#### **b. Board Evaluation**

Pursuant to provisions of Regulation 17(10) of the SEBI LODR Regulations and the provisions of the Companies Act, 2013, an evaluation of independent directors were carried out by the entire Board of Directors in the Board of Directors Meeting held on February 10, 2021 on the parameters including participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity, maintaining confidentiality and fulfilment of the independence criteria as specified in the SEBI LODR Regulations and their independence from the management.

The Board Evaluation as a whole were carried out on Board composition and quality, Board meetings and procedure, Board development, succession plan and independent judgement etc. The Board members given suggestions to be implemented from subsequent Board meetings.

#### **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 have 3 independent directors on Board as on March 31, 2021 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, reviewed the performance of non-independent directors and Board as a whole as well as reviewed the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive director and assessed the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties. Further, the independent directors of the Company apart from receiving sitting fees, have no material pecuniary relationship with promoter or any subsidiary company.

The independent directors have 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 responsibilities are provided in this report.

#### **d. Familiarization Program for Independent 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. 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/>

#### f. Membership in Board Committees

As per Regulation 26 of the SEBI Listing Regulations none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all public limited companies in which he/she is a Director. All Non-Executive Non-Independent Directors are liable to retire by rotation.

### 3. BOARD COMMITTEES:

In compliance with SEBI LODR Regulations and as per the applicable provisions of Companies Act, 2013, the Company has constituted various committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Board periodically reviews the composition and terms of reference of its Committees complying with amendments/modifications to the provisions relating to composition of Committees under the SEBI LODR, Companies Act, 2013 and the Rules issued thereunder. 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. Mr Martin Coll – 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 terms of reference of the Audit Committee are very wide and are in line with the regulatory

requirements mandated by SEBI LODR and 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 financial results including auditor's review report and annual financial statements and auditor's 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 over financial reporting 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 depends on the expertise and knowledge of the management, the internal auditor and the statutory auditor. The management is responsible for the preparation, presentation of the Company's financial statements, accounting and financial reporting principles in fair and transparent manner. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration No. 117366W/W-100018), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

The Committee met 4 (four) times during the year under review. The Committee meetings were held on June 16, 2020, August 7, 2020, November 10, 2020, and February 10, 2021. 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 were 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	4
Mr. Subhash Kolapkar	4
Ms. Maithilee Tambolkar	4
Mr. Martin Coll	4

The Chairman of the Audit Committee was present at the 35<sup>th</sup> Annual General Meeting of the Company held on August 6, 2020 to address the shareholders queries. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer and Statutory Auditor of the Company.

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. Aniruddha Karve – 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 Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and incentive remuneration (variable component) to its Managing Director as per recommendation of Nomination and Remuneration Committee and approved by Board of Directors and Members of the Company.

The Chairman of the Nomination and Remuneration Committee i.e. Mr. Subhash Kolapkar was present at the 35<sup>th</sup> Annual General Meeting held on August 6, 2020 to answer the shareholders queries.

During the year under review, 1 (One) meeting were held on June 16, 2020.

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

During the year under review, the following managerial personnel have drawn the remuneration for financial year ended March 31, 2021 –

Mr Vikas Kadlag - Managing Director

(From April 1, 2020 to March 31, 2021)

Particulars	Amount in ₹ in Lakhs
Salary & Allowances	54.14
Performance Bonus	3.45
<b>Total</b>	<b>57.59</b>

#### Notes:

- The Company does not have a Stock Options scheme for the Directors or its senior management.
- Non-Executive Director are not holding any shares of the Company.
- The performance bonus payable to the Managing Director is based on revenue & EBIT target, cash generation and personal objective achieved during the financial year.

Sitting fees paid to Independent Directors during the financial year 2020-21 are given below:

Particulars	Amount in INR Lakhs
Mr. Mukund Bhogale	0.80
Mr. Subhash Kolapkar	0.80
Ms. Maithilee Tambolkar	0.80
<b>TOTAL</b>	<b>2.40</b>

Independent directors receive twenty thousand as sitting fee for each board meeting attended. 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, Independent Director and Mr. Aniruddha Karve were member of the Committee. Mr. Rupesh Khokle,

Company Secretary acts 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 of 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 also authorized to approve transmission of shares and issue of duplicate share certificate.

The Committee met 3 times during the year i.e on June 16, 2020, August 7, 2020, and February 10, 2021. During the year, the Company has received "Nil" complaints from the shareholder of the Company. As on financial year ending March 31, 2021, 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 35<sup>th</sup> 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	3
Mr. Aniruddha Karve	3
Mr. Subhash Kolapkar	3

#### Compliance Officer

Mr Rupesh Khokle, Company Secretary, who is the Compliance Officer, be contacted at Morganite Crucible (India) Limited, B-11, Waluj MIDC, Aurangabad – 431136 Tel: 91 240 6652523; Email: [Rupesh.Khokle@morganplc.com](mailto:Rupesh.Khokle@morganplc.com). Any Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agents M/s Link Intime India Private Limited.

#### 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 – Non-Executive Director
3. Mr. Martin Coll – 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 2 times on June 16, 2020 and February 10, 2021. The separate Annual Report on CSR activity is attached with Boards Report.

#### e. RISK MANAGEMENT COMMITTEE

The Committee is constituted and functions as per Regulation 21 of the SEBI Listing Regulations to frame, implement and monitor the risk management plan for the Company. The Board considers that risk management and internal control are fundamental to achieve 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 prioritized 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 – Non-Executive Director
3. Mr. Martin Coll – Non-Executive Director

During the year under review, the Committee met once on February 10, 2021.

## 4. GENERAL BODY MEETINGS

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

Financial Year	Venue	Type of Meeting	Date	Time	Special Resolution Passed
March 31, 2017	<b>Registered Office of the Company:</b> B-11, MIDC Industrial Area, Waluj, Aurangabad- 431136, Maharashtra, India	AGM	August 9, 2017	11.00 AM	No
March 31, 2018		EGM	November 2, 2017	11.00 AM	Yes
March 31, 2018		AGM	August 8, 2018	11.00 AM	No
March 31, 2019		AGM	August 7, 2019	11.00 AM	Yes
March 31, 2020		AGM	August 6, 2020	11.00 AM	Yes

### b. Postal Ballot

During the year the Company has passed 2 (two) special resolutions through postal ballot process as mentioned below –

#### I. SALE OF COMPANY'S UNDERTAKING SITUATED AT MEHSANA, GUJARAT

In terms of Section 110 of the Companies Act 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), members approval was sought for the resolution appended to the Postal Ballot Notice dated February 10, 2021. The Postal Ballot Notice containing Special Resolution together with the statement to be annexed to the Postal Ballot Notice was sent to all the Shareholders on February 24, 2021 and the last date for receipt

of postal ballot forms duly completed, from the shareholders was March 25, 2021. 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. The Scrutinizer has submitted his result for the votes cast through remote e-voting and postal ballots forms received are as follows:

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

(i) Voted **in favour** of the resolution:

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	08	42,00,323	99.996%
Electronic mode	06	1,41,681	
<b>Total</b>	<b>14</b>	<b>43,42,004</b>	

(ii) Voted **against** the resolution:

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	01	200	0.004%
Electronic mode	–	–	
<b>Total</b>	<b>01</b>	<b>200</b>	

(iii) **Invalid** votes :

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	–	–	–
Electronic mode	–	–	
<b>Total</b>	<b>–</b>	<b>–</b>	

## II. Approval of Material Related Party Transactions for the year 2021-22

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

(i) Voted **in favour** of the resolution:

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	07	523	100%
Electronic mode	06	1,41,681	
<b>Total</b>	<b>13</b>	<b>1,42,204</b>	

(ii) Voted **against** the resolution:

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	–	–	–
Electronic mode	–	–	
<b>Total</b>	<b>–</b>	<b>–</b>	

(iii) **Invalid** votes :

Mode of Voting	Number of Folios Voted	Number of votes cast by them	% of total number of valid votes cast
Postal Ballot	02	42,00,000	–
Electronic mode	–	–	
<b>Total</b>	<b>02</b>	<b>42,00,000</b>	

Accordingly, the Chairman as on March 26, 2021 declared that the above resolution, as set out in the Notice dated February 10, 2021, have been passed with requisite majority by the Members of the Company.

#### 4. DISCLOSURES:

##### a. Related Party Transactions

In Compliance with Regulation 23 of SEBI LODR Regulations, 2015, during the year, the Company have taken omnibus approval from the Audit Committee in their meeting held on June 16, 2020 for the transactions entered with the related parties during the year. All contracts/ arrangements/ transactions entered by the Company during the FY 2020-21 with related parties were on an arm's length basis and in the ordinary course of business. There were no material related party transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Regulation 23(4) of the SEBI Listing Regulations or Section 188 of the Act. The approval of the Audit Committee was sought for all RPTs. All the transactions were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. 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 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

Pursuant to Regulation 48 of SEBI LODR Regulations 2015, the Company is in compliance with all applicable and notified Accounting Standards as amended from time to time. The quarterly financial results and annual financial statements are prepared in accordance with Indian Accounting Standards (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. 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.

##### d. Statutory Compliance

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company have submitted a quarterly compliance report on Corporate Governance to the Bombay Stock Exchange within 15 days from the close of every quarter. The Audit Committee and the Board of Directors have reviewed quarterly compliance reports pertaining to all laws applicable of the Company. 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 complies with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance. A certificate from the Statutory Auditors of the Company to this effect has been included in this Report.

##### e. Management

- The management discussions and analysis report shall form part the Annual Report.
- 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 Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity. In this connection, the Nomination and Remuneration Committee works with the Board on succession of Board members and Senior Management on periodical basis.

##### g. Shareholders' Information

Mr Aniruddha Karve, Non-executive Director of the Company was proposed to be re-appointed in the ensuing 36<sup>th</sup> Annual General Meeting (AGM) of the Company.

##### h. Certification from Company Secretary in practice

A certificate has been received from KMP & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by

the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**i. Details of total fees paid to statutory auditors**

The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows –

(Amt in INR Lakhs)

Type of Service	Financial Year 2020-21	Financial Year 2019-20
Statutory Audit	20.00	17.55
Tax Audit	2.50	2.06
Limited review of quarterly results	10.50	7.54
Certification fees	1.00	1.13
Audit of group reporting package	4.00	2.82
Reimbursement of expenses	0.21	1.33
<b>Total</b>	<b>38.21</b>	<b>32.43</b>

**j. CEO (MD)/CFO Certification:**

As required under Regulation 17(8) of the Listing Regulations, the Chief Executive Officer (Managing Director) & Chief Financial Officer of the Company have jointly certified to the Board regarding the financial statements for the year ended March 31, 2021.

**k. 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.

**l. 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.

**m. 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/>

**n. Prevention of Insider Trading**

In line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 the Company has amended the policy which includes policy, procedure on handling of Undisclosed Price Sensitive Information.

**o. Confirmation to Corporate Governance**

The Company has complied with requisite Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as may applicable.

**p. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- number of complaints filed during the financial year -Nil
- number of complaints disposed of during the financial year -Nil
- number of complaints pending as on end of the financial year -Nil

**q. Dividend Distribution Policy**

Pursuant of Regulation 43A of SEBI LODR Regulations, the Company has voluntarily adopted Dividend Distribution Policy mainly covering –

- the circumstances under which the shareholders of the listed entities may or may not expect dividend;

- ii. the financial parameters that shall be considered while declaring dividend;
- iii. internal and external factors that shall be considered for declaration of dividend;
- iv. policy as to how the retained earnings shall be utilized; and
- v. parameters that shall be adopted with regard to various classes of shares:

The said Dividend Distribution Policy is also disclosed on the Company's website and can be found with below link – <http://www.morganmms.com/en-gb/investors/>

**r. Payment of Dividend:**

In view of occurred losses, to preserve liquidity & conserve cash, your Directors compelled to suspend the payment of dividend for the financial year 2020-21.

**s. 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 as on March 31, 2021 given as below:

Year	Dividend per share	Date of Declaration	Due Date	Unclaimed Amount in INR Lakhs
2019-20	₹ 16	06/08/2020	05/09/2021	3.91
2018-19 (Final)	₹ 12	07/08/2019	06/09/2019	5.13
2018-19 (Interim)	₹ 4	13/11/2018	12/12/2018	1.78
2017-18	₹ 16	08/08/2018	07/09/2018	6.42
2016-17	₹ 8	09/08/2017	08/09/2017	4.08
2015-16	₹ 4	10/08/2016	09/09/2016	3.10
2014-15	₹ 1	22/09/2015	21/10/2015	0.48
2013-14	₹ 1	25/09/2014	24/10/2014	0.46

**t. Transfer of Unclaimed Shares to Investor Education and Protection Fund (IEPF)**

The Company had declared final dividend of ₹ 1/- per share for the financial year ending March 31, 2013 in the 28<sup>th</sup> Annual General Meeting of members held on September 25, 2013 and as per Section 125 (2) of the Companies Act, 2013 and Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer And Refund) Rules, 2016 as amended from time to time, the amount laying in the Unpaid Dividend Account needs to be transferred to the IEPF after period of seven years including shares.

As of March 31, 2020, the unpaid dividend amount of ₹ 53,671/- was laying in the Unpaid Dividend Account holding with Axis bank Ltd, Aurangabad branch was duly transferred to Investor Education and Protection Fund (IEPF) account.

**u. Grievance Redressal Mechanism**

As per Regulation 13 of SEBI LODR Regulations, 2015, the Company has adopted adequate steps are taken for expeditious redressal of investor complaints.

During the year under review, the Company has filed with the recognized stock exchange on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter. The statement as specified in sub-regulation (3) was placed, on quarterly basis, before the Board of Directors of the Company.

## 5. GENERAL INFORMATION FOR SHAREHOLDERS:

### a. Date, Time and Venue of 36<sup>th</sup> Annual General Meeting:

Date & Time: Thursday, August 5, 2021 at 11:00 AM

Venue: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

### b. Tentative Financial Calendar for the year 2021-22:

Financial year : April 1, 2021 to March 31, 2022

First Quarter results : Second week of August, 2021

Half Yearly results : Second week of November, 2021

Third Quarter results : Second week of February, 2022

Results for year-end : Third week of May, 2022

### c. Date of Book Closure:

July 30, 2021, Friday to August 5, 2021, Thursday (both days inclusive)

### f. Listing Details:

Name of Stock Exchange : Bombay Stock Exchange Limited

Address : Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai- 400001

Security Code : 523160

Stock Symbol : MORGANITE

ISIN Number : INE599F01012

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

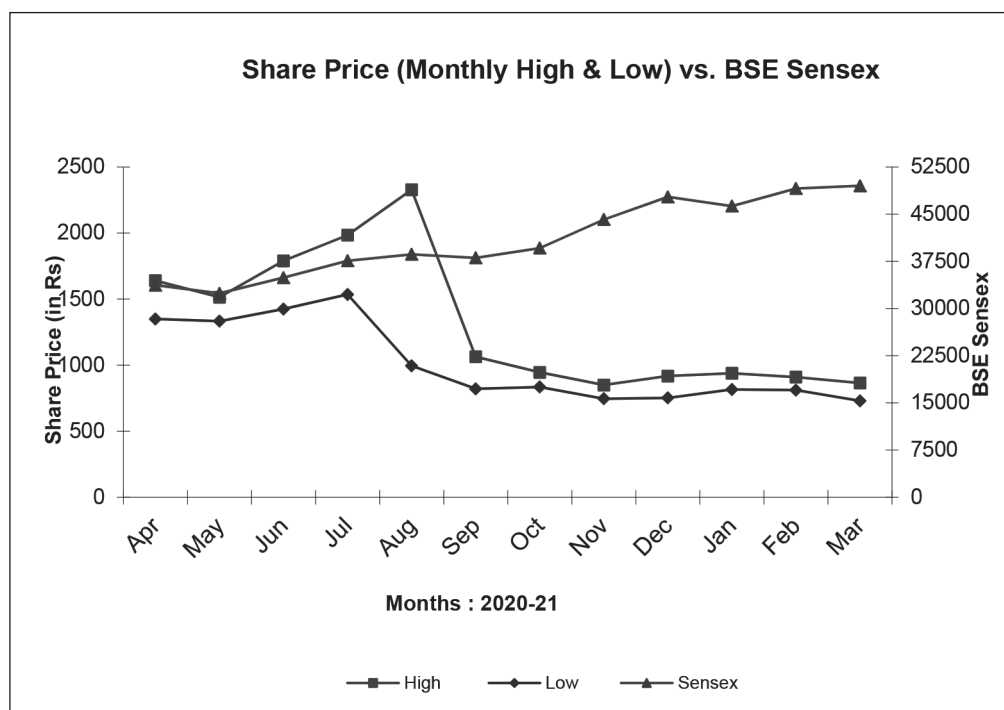
The annual listing fee for the financial year 2019-20 has been duly paid to the above stock exchange.

### h. Market Price Data:

High, Low and number of equity shares traded during each month in the year 2020-21 on BSE :

Month	High	Low	Volume	BSE Sensex
Apr-20	1,640.00	1,350.00	5,532	33,717.62
May-20	1,515.00	1,333.15	6,101	32,424.10
Jun-20	1,790.00	1,425.00	15,523	34,915.80
Jul-20	1,985.00	1,535.50	16,464	37,606.89
Aug-20	2,328.00	995.00	35,295	38,628.29
Sep-20	1,063.80	820.60	24,304	38,067.93
Oct-20*	946.00	835.00	17,956	39,614.07
Nov-20	850.00	746.00	25,457	44,149.72
Dec-20	918.00	752.00	18,078	47,751.33
Jan-21	939.00	816.20	18,465	46,285.77
Feb-21	910.00	811.00	35,686	49,099.99
Mar-21	865.00	730.00	26,678	49,509.15

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



- \* The members in their 35<sup>th</sup> Annual General Meeting held on August 06, 2020 approved sub-division of shares from face value of ₹ 10/- per equity share to ₹ 5/- per equity share. The Company had decided record date September 01, 2020 for the purpose of arriving at the register of eligible members to whom the extra share to be credited in their respective demat account. Therefore, the value of share decrease from October, 2020 onwards due to sub-division of shares.

**i. Distribution of Shareholding as at March 31, 2021:**

Sr No	Particulars	No. of Shares	No. of Shareholders	% of Share Capital
1	Promoter			
	a. Morganite Crucible Limited	21,56,000	1	38.50
	b. Morgan Terrassen B V	20,44,000	1	36.50
2	Institutions	46,101	4	00.08
3	Individual	1,205,529	3,663	21.52
4	NBFC	100	1	0.06
5	HUF	69,627	155	1.24
6	NRI Non Rep / Rep	27,622	79	00.79
7	Clearing Members	1,651	19	00.03
8	Bodies Corporate	22,290	33	00.60
9	IEPF	27,080	1	0.68
	<b>TOTAL</b>	<b>56,00,000</b>	<b>3,957</b>	<b>100.00</b>

**j. Dematerialization 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, 2,735,111 Equity Shares representing 98% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2020.

**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 Office and Plant Locations:**

**Registered Office and plant location :**

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

**Other Plant Location :** Morganite Crucible (India) Limited Unit: Mehsana  
212/C, GIDC Estate, Mehsana – 384 002, Gujarat  
(The plant was shifted from Mehsana to Aurangabad on February 01, 2020)

**n. Compliance Officer / Contact Person & Address for Correspondence:**

Mr. Rupesh Khokle  
Company Secretary & Compliance officer  
E-mail: [rupesh.khokle@morganplc.com](mailto:rupesh.khokle@morganplc.com)  
Regd. Office: B-11, MIDC Waluj, Aurangabad – 431 136 (MS)

**o. Investor services**

E-mail: [rupesh.khokle@morganplc.com](mailto: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	<a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	+91 22 49186270
	<a href="mailto:bonds.helpdesk@linkintime.co.in">bonds.helpdesk@linkintime.co.in</a>	

For and on behalf of the Board,

**Vikas Kadlag**  
(Managing Director)  
DIN: 05122774

**Aniruddha Karve**  
(Director)  
DIN: 07180005

Place: Aurangabad  
Date: May 31, 2021

# CEO(MD)/CFO Certification to the Board

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 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.

**Vikas Kadlag**  
(Managing Director)

**Atithi Majumdar**  
(Chief Financial Officer)

Date: May 31, 2021  
Place: Aurangabad

# Independent Auditor's Certificate

## on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter reference no.JP/2020-21/17 dated August 06, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Morganite Crucible (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENTS' RESPONSIBILITY

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

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. 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.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India

(the 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 issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. 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 Services Engagements.

### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Jayesh Parmar**  
Partner

(Membership No. 106388)

Mumbai, May 31, 2021

UDIN: 21106388AAAAACE1898

# Independent Auditor's Report

To THE MEMBERS OF

MORGANITE CRUCIBLE (INDIA) LIMITED

Report on the Audit of the Financial Statements

## OPINION

We have audited the accompanying financial statements of Morganite Crucible (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the

financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report including its annexures but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jayesh Parmar**

Partner

(Membership No. 106388)

UDIN: 21106388AAAACE1898

Mumbai, May 31, 2021

# ANNEXURE "A"

## to the Independent Auditor's Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Morganite Crucible (India) Limited ("the Company") as of March 31, 2021 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 INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 respective 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 over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting 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 control over financial reporting 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 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 financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jayesh Parmar**

Partner

(Membership No. 106388)

UDIN: 21106388AAAACE1898

Mumbai, May 31, 2021

# ANNEXURE “B”

## to the Independent Auditor’s Report

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories excluding goods in transit were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of stock lying at third party location the management has obtained the confirmation.
- (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 Companies Act, 2013.

- (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. Therefor the provisions of the Clause 3 (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the provisions of the Clause 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, goods and services tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) There are no dues of Customs Duty, Excise Duty and Sales Tax as on March 31, 2021 on account of disputes. Details of dues of Income-tax, Service Tax, and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Form where Dispute is Pending	Period to which the Amount Relates	Amount of Dispute (₹ in lakhs)	Amount paid under protest (₹ in lakhs)
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2015-16 to 2020-21	373.98	--
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	April 2013 to August 2015	26.04	--
Gujrat Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Sales Tax	2001-02 to 2005-06	17.62	--

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013,
- where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Jayesh Parmar**

Partner

(Membership No. 106388)

UDIN: 21106388AAAACE1898

Mumbai, May 31, 2021

# Balance Sheet

as at 31 March 2021

(₹ in Lakhs)

Particulars	Note	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	2,856.72	3,018.15
Capital work-in-progress	5	2,153.19	1,904.29
Right-of-Use Asset	6	10.70	16.15
Goodwill	42	137.81	137.81
Other intangible assets	7	19.17	20.70
Financial assets			
Other financial assets	8	34.76	97.06
Deferred tax assets (net)	9	156.53	70.75
Income tax assets (net)		203.10	454.22
Other non-current assets	10	5.47	37.08
<b>Total non-current assets</b>		<b>5,577.45</b>	<b>5,756.21</b>
<b>Current Assets</b>			
Inventories	11	1,771.80	2,155.77
Financial assets			
(i) Trade receivables	12	2,229.13	2,319.18
(ii) Cash and cash equivalents	13	3,564.08	2,821.60
(iii) Other balances with banks	14	137.36	22.28
(iv) Loans	15	10.12	14.71
(v) Other financial assets	16	34.50	12.23
Other current assets	17	491.87	741.35
Non current assets held for sale	39	101.32	101.32
<b>Total current assets</b>		<b>8,340.18</b>	<b>8,188.44</b>
<b>Total assets</b>		<b>13,917.63</b>	<b>13,944.65</b>

# Balance Sheet

as at 31 March 2021

(₹ in Lakhs)

Particulars	Note	31 March 2021	31 March 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	280.00	280.00
Other assets	19	9,963.77	10,502.41
<b>Total equity</b>		<b>10,243.77</b>	<b>10,782.41</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables			
(a) dues of micro enterprises and small enterprises (refer note 33)	20	192.97	293.52
(b) dues of creditors other than micro enterprises and small enterprises	20	2,012.69	1,691.73
(ii) Other financial liabilities	21	493.97	491.17
Other current liabilities	22	478.36	270.79
Provisions	23	245.16	234.79
Income tax liabilities (net)		250.71	180.24
<b>Total current liabilities</b>		<b>3,673.86</b>	<b>3,162.24</b>
<b>Total liabilities</b>		<b>3,673.86</b>	<b>3,162.24</b>
<b>Total equity and liabilities</b>		<b>13,917.63</b>	<b>13,944.65</b>
Significant accounting policies	3		
Notes to the financial statements	4-47		

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Mumbai  
Date: 31 May 2021

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

**Vikas Kadlag**  
Managing Director  
DIN : 05122774  
Place : Aurangabad  
Date: 31 May 2021

**Atithi Majumdar**  
Chief Financial Officer  
Place: Aurangabad  
Date: 31 May 2021

**Aniruddha Karve**  
Director  
DIN : 07180005  
Place : Aurangabad  
Date: 31 May 2021

**Rupesh Khokle**  
Company Secretary  
Place: Aurangabad  
Date: 31 May 2021

# Statement of Profit and Loss

for the Year Ended 31 March 2021

(₹ in Lakhs)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>INCOME</b>			
Revenue from operations	24	10,685.52	12,855.36
Other income	25	408.79	664.30
<b>Total income</b>		<b>11,094.31</b>	<b>13,519.66</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	3,931.90	4,778.95
Purchases of stock-in-trade		391.31	379.01
Changes in inventory of finished goods and work-in-progress	27	192.22	(175.17)
Employee benefit expenses	28	1,553.61	1,823.13
Finance Cost		-	0.74
Depreciation and amortization expense	5, 6 & 7	565.83	534.43
Other expenses	29	3,405.76	3,731.89
Closure and relocation expenses relating to Mehsana Plant	39	160.04	605.58
<b>Total expenses</b>		<b>10,200.67</b>	<b>11,678.56</b>
<b>PROFIT BEFORE TAX EXCEPTIONAL ITEMS</b>		<b>893.64</b>	<b>1,841.10</b>
Exceptional items	43	310.00	-
<b>Profit before tax</b>		<b>583.64</b>	<b>1,841.10</b>
<b>Tax expense</b>			
Current tax	9	310.91	519.99
Short provision of earlier years	9	452.92	30.80
Deferred tax	9	(86.73)	(21.42)
<b>Total tax expense</b>		<b>677.10</b>	<b>529.37</b>
<b>(Loss)/Profit for the year</b>		<b>(93.46)</b>	<b>1,311.73</b>
Item that will not be reclassified subsequently to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		3.77	(59.11)
Income tax relating to item that will not be reclassified to profit or loss		(0.95)	14.88
<b>Other comprehensive gains/(loss) for the year, net of tax</b>		<b>2.82</b>	<b>(44.23)</b>
<b>Total comprehensive income for the year</b>		<b>(90.64)</b>	<b>1,267.50</b>
<b>EARNINGS PER SHARE: (Face value of ₹ per share)</b>			
Basic (₹)		(1.67)	23.42
Diluted (₹)		(1.67)	23.42
Significant accounting policies	3		
Notes to the financial statements	4-47		

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 **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Mumbai  
Date: 31 May 2021

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

**Vikas Kadlag**  
Managing Director  
DIN : 05122774  
Place : Aurangabad  
Date: 31 May 2021

**Atithi Majumdar**  
Chief Financial Officer  
Place: Aurangabad  
Date: 31 May 2021

**Aniruddha Karve**  
Director  
DIN : 07180005  
Place : Aurangabad  
Date: 31 May 2021

**Rupesh Khokle**  
Company Secretary  
Place: Aurangabad  
Date: 31 May 2021

# Statement of changes in equity

for the year ended 31 March 2021

## STATEMENT OF CHANGES IN EQUITY

(₹ in Lakhs)

Particulars	Equity	Reserves and Surplus				Statutory Reserve	Retained earnings	Items of OCI Remeasurement losses on defined benefit plans	Total equity
		General reserves	Capital reserve	Securities premium	Capital Profit on Forfeited shares				
<b>Balance as at 1 April 2019</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>8,727.84</b>	<b>(39.74)</b>	<b>9,919.98</b>
Profit for the year	-	-	-	-	-	-	1,311.73	-	1,311.73
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(44.23)	(44.23)
Dividend	-	-	-	-	-	-	(336.00)	-	(336.00)
Dividend distribution tax	-	-	-	-	-	-	(69.07)	-	(69.07)
<b>Balance as at 31 March 2020</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,634.50</b>	<b>(83.97)</b>	<b>10,782.41</b>
<b>Balance as at 1 April 2020</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,634.50</b>	<b>(83.97)</b>	<b>10,782.41</b>
Profit for the year	-	-	-	-	-	-	(93.46)	-	(93.46)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	2.82	2.82
<b>Transactions with the owners in their capacity as the owners recorded directly in equity</b>									
Dividend	-	-	-	-	-	-	(407.14)	-	(407.14)
Dividend distribution tax	-	-	-	-	-	-	(40.86)	-	(40.86)
<b>Balance as at 31 March 2021</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,093.04</b>	<b>(81.15)</b>	<b>10,243.77</b>
Significant accounting policies	3								
Notes to the financial statements	4-47								

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No: 117366WW-100018

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Mumbai  
Date: 31 May 2021

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

**Vikas Kadlag**  
Managing Director  
DIN : 05122774  
Place : Aurangabad  
Date: 31 May 2021

**Atithi Majumdar**  
Chief Financial Officer  
Place: Aurangabad  
Date: 31 May 2021

**Aniruddha Karve**  
Director  
DIN : 07180005  
Place : Aurangabad  
Date: 31 May 2021

**Rupesh Khokle**  
Company Secretary  
Place: Aurangabad  
Date: 31 May 2021

# Cashflow Statement

for the year ended 31 March 2021

(₹ in Lakhs)

	31 March 2021	31 March 2020
<b>A) Cash flow from operating activities</b>		
Profit before tax	583.64	1,841.10
Adjustments for :		
Interest income	(11.47)	(110.66)
Finance Cost	-	0.74
(Gain)/ Loss on account of foreign currency transactions and translation	(25.71)	(6.56)
Depreciation and amortization expense	565.83	534.43
Property, plant and equipment written off	-	86.94
Gain on sale of property, plant and equipment	(3.13)	(3.23)
Provision / (Reversal) for inventory obsolescence	-	15.25
Provision for doubtful receivables	24.61	29.61
	<b>550.13</b>	<b>546.52</b>
<b>Changes in working capital :</b>		
Inventories	383.97	(108.12)
Trade receivables	87.79	(623.02)
Loans, other financial assets and other assets (Current and Non current)	264.03	(279.17)
Trade payables, other financial liabilities ,other liabilities and provisions (Current and Non current)	494.26	226.61
<b>Cash generated from operating activities</b>	<b>2,363.82</b>	<b>1,603.92</b>
Income taxes paid (net)	(442.24)	(511.20)
<b>Net cash flows generated from operating activities (A)</b>	<b>1,921.58</b>	<b>1,092.72</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including movement in capital work in progress and capital advances)	(690.11)	(2,412.01)
Proceeds from sale of property, plant and equipment	46.92	6.33
Investment in bank deposits	(1,029.01)	(763.41)
Maturity of bank deposits	913.93	3,079.41
Interest received	11.47	133.71
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(746.80)</b>	<b>44.03</b>

# Cashflow Statement

for the year ended 31 March 2021

(₹ in Lakhs)

	31 March 2021	31 March 2020
<b>C) Cash flows from financing activities</b>		
Repayment of Lease Liability including interest	-	(5.76)
Payment of dividend (including Dividend Distribution Tax thereon)	(444.57)	(405.07)
<b>Net cash used in financing activities (C)</b>	<b>(444.57)</b>	<b>(410.83)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>730.21</b>	<b>725.92</b>
<b>Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	12.27	7.65
<b>Cash and cash equivalents at the beginning of the year</b>	2,821.60	2,088.03
<b>Cash and cash equivalents at the end of the year</b>	<b>3,564.08</b>	<b>2,821.60</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents comprises of:		
Cash on hand	0.28	0.35
Bank balances		
- in current accounts	3,202.71	1,823.16
- Export Earner's Foreign Currency account	302.92	291.60
- in deposits accounts (with original maturity of 3 months or less)	58.17	706.49
<b>Total cash and cash equivalents (refer note 13)</b>	<b>3,564.08</b>	<b>2,821.60</b>
Significant accounting policies	3	
Notes to the financial statements	4-47	

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm's Registration No: 117366W/W-100018

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Mumbai  
Date: 31 May 2021

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

**Vikas Kadlag**  
Managing Director  
DIN : 05122774  
Place : Aurangabad  
Date: 31 May 2021

**Atithi Majumdar**  
Chief Financial Officer  
Place: Aurangabad  
Date: 31 May 2021

**Aniruddha Karve**  
Director  
DIN : 07180005  
Place : Aurangabad  
Date: 31 May 2021

**Rupesh Khokle**  
Company Secretary  
Place: Aurangabad  
Date: 31 May 2021

# Notes to financial statements

## for the year ended 31 March 2021

### 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 2021 were approved by the Board of Directors and authorised for issue on 31 May 2021.

### 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.

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 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.

##### 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 are disclosed in note 37.

# Notes on Accounts

for the year ended 31 March 2021

## 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.

## v. Impairment testing

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections consider past experience and represent management's best estimate about future developments.

## vi. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of the Management's estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including -market approach) which include unobservable inputs.

## vii. Estimation uncertainties relating to the COVID-19 pandemic

The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables, unbilled revenue, intangible assets and investments. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used an internal and external source of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

## 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:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;

# Notes on Accounts

for the year ended 31 March 2021

- 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.

## 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.

### 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 property, plant and equipment 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. Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipment, 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.

# Notes on Accounts

for the year ended 31 March 2021

Depreciation on property, plant and equipment 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*	3 to 15 years
Relining of Kiln*	3 years
Computers	3 years
Vehicles	8 years
Office equipments	5 years
Furniture and fixtures	10 years

\* 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.

Property, plant and equipment 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.

Property, plant and equipment 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 Property, plant and equipment 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

# Notes on Accounts

## for the year ended 31 March 2021

- 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.

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 unit 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

# Notes on Accounts

for the year ended 31 March 2021

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.

## f. Revenue recognition

### Sale of goods

Revenue is recognised upon transfer of control of goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

### 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 and Merchandise Exports from India Scheme) are recognized in the statement of profit and loss when revenue from exports is recognised and 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

# Notes on Accounts

## for the year ended 31 March 2021

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. Leases**

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1 April 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;

The lease liability is measured at amortized cost using the effective interest method. The Company has elected not to recognize right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

### **i. Taxes on income**

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or

# Notes on Accounts

for the year ended 31 March 2021

substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income (OCI) or directly in equity, in which case the tax is also recognised in OCI or directly in equity.

## 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.

# Notes on Accounts

for the year ended 31 March 2021

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:**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. All gains/losses due to actuarial valuations are immediately recognised in the Statement of Profit and Loss.

### **iii. Employee separation cost**

Compensation paid / payable to employees who have opted for retirement under a Voluntary Retirement Scheme including ex-gratia is charged to the Statement of Profit and Loss in the year of separation.

## **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.

# Notes on Accounts

for the year ended 31 March 2021

## I. 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

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity within three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 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.

### ii. Classification and subsequent measurement

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.

#### 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

# Notes on Accounts

for the year ended 31 March 2021

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

## 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.

### iii. 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 Company 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 derecognized.

# Notes on Accounts

for the year ended 31 March 2021

## 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.

### iv. 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.

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.

### p. Non-current Assets Held for Sale

Non-current assets and disposal group are classified under 'Held for Sale' if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of 'Held for Sale' is met when the non-current assets is available for immediate sale and the same is highly probable of being completed within one year from the date of classification under 'Held for Sale'. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets those ceases to be classified under 'Held for Sale' shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified under 'Held for Sale' adjusted for any depreciation / amortization and its recoverable amount at the date when the disposal group no longer meets the 'Held for Sale' criteria.

### q. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

# Notes on Accounts

for the year ended 31 March 2021

## 5. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land - Leasehold	Building	Plant and equipment	Vehicles	Computers	Office equipment	Furniture and fixtures	Total
<b>Gross Block</b>								
Balance as at 1 April 2019	13.12	766.11	3,171.75	0.90	95.00	40.71	71.91	4,159.50
Additions during the year	-	-	781.61	-	37.02	10.42	1.37	830.42
Asset reclassified as held for sale (Refer Note 39)	-	(111.76)	-	-	-	-	-	(111.76)
Asset classified as Right to use asset (Refer Note 40)	(13.12)	-	-	-	-	-	-	(13.12)
Assets written off (Refer Note 39)	-	-	(174.33)	-	-	-	-	(174.33)
Disposals during the year	-	-	(7.42)	-	-	-	-	(7.42)
<b>Balance as at 31 March 2020</b>	-	<b>654.35</b>	<b>3,771.61</b>	<b>0.90</b>	<b>132.02</b>	<b>51.13</b>	<b>73.28</b>	<b>4,683.29</b>
<b>Balance as at 1 April 2020</b>	-	<b>654.35</b>	<b>3,771.61</b>	<b>0.90</b>	<b>132.02</b>	<b>51.13</b>	<b>73.28</b>	<b>4,683.29</b>
Additions during the year	-	-	397.90	-	16.42	16.67	11.75	442.74
Disposals during the year	-	(0.29)	(69.14)	-	(4.04)	(1.24)	(0.46)	(75.17)
<b>Balance as at 31 March 2021</b>	-	<b>654.06</b>	<b>4,100.37</b>	<b>0.90</b>	<b>144.40</b>	<b>66.56</b>	<b>84.57</b>	<b>5,050.86</b>
<b>Accumulated depreciation</b>								
Balance as at 1 April 2019	0.57	110.62	1,039.44	0.24	37.96	28.07	28.95	1,245.85
Depreciation for the year	-	34.32	447.51	0.10	26.77	8.29	6.50	523.49
Depreciation on disposals during the year	-	-	(4.32)	-	-	-	-	(4.32)
Asset classified as held for sale (Refer Note 39)	-	(11.91)	-	-	-	-	-	(11.91)
Asset classified as Right to use asset (Refer Note 40)	(0.57)	-	-	-	-	-	-	(0.57)
Assets written off (Refer Note 39)	-	-	(87.40)	-	-	-	-	(87.40)
<b>Balance as at 31 March 2020</b>	-	<b>133.03</b>	<b>1,395.23</b>	<b>0.34</b>	<b>64.73</b>	<b>36.36</b>	<b>35.45</b>	<b>1,665.14</b>
<b>Balance as at 1 April 2020</b>	-	<b>133.03</b>	<b>1,395.23</b>	<b>0.34</b>	<b>64.73</b>	<b>36.36</b>	<b>35.45</b>	<b>1,665.14</b>
Depreciation for the year	-	30.31	478.95	0.11	32.90	8.81	9.30	560.38
Depreciation on disposals during the year	-	(0.02)	(26.02)	-	(3.82)	(1.24)	(0.28)	(31.38)
<b>Balance as at 31 March 2021</b>	-	<b>163.32</b>	<b>1,848.16</b>	<b>0.45</b>	<b>93.81</b>	<b>43.93</b>	<b>44.47</b>	<b>2,194.14</b>
<b>Carrying amounts (net)</b>								
Balance as at 31 March 2020	-	521.32	2,376.38	0.56	67.29	14.77	37.83	3,018.15
<b>Balance as at 31 March 2021</b>	-	<b>490.74</b>	<b>2,252.21</b>	<b>0.45</b>	<b>50.59</b>	<b>22.63</b>	<b>40.10</b>	<b>2,856.72</b>

(₹ in Lakhs)

Particulars	Capital work-in- progress
Balance as at 1 April 2019	359.97
Additions	1,736.77
Transferred to property, plant and equipment	192.45
<b>Balance as at 31 March 2020</b>	<b>1,904.29</b>
<b>Balance as at 1 April 2020</b>	<b>1,904.29</b>
Additions	322.10
Transferred to property, plant and equipment	73.20
<b>Balance as at 31 March 2021</b>	<b>2,153.19</b>

# Notes on Accounts

for the year ended 31 March 2021

## 6. RIGHT-OF-USE ASSETS

### Reconciliation of carrying amount

(₹ in Lakhs)			
Particulars	Leasehold land	Building	Total
<b>Gross Block</b>			
Transition impact of Ind AS 116 (Refer Note 40)	13.12	11.05	24.17
Asset classified as held for sale (Refer Note 39)	(1.57)	-	(1.57)
<b>Balance as at 31 March 2020</b>	<b>11.55</b>	<b>11.05</b>	<b>22.60</b>
<b>Balance as at 01 April 2020</b>	<b>11.55</b>	<b>11.05</b>	<b>22.60</b>
Additions during the year	-	-	-
Disposals during the year	-	(11.05)	(11.05)
<b>Balance as at 31 March 2021</b>	<b>11.55</b>	<b>-</b>	<b>11.55</b>
<b>Accumulated Depreciation</b>			
Transition impact of Ind AS 116	0.57	-	0.57
Depreciation for the year	0.21	5.79	6.00
Asset classified as held for sale (Refer Note 39)	(0.10)	-	(0.10)
<b>Balance as at 31 March 2020</b>	<b>0.68</b>	<b>5.79</b>	<b>6.47</b>
<b>Balance as at 01 April 2020</b>	<b>0.68</b>	<b>5.79</b>	<b>6.47</b>
Additions during the year	0.17	-	0.17
Disposals during the year	-	(5.79)	(5.79)
<b>Balance as at 31 March 2021</b>	<b>0.85</b>	<b>-</b>	<b>0.85</b>
<b>Carrying amounts (net)</b>			
<b>Balance as at 31 March 2020</b>	<b>10.87</b>	<b>5.26</b>	<b>16.13</b>
<b>Balance as at 31 March 2021</b>	<b>10.70</b>	<b>-</b>	<b>10.70</b>

## 7. OTHER INTANGIBLE ASSETS

### Reconciliation of carrying amount

(₹ in Lakhs)		
Particulars	Software	Total
<b>Gross Block</b>		
<b>Balance as at 1 April 2019</b>	<b>70.57</b>	<b>70.57</b>
Additions during the year	4.60	4.60
<b>Balance at 31 March 2020</b>	<b>75.17</b>	<b>75.17</b>
<b>Balance as at 1 April 2020</b>	<b>75.17</b>	<b>75.17</b>
Additions during the year	3.80	3.80
<b>Balance as at 31 March 2021</b>	<b>78.97</b>	<b>78.97</b>
<b>Accumulated amortization</b>		
<b>Balance as at 1 April 2019</b>	<b>49.51</b>	<b>49.51</b>
Amortization for the year	4.96	4.96
<b>Balance as at 31 March 2020</b>	<b>54.47</b>	<b>54.47</b>

# Notes on Accounts

for the year ended 31 March 2021

<b>Balance as at 1 April 2020</b>	<b>54.47</b>	<b>54.47</b>
Amortization for the year	5.33	5.33
<b>Balance as at 31 March 2021</b>	<b>59.80</b>	<b>59.80</b>
<b>Carrying amounts (net)</b>		
<b>Balance as at 31 March 2020</b>	<b>20.70</b>	<b>20.70</b>
<b>Balance as at 31 March 2021</b>	<b>19.17</b>	<b>19.17</b>

## 8. OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Other financial assets (Unsecured, considered good)		
Security deposits	34.76	37.56
Bank deposits (due to mature after 12 months from reporting date)*	-	59.50
	<b>34.76</b>	<b>97.06</b>

[\* Includes ₹ Nil (2020 - ₹ 5 lakhs) which is pledged against the guarantee given by Axis Bank to Maharashtra Pollution Control Board.]

## 9. INCOME TAX (INCLUDING DEFERRED TAX)

### A. Amounts recognised in profit and loss

(₹ in Lakhs)

	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
<b>(a) Income tax expense</b>		
Current tax		
Current tax on the profit for the year	310.91	519.99
Adjustment of current tax of prior periods	452.92	30.80
<b>Total current tax expense</b>	<b>763.83</b>	<b>550.79</b>
<b>(b) Deferred tax</b>		
Attributable to -		
Origination and reversal of temporary differences	(86.73)	(21.42)
	<b>(86.73)</b>	<b>(21.42)</b>
<b>Tax expense (a+b)</b>	<b>677.10</b>	<b>529.37</b>

### B. Amounts recognised in other comprehensive income

	<b>For the year ended 31 March 2021</b>		
	<b>Before tax</b>	<b>Tax (expense)/credit</b>	<b>Net of tax</b>
Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans	3.77	(0.95)	2.82
(₹ Lakhs)			

# Notes on Accounts

for the year ended 31 March 2021

	For the year ended 31 March 2020		
	Before tax	Tax (expense)/credit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans	(59.11)	14.88	(44.23)
(₹ Lakhs)			

## C. Reconciliation of effective tax rate

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Profit before tax	583.64	1,841.10
Enacted tax rate	25.17%	25.17%
Income tax expense calculated at 25.17% (2020: 25.17%)	146.90	463.40
Effect of expenses disallowed for tax purpose and others	11.26	30.49
	<b>158.16</b>	<b>493.89</b>
Effect of income taxes related to earlier periods	452.92	30.80
Effect of differential tax rate	66.02	4.67
	224.18	498.57
<b>Income tax expense recognised in statement of profit and loss</b>	<b>677.10</b>	<b>529.37</b>

## D Recognised deferred tax assets and liabilities

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax assets/(liabilities)</b>		
Provision for doubtful debts	20.46	21.72
Provision for doubtful advances	-	20.94
Provision for employee benefits	26.31	23.91
Provision for others	65.34	-
Disallowances under the Income Tax Act, 1961	-	21.41
Property, plant and equipment	44.42	(17.23)
	<b>156.53</b>	<b>70.75</b>

## E Movement in deferred tax balances

(₹ in Lakhs)

	Net balance 1 April 2020	Recognised in profit or loss	Recognized in OCI	31 March 2021 Net
<b>Deferred tax assets / (liabilities)</b>				
Provision for doubtful debts	21.72	(1.26)	-	20.46
Provision for doubtful advances	20.94	(20.94)	-	0.00
Provision for employee benefits	23.91	3.35	(0.95)	26.31
Provision for others	-	65.34	-	65.34
Disallowances under the Income Tax Act, 1961	21.41	(21.41)	-	0.00
Property, plant and equipment	(17.23)	61.65	-	44.42
<b>Net Deferred tax assets</b>	<b>70.75</b>	<b>86.73</b>	<b>(0.95)</b>	<b>156.53</b>

# Notes on Accounts

for the year ended 31 March 2021

(₹ in Lakhs)

	Net balance 1 April 2019	Recognized in profit or loss	Recognised in OCI	31 March 2020 Net
<b>Deferred tax assets / (liabilities)</b>				
Provision for doubtful debts	16.36	5.36	-	21.72
Provision for doubtful advances	24.00	(3.06)	-	20.94
Provision for employee benefits	31.03	(22.01)	14.88	23.91
Disallowances under the Income Tax Act, 1961	7.62	13.79	-	21.41
Property, plant and equipment	(44.57)	27.34	-	(17.23)
<b>Net Deferred tax assets</b>	<b>34.44</b>	<b>21.42</b>	<b>14.88</b>	<b>70.75</b>

## 10. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital advances (Unsecured, Considered good)	1.00	3.18
Balances with Government Authorities#	4.47	33.90
	<b>5.47</b>	<b>37.08</b>

# Includes balances receivable for Value added Tax (VAT).

## 11. INVENTORIES (REFER NOTE 44)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Raw materials and packing materials [including goods in transit ₹ 145.04 lakhs (2020: ₹ 134.47 lakhs)]	584.45	768.39
Finished goods [including goods in transit ₹ 118.13 lakhs (2020: ₹ Nil lakhs)]	512.64	611.12
Work-in-progress	588.55	682.29
Stores and spares	86.16	93.97
	<b>1,771.80</b>	<b>2,155.77</b>

The cost of inventories recognized as an expense includes ₹ 5.00 lakhs (2020: ₹ 6.28 lakhs) in respect of write-downs of inventory to net realizable value.

## 12. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
(a) Trade receivables (unsecured)	2,300.24	2,405.49
Less: Expected Credit loss allowances	(35.23)	(35.23)
(b) Trade receivables which have significant increase in credit risk	35.88	51.08
Less: Loss allowances	(35.88)	(51.08)
<b>Net trade receivables</b>	<b>2,229.13</b>	<b>2,319.18</b>

As at April 1, 2020, trade receivables from contracts with customers amounted to ₹ 2,319.18 lakhs (net of loss allowance of ₹ 86.31).

# Notes on Accounts

for the year ended 31 March 2021

The average credit period on sales of goods is 45 - 60 days. No interest is charged on outstanding trade receivables during the current year however in the previous year interest was charged @12% on overdue receivables.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Outstanding customer receivables are reviewed periodically. Provision is made based on expected credit loss method or specific identification method.

(₹ in Lakhs)

Trade receivables - ageing	As at 31 March 2021	As at 31 March 2020
Not due	1,761.39	1,730.20
0-30 days	396.30	376.28
31-60 days	93.07	174.54
61-90 days	19.05	85.25
91-180 days	3.01	24.58
180-365 Days	14.96	-
Above 1 Year	12.47	14.64
	<b>2,300.24</b>	<b>2,405.49</b>
<b>Movement in the allowance for expected credit loss/ loss allowance</b>		
Opening balance	86.31	56.70
Movement in the expected credit loss/ loss allowance on trade receivables calculated at lifetime expected credit losses	24.61	35.23
Amounts recovered during the year/period	(39.81)	(5.62)
<b>Balance at the end of the year/period</b>	<b>71.11</b>	<b>86.31</b>

## 13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Cash on hand	0.28	0.35
Bank balances		
- in current accounts	3,202.71	1,823.16
- Fixed deposits (upto 3 months original maturity from deposit date)	58.17	706.49
- Export Earner's Foreign Currency account (EEFC)	302.92	291.60
	<b>3,564.08</b>	<b>2,821.60</b>

## 14. OTHER BALANCES WITH BANKS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
- Unpaid dividend accounts	25.38	21.95
- Fixed deposits with original maturity more than three months from deposit date but less than twelve months from the Balance Sheet date*	111.98	0.33
	<b>137.36</b>	<b>22.28</b>

[\* Includes ₹ 5 lakhs (2020 - ₹ Nil lakhs) which is pledged against the guarantee given by Axis Bank to Maharashtra Pollution Control Board.]

# Notes on Accounts

for the year ended 31 March 2021

## 15. LOANS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Loans to employees (Unsecured, considered good)	10.12	14.71
	<b>10.12</b>	<b>14.71</b>

## 16. OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Other financial assets (Unsecured, considered good)		
Security deposits	3.00	10.53
Other receivables*	29.80	-
Interest accrued on bank deposits	1.70	1.70
	<b>34.50</b>	<b>12.23</b>

[\*Includes ₹ 29.80 lakhs (2020 - ₹ Nil lakhs) as amount receivable from LIC for the amount paid to employees by the Company.]

## 17. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Advances to suppliers		
Considered good	148.80	31.00
Credit Impaired	10.20	10.20
	<b>159.00</b>	<b>41.20</b>
Allowance for expected credit loss	(10.20)	(10.20)
	<b>148.80</b>	<b>31.00</b>
Prepayments	8.73	59.28
Balances with Government Authorities#	159.62	443.65
Export benefits receivable	174.72	144.36
Others (refer note 38)	-	63.06
	<b>343.07</b>	<b>710.35</b>
	<b>491.87</b>	<b>741.35</b>

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

## 18. EQUITY SHARE CAPITAL

₹ in Lakhs, except share data

	31 March 2021	31 March 2020
<b>Authorized capital :</b>		
10,900,000 equity shares of ₹ 5 each (31 March 2020 : 5,450,000 equity shares of ₹ 10 each)	545.00	545.00
<b>Issued, subscribed and paid-up</b>		
5,600,000 equity shares of ₹ 5 each (31 March 2020 : 2,800,000 equity shares of ₹ 10 each), fully paid-up	280.00	280.00

# Notes on Accounts

for the year ended 31 March 2021

## (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 06 August 2020 approved dividend of ₹ 16 per equity share for year ended 31 March 2020 which was subsequently paid during the quarter ended 30 September 2020. The amount was recognized as distributions to equity shareholders during the year ended 31 March 2021 and the total appropriation was ₹ 448 lakhs including corporate dividend tax of ₹ 40.86 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.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Company is not subject to any externally imposed capital requirements.

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

	As at 31 March 2021	As at 31 March 2020
<b>Equity shares</b>		
At the commencement and at the end of the year	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 March 2021	As at 31 March 2020
Morganite Crucible Limited, subsidiary of the ultimate holding company.	10,78,000	10,78,000
Morgan Terreassen BV, subsidiary of the ultimate holding company.	10,22,000	10,22,000

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Fully paid-up equity shares</b>				
Morganite Crucible Limited	10,78,000	38.50%	10,78,000	38.50%
Morgan Terreassen BV	10,22,000	36.50%	10,22,000	36.50%

# Notes on Accounts

for the year ended 31 March 2021

## 19. OTHER EQUITY

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a. Retained earnings</b>		
Items of other comprehensive income		
At the commencement of the year	(83.97)	(39.74)
Remeasurement of employee benefit obligations during the period (net of tax)	2.82	(44.23)
At the end of the year	(81.15)	(83.97)
Items other than other comprehensive income		
<b>At the commencement of the year</b>	<b>9,634.50</b>	<b>8,727.84</b>
Profit attributable to shareholders	(93.46)	1,311.73
Dividend paid	(407.14)	(336.00)
Dividend distribution tax on above	(40.86)	(69.07)
At the end of the year	9,093.04	9,634.50
<b>Total retained earning at the end of the year</b>	<b>9,011.89</b>	<b>9,550.53</b>
<b>b. General reserve</b>		
At the commencement and end of the year	525.49	525.49
<b>c. Securities premium</b>		
At the commencement and end of the year	350.00	350.00
<b>d. Capital reserves</b>		
At the commencement and end of the year	67.65	67.65
<b>e. Capital profit on forfeited shares</b>		
At the commencement and end of the year	0.04	0.04
<b>f. Statutory reserve</b>		
At the commencement and end of the year	8.70	8.70
<b>Total other equity</b>	<b>9,963.77</b>	<b>10,502.41</b>

### Nature of Reserves -

- General reserve** : The General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilized by the Company in accordance with the Companies Act, 2013. The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- Securities premium** : The Securities premium is created on issue of shares at a premium.
- 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 Diamond Crucible Company Limited.
- Capital profit on forfeited shares** - The capital profit on forfeited shares comprises of profit on re-issue of forfeited shares.
- Statutory Reserve** : The statutory reserves comprises of the Investment allowance reserve created under the Income tax Act, 1961.

# Notes on Accounts

for the year ended 31 March 2021

## 20. TRADE PAYABLES

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Trade payable		
- dues of micro enterprises and small enterprises (refer note 33)	192.97	293.52
- dues of creditors other than micro enterprises and small enterprises	2,012.69	1,937.02
	<b>2,205.66</b>	<b>2,230.54</b>

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is 30-45 days. For most suppliers, no interest is charged on the trade payables for the outstanding balances. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 21. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Capital creditors	40.40	100.42
Deposits from dealers	2.77	11.17
Unpaid dividend	25.38	21.95
Liabilities for Closure and Relocation expenses relating to Mehsana Plant	115.42	95.40
Liability for Voluntary Retirement Scheme	310.00	-
Lease Liability (refer note 40)	-	6.03
Others*	-	10.91
	<b>493.97</b>	<b>245.88</b>

[\* Includes derivative liability of ₹ Nil lakhs (2020: ₹ 10.91)]

## 22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Advances from customers	385.07	141.75
Statutory dues #	56.68	129.04
Others (refer note 37)	36.61	-
	<b>478.36</b>	<b>270.79</b>

[# Statutory dues includes payable on account of Provident Fund, TDS, ESIC etc.]

## 23. CURRENT PROVISIONS

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>Provision for employee benefits</b>		
Compensated absences	31.96	24.08
<b>Total provisions for employee benefits (A)</b>	<b>31.96</b>	<b>24.08</b>
<b>Other provisions</b>		
Provision for warranties	177.40	179.12
Provision for indirect tax matters	-	30.17
Provision for corporate social responsibility	34.38	-
Provision for others	1.42	1.42
<b>Total other provisions (B)</b>	<b>213.20</b>	<b>210.71</b>
<b>Total provision (A+B)</b>	<b>245.16</b>	<b>234.79</b>

# Notes on Accounts

for the year ended 31 March 2021

(₹ in Lakhs)

Movement in other provisions during the year	As at 31 March 2021		
	Provision for corporate social responsibility	Provision for warranties	Provision for indirect tax
Balance at 1 April 2019	-	93.09	30.17
Provisions made during the year	-	217.81	-
Provisions utilized during the year	-	(131.78)	-
Provisions reversed during the year	-	-	-
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>179.12</b>	<b>30.17</b>
Balance at 1 April 2020	-	179.12	30.17
Provisions made during the year	34.38	155.50	-
Provisions utilized during the year	-	(157.22)	-
Provisions reversed during the year	-	-	(30.17)
<b>Balance at 31 March 2021</b>	<b>34.38</b>	<b>177.40</b>	<b>-</b>

- A. 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 management estimate.

## 24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Revenue from contract with customers	For the year ended 31 March 2021	For the year ended 31 March 2020
Sales of products*	10,666.52	12,838.16
<b>Total sale of products (A)</b>	<b>10,666.52</b>	<b>12,838.16</b>
Other operating revenue		
Sale of scrap	19.00	17.20
<b>Total other operating revenue (B)</b>	<b>19.00</b>	<b>17.20</b>
<b>Total revenue from operations (A+B)</b>	<b>10,685.52</b>	<b>12,855.36</b>

[\* Net of turnover discount ₹ 34.08 lakhs (2020: ₹ 44.21 lakhs)]

The Company derives its revenue from contracts with customers for the transfer of goods and services at a point in time. The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 (refer note 34).

## 25. OTHER INCOME

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Duty drawback on exports	79.45	104.38
Export benefits	118.28	211.24
Interest income on		
- deposits with bank	11.47	101.69
- overdue trade receivables	-	8.97
Gain on account of foreign currency transactions (net)	118.95	216.30
Gain on sale of property, plant and equipment	3.13	3.23
Liabilities written back to the extent no longer required	31.89	-
Other non-operating income	45.62	18.49
	<b>408.79</b>	<b>664.30</b>

# Notes on Accounts

for the year ended 31 March 2021

## 26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	768.39	831.82
Purchases	3,747.96	4,715.52
Inventory of materials at the end of the year	(584.45)	(768.39)
	<b>3,931.90</b>	<b>4,778.95</b>

## 27. CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventory at the beginning of the year</b>		
Finished goods - Crucibles	682.29	498.13
Work-in-progress - Crucibles	611.12	620.11
<b>Inventory at the end of the year</b>		
Finished goods - Crucibles	512.64	682.29
Work-in-progress - Crucibles	588.55	611.12
<b>Decrease/(Increase) in Inventory</b>	<b>192.22</b>	<b>(175.17)</b>

## 28. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	1,366.82	1,564.81
Contribution to provident and other funds	73.21	96.37
Staff welfare expenses	113.58	161.95
	<b>1,553.61</b>	<b>1,823.13</b>

## 29. OTHER EXPENSES

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	621.05	992.78
Power and fuel	173.80	210.18
Contract labour charges	512.94	506.01
Repairs to buildings	50.52	10.81
Repairs to machinery	296.93	287.26
Repairs others	32.24	38.70
Rent	6.53	44.65
Rates and taxes	6.17	7.87
Travelling and motor car expenses	30.08	146.87

# Notes on Accounts

for the year ended 31 March 2021

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Legal and professional fees	81.04	109.11
Insurance	39.13	43.25
Payment to auditors (refer note (i) below)	38.21	32.43
Sales commission	67.71	66.46
Trade Mark Charges	83.87	109.24
Management charges	587.43	391.76
Warranty Expense	-	24.08
Business development and promotional expenses	24.45	58.23
SAP training & maintenance expenses	79.71	80.73
Freight outward	366.25	214.35
Security charges	58.14	54.45
Provision for doubtful receivables (net off bad debts written off ₹ Nil lakhs (2020 : ₹ 5.07 lakhs )	24.61	29.61
Corporate Social Responsibility expenses (refer note (ii) below)	41.09	30.03
Miscellaneous expenses	183.86	243.03
	<b>3,405.76</b>	<b>3,731.89</b>

## i) Payment to auditors (excluding taxes)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>As auditor</b>		
Statutory Audit	20.00	17.55
Tax Audit	2.50	2.06
Limited review of quarterly results	10.50	7.54
Certification fees	1.00	1.13
<b>For other services</b>		
Audit of group reporting package	4.00	2.82
<b>Reimbursement of expenses</b>	0.21	1.33
	<b>38.21</b>	<b>32.43</b>

## ii) Corporate social responsibility

As per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹ 41.09 lakhs (2020: ₹ 46.46 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 ₹ 6.71 lakhs (2020: ₹ 30.03 lakhs) towards Corporate Social Responsibility activities and the Company has created a provision of ₹ 34.38 lakhs (2020: ₹ Nil lakhs) . 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.

- Gross amount required to be spent by the Company during the year - ₹ 41.09 lakhs
- Amount spent during the year on :

# Notes on Accounts

for the year ended 31 March 2021

## The breakup of expenditure incurred on CSR activities -

(₹ in Lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	6.71	30.03
	<b>6.71</b>	<b>30.03</b>

## 30. TAXATION

### (i) Contingent Liabilities:

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
- Matters relating to income tax	-	409.66
- Matters relating to excise duty, value added tax and service tax (Refer note 1)	43.66	60.30

Note 1- The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

- (ii) Union Budget, 2020 announced Vivad se Vishwas Scheme ("the VsV"), to provide for dispute resolution in respect of pending income tax litigation. Management has filed the application for the VsV scheme for the financial years 2011-12 and 2012-13 for the unit located at Aurangabad and for the financial years 2008-09, 2010-11 to 2014-15 and 2016-17 for the unit located at Mehsana. The Company has received the acknowledgement for the acceptance of VsV application in the month of December 2020. During the year ended 31 March 2021, the Company has accounted the provision for tax towards VsV scheme amounting to ₹ 140.46 lakhs as short provision in respect of earlier years.
- (iii) During the financial year 2016-17, the management had applied for Advance Pricing Agreement ("APA") for the period of nine years i.e. From FY 2012-13 to FY 2020-21. Subsequently, the Management has submitted application to Principal Chief Commissioner of Income Tax (International taxation) on 31 July 2020 for withdrawal of APA for the rollback periods (i.e. from FY 2012-13 to FY 2015-16 (four years)) to avail the benefit of Vivad se Vishwas Scheme ("the VsV") which was announced by the Government of India in 2020 budget. During the current year the Company has assessed and provided for additional tax liability of ₹ 373.99 lakhs (which includes ₹ 312.43 lakhs for short provision in respect of earlier years) based on the in-principle approval received from the APA commissioner.

## 31. COMMITMENTS:

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	21.50	313.50

# Notes on Accounts

for the year ended 31 March 2021

## 32. EARNINGS PER SHARE

(₹ in Lakhs, except share data)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	583.64	1,841.10
Less : Tax expenses	677.10	529.37
Profit after tax (a)	(93.46)	1,311.73
Weighted average number of equity shares outstanding during the period for calculation of basic and diluted EPS (b)*	56,00,000	56,00,000
Earnings per share, net of tax*		
Basic (a/b)	(1.67)	23.42
Diluted (a/b)	(1.67)	23.42

\*In the Annual General Meeting of shareholders of the Company held on 06 August 2020, shareholders had approved sub-dividing the face value of equity shares of ₹ 10/- each to ₹ 5/- each, pursuant to the provisions of the Companies Act, 2013. After the sub-division of equity shares, the authorized share capital and paid-up share capital of the Company stands sub-divided to 10,900,000 equity shares of ₹ 5 each aggregating to ₹ 545 lakhs and 5,600,000 equity shares of ₹ 5 each aggregating ₹ 280 lakhs, respectively. The record date was 1 September 2020 after which the sub-division of share capital was effective. Hence the effect has been given to Earnings Per Share for the year ended 31 March 2020.

## 33. DISCLOSURES AS PER MICRO AND SMALL ENTERPRISES DEVELOPMENT ACT, 2006 (THE 'MSMED ACT')

All amounts in ₹ Lakhs unless otherwise stated

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
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 and small enterprises	192.97	267.06
b) Interest due on above	0.12	26.46
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	3.22	5.13
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	29.80	26.46
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	-	-

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.

# Notes on Accounts

for the year ended 31 March 2021

## 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.

(₹ in Lakhs)

Particulars	31 March 2021						Total
	India	Outside India				Others	
		Asia and Far East	Europe	Africa and Middle East	North America		
Revenue from external customers	5,024.04	1,346.75	1,294.31	1,668.14	895.91	437.37	10,666.52
Non current assets	5,577.45	-	-	-	-	-	5,577.45

(₹ in Lakhs)

Particulars	31 March 2020						Total
	India	Outside India				Others	
		Asia and Far East	Europe	Africa and Middle East	North America		
Revenue from external customers	5,726.80	1,311.39	2,213.08	1,867.88	1,172.27	546.74	12,838.16
Non current assets	5,756.21	-	-	-	-	-	5,756.21

## 35. RELATED PARTY DISCLOSURES

### A. Names of related parties

#### a. Parties (where controls exists)

Morgan Advanced Materials Plc - Ultimate Holding Company

#### b. Enterprise exercising significant influence

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

Morgan Molten Metal System GmbH

Morganite Brazil Ltda.

Grupo industrial Morgan, S.A. de C.

Morganite Carbon Kabushiki Kaisha

# Notes on Accounts

for the year ended 31 March 2021

Murugappa Morgan Thermal Ceramics Ltd  
Morgan Advanced Materials India Pvt. Ltd  
Morgan AM & T B.V. Netherlands  
Thermal Ceramics Limited, UK  
Molten Ceramics Asia Pte Ltd.  
Dalian Morgan Refractories Ltd  
Morgan Advanced Materials (Taiwan) Co.  
Morgan Ceramics Middle East FZE  
Thermal Ceramics USA  
Ciria India Limited

## ii Key Management Personnel

Mr. Vikas Kadlag - Managing Director  
Mr. Aniruddha Karve - Non - Executive Director  
Mr. Martin Coll - Non - Executive Director  
Mr. Mukund Bhogale -Non-Executive Independent Director\*\*  
Mr. Subhash Kolakpar -Non-Executive Independent Director\*\*  
Ms. Maithilee Tambolkar -Non-Executive Independent Director\*\*  
Mr. Atithi Majumdar - Chief Financial Officer  
Mr. Rupesh Khokle - Company Secretary

### Details of Remuneration paid and amount outstanding as at 31 March 2021 to above mentioned Key Managerial Personnel

Name of the person	Remuneration paid*		Outstanding payables		Outstanding receivable	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Mr. Vikas Kadlag	57.60	62.86	-	13.15	-	-
Mr. Meereshwar Reddy	-	-	-	-	-	0.84
Mr Atithi Majumdar	37.70	37.27	-	5.85	-	-
Mr. Rupesh Khokle	15.60	15.69	-	2.50	-	-

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

\*\*The Company has paid sitting fees amounting to ₹ 3.00 lakhs (2020: ₹ 2.80 lakhs) to non executive independent directors.

# Notes on Accounts

for the year ended 31 March 2021

## 35. RELATED PARTY DISCLOSURES (Contd.)

### Related party transactions for the year ended 31 March 2021

Particulars	Ultimate Holding Company	Enterprise exercising significant influence			Fellow Subsidiaries														
	Morgan Advanced Materials Plc	Morgan Crucible Limited	Morgan Terrassen BV	Morgan Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	Morganite Brasil Ltda.	Mkgs. Morgan Karbon Grafit	Thermal Ceramics Limited, UK	Grupo Industrial Morgan, S.A. de C.	Murappa Thermal Ceramics Limited	Morgan Carbon Kaushiki	Morgan Advanced Materials India Private Limited	Morgan Ceramics Middle East FZE	Dalian Morgan Refractories Ltd	Morgan AM & T B.V. Netherlands	Thermal Ceramics USA	Ciria India Limited	
Income																			
Sale of finished goods, raw materials	-	-	-	790.61	558.22	40.56	62.68	8.09	-	20.56	0.03	86.08	-	-	-	0.47	-	-	
Reimbursement of expenses	81.93	-	-	-	14.01	12.96	-	-	-	-	-	-	41.98	-	-	-	-	-	
Sale of fixed asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expenditure																			
Purchase of raw materials (including goods in transit)	-	-	-	-	16.65	362.48	-	-	0.78	-	-	-	-	-	-	-	-	-	
Purchases of stock in trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchases of spares/consumables	-	-	-	-	-	-	-	-	-	-	10.97	-	-	-	-	-	-	-	
Capital Goods purchase (including taxes)	-	-	-	-	-	-	-	-	-	-	21.01	-	-	-	-	-	-	-	
Trademark Charges	77.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Management charges	550.71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other																			
Dividend paid	-	155.23	147.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Outstanding Balances:																			
Receivables	81.93	-	-	206.62	253.26	34.64	43.48	-	-	2.36	-	-	-	-	-	-	-	-	
Payables	207.73	-	-	-	0.57	75.46	-	-	0.45	-	-	-	-	-	-	-	-	-	

### Related party transactions for the year ended 31 March 2020

Particulars	Ultimate Holding Company	Enterprise exercising significant influence			Fellow Subsidiaries														
	Morgan Advanced Materials Plc	Morgan Crucible Limited	Morgan Terrassen BV	Morgan Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	MorganiteBrasil Ltda.	Morgan Karbon Grafit	Thermal Ceramics Limited, UK	Grupo Industrial, Morgan, S.A. de C.	Morgan Thermal Ceramics Limited	Morgan Advanced Carbon Kaushiki Private Limited	Morgan Middle East FZE	Dalian Morgan Refractories Ltd	Morgan AM & T B.V. Netherlands	Thermal Ceramics USA	Ciria India Limited		
Income																			
Sale of finished goods, raw materials	-	-	-	1,192.67	844.45	65.86	48.14	5.74	-	36.75	-	125.12	-	2.58	-	3.96	-		
Reimbursement of expenses	-	-	-	0.16	14.36	14.01	0.33	-	-	-	4.73	0.16	0.90	-	-	-	2.15		
Sale of fixed asset	-	-	-	-	-	1.89	-	-	-	-	-	-	-	-	-	-	-		
Expenditure																			
Purchase of raw materials (including goods in transit)	-	-	-	-	-	99.82	-	-	3.55	-	2.63	-	-	-	-	-	-		
Purchases of stock in trade	-	-	-	-	-	339.16	-	-	-	-	7.38	-	-	-	-	-	-		
Purchases of spares / consumables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Capital Goods purchase (including taxes)	-	-	-	-	-	-	-	-	-	-	128.92	-	-	-	-	-	-		
Management charges	391.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Trademark Charges	109.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Expenses	-	-	-	-	1.26	-	-	-	-	-	12.93	-	-	-	-	-	-		
Other																			
Dividend paid	-	172.48	163.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Outstanding Balances:																			
Receivables	-	-	-	92.17	214.91	35.42	27.11	(0.48)	-	9.26	-	21.85	-	-	-	-	-		
Payables	233.58	-	-	-	-	81.58	-	-	0.63	-	11.82	-	-	-	-	-	-		

# Notes on Accounts

for the year ended 31 March 2021

## 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 2021

	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
(₹ in Lakhs)									
<i>Financial assets not measured at fair value*</i>									
Trade receivables	12	2,229.13	-	-	2,229.13	-	-	-	2,229.13
Cash and cash equivalents	13	3,564.08	-	-	3,564.08	-	-	-	3,564.08
Other bank balances	14	137.36	-	-	137.36	-	-	-	137.36
Loans	15	10.12	-	-	10.12	-	-	-	10.12
Other current financial assets	16	34.50	-	-	34.50	-	-	-	34.50
Other non current financial assets	8	34.76	-	-	34.76	-	-	-	34.76
		<b>6,009.95</b>	<b>-</b>	<b>-</b>	<b>6,009.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,009.95</b>
<i>Financial liabilities measured at fair value</i>									
Others		-	-	-	-	-	-	-	-
<i>Financial liabilities not measured at fair value*</i>									
Trade payables	20	2,205.66	-	-	2,205.66	-	-	-	2,205.66
Other current financial liabilities	21	493.97	-	-	493.97	-	-	-	493.97
		<b>2,699.63</b>	<b>-</b>	<b>-</b>	<b>2,699.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,699.63</b>

#### 31 March 2020

	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
(₹ in Lakhs)									
<i>Financial assets not measured at fair value*</i>									
Trade receivables	12	2,319.18	-	-	2,319.18	-	-	-	2,319.18
Cash and cash equivalents	13	2,821.60	-	-	2,821.60	-	-	-	2,821.60
Other bank balances	14	22.28	-	-	22.28	-	-	-	22.28
Loans	15	14.71	-	-	14.71	-	-	-	14.71
Other current financial assets	16	12.23	-	-	12.23	-	-	-	12.23
Other non current financial assets	8	97.06	-	-	97.06	-	-	-	97.06
		<b>5,287.06</b>	<b>-</b>	<b>-</b>	<b>5,287.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,287.06</b>
<i>Financial liabilities measured at fair value</i>									
Others		-	10.91	-	10.91	-	10.91	-	10.91
<i>Financial liabilities not measured at fair value*</i>									
Trade payables	20	1,985.25	-	-	1,985.25	-	-	-	1,985.25
Other current financial liabilities	21	480.26	-	-	480.26	-	-	-	480.26
		<b>2,465.51</b>	<b>10.91</b>	<b>-</b>	<b>2,476.42</b>	<b>-</b>	<b>10.91</b>	<b>-</b>	<b>2,476.42</b>

\*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.

# Notes on Accounts

for the year ended 31 March 2021

## 36. FINANCIAL INSTRUMENT - FAIR VALUES AND RISK MANAGEMENT (*Contd.*)

### B. Measurement of fair values

#### (i) Valuation techniques and significant unobservable inputs.

**Level 1:** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Fair value measurements are those derived from inputs other than quoted prices included within 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:** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (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.

### 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 analyze 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.

##### a. Cash and bank balance

Credit risk from balances/ fixed deposits banks is managed in accordance with the Company's risk management policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. The limits are assigned based on corpus of investable surplus and corpus of the investment avenue. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk on account of deposits with banks is as mentioned below -

# Notes on Accounts

for the year ended 31 March 2021

## 36. FINANCIAL INSTRUMENT - FAIR VALUES AND RISK MANAGEMENT (Contd.)

### C. Risk Management Framework (Contd.)

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
Balances with banks in the form of-		
Current Accounts	3,202.71	1,823.16
EEFC Accounts	302.92	291.60
Fixed Deposits	170.15	766.32
<b>Total</b>	<b>3,675.78</b>	<b>2,881.08</b>

#### (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 2021, the Company had a working capital of ₹ 4,666.32 lakhs (as on 31 March 2020 ₹ 5,026.20 lakhs) including cash and cash equivalents and other bank balance of ₹ 3,701.44 lakhs (as on 31 March 2020 ₹ 2,843.88 lakhs). The working capital of the Company for this purpose has been derived as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total current assets (A)	8,340.18	8,188.44
Total current liabilities (B)	3,673.86	3,162.24
<b>Net working capital (A-B)</b>	<b>4,666.32</b>	<b>5,026.20</b>

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 -

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	2,205.66	-	-	-	2,205.66
Other financial liabilities	493.97	-	-	-	493.97

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020 -

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	1,985.25	-	-	-	1,985.25
Other financial liabilities	491.17	-	-	-	491.17

#### (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:

- Interest rate risk
- Foreign currency risk

# Notes on Accounts

for the year ended 31 March 2021

## 36. FINANCIAL INSTRUMENT - FAIR VALUES AND RISK MANAGEMENT (Contd.)

### C. Risk Management Framework (Contd.)

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, EURO and GBP.

The Company had entered into derivative contracts to hedge its risk associated with foreign currency fluctuations in the previous year, however there are no outstanding forward contracts as at 31 March 2021. However, none of these contracts could 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:

Currency	Amount in Foreign Currency Lakhs	
	As at 31 March 2021	As at 31 March 2020
US Dollars (USD)	-	3.00

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 2021:

Particulars	₹ in Lakhs (₹ equivalent of foreign currencies)				
	EURO	GBP	US Dollars	AED	Total
Cash and cash equivalents	112.14	25.63	165.15	-	302.92
Trade receivables	374.17	425.84	677.18	-	1,477.19
Trade payables	(28.59)	(3.20)	(221.77)	-	(253.56)
Other current assets	2.97	4.32	11.96	-	19.25
Other current liabilities	(14.78)	(1.73)	(208.32)	(28.03)	(252.86)
<b>Net assets</b>	<b>445.91</b>	<b>450.86</b>	<b>424.20</b>	<b>(28.03)</b>	<b>1,292.94</b>

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2020:

Particulars	₹ in Lakhs (₹ equivalent of foreign currencies)				
	EURO	GBP	US Dollars	AED	Total
Cash and cash equivalents	70.01	34.46	179.49	-	283.96
Trade receivables	322.81	292.09	420.55	-	1,035.45
Trade payables	(1.13)	(5.35)	(197.77)	-	(204.25)
Other current assets	5.50	0.92	1.87	-	8.29
Other current liabilities	(1.97)	(0.83)	(96.63)	(46.22)	(145.65)
<b>Net assets</b>	<b>395.22</b>	<b>321.29</b>	<b>307.51</b>	<b>(46.22)</b>	<b>977.80</b>

#### Sensitivity Analysis

A reasonable possible strengthening / (weakening) of the major currencies US Dollar, EURO or GBP against all other currencies as at 31 March 2021 would have affected the measurement of financial instruments (including derivatives) denominated in a

# Notes on Accounts

for the year ended 31 March 2021

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 2021			
	EURO	+ 5%	22.30
		- 5%	(22.30)
	GBP	+ 5%	22.54
		- 5%	(22.54)
	USD	+ 5%	21.21
		- 5%	(21.21)
31 March 2020			
	EURO	+ 5%	19.76
		- 5%	(19.76)
	GBP	+ 5%	16.06
		- 5%	(16.06)
	USD	+ 5%	15.38
		- 5%	(15.38)

## Note 1

Financial assets carried at fair value as at 31 March 2021 is ₹ Nil and financial assets carried at amortized cost as at 31 March 2021 is ₹ 6,009.95 lakhs. The Company has assessed the counterparty credit risk in connection with Cash and cash equivalents, bank deposits and earmarked balances with banks amount to ₹ 3,675.78 lakhs as at 31 March 2021 where the Company has assessed the counterparty credit risk.

Trade receivables amounting to ₹ 2,229.13 lakhs as at 31 March 2021 is valued at considering provision for allowance under the expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case.

Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

## 37. 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 ₹ 73.21 Lakhs (31 March 2020: ₹ 96.37 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.

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

# Notes on Accounts

for the year ended 31 March 2021

## 37. EMPLOYEE BENEFITS (Contd.)

### Assets and Liabilities related to employee benefits:

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	(422.95)	(363.78)
Fair value of Plan Assets	386.34	426.83
<b>Assets recognized in balance sheet</b>	<b>(36.61)</b>	<b>63.05</b>
Current	(36.61)	63.05
Non current	-	-
<b>Total employee benefit (liabilities)/ assets</b>	<b>(36.61)</b>	<b>63.05</b>

- 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.
- 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.
- The Company's gratuity fund is managed by Life Insurance Corporation of India, details of those funds invested by LIC are not available with the Company.

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

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Opening defined benefit obligation	363.78	382.15
Adjustment for closure of Mehsana Plant	81.09	(103.83)
Interest cost	24.88	21.68
Current service cost	26.65	21.25
Benefits paid from plan	(67.03)	(15.43)
Remeasurements - Actuarial (Gains)/Losses on Obligations		
Due to Change in Financial Assumptions	0.65	29.06
Due to Experience	(7.07)	28.89
<b>Closing defined benefit obligation</b>	<b>422.95</b>	<b>363.78</b>

### Changes in fair value of Plan Assets are as follows

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Opening fair value of Plan Assets	426.83	391.36
Adjustment for closure of Mehsana Plant	-	(102.41)
Transfer in/(out) plan assets	-	93.20
Interest income	29.19	22.51
Employer's contribution	-	38.76
Benefits paid from plan assets	(67.03)	(15.43)
Return on plan assets (excluding interest income)	(2.65)	(1.16)
<b>Closing fair value of Plan Assets</b>	<b>386.34</b>	<b>426.83</b>

# Notes on Accounts

for the year ended 31 March 2021

## 37. EMPLOYEE BENEFITS (Contd.)

### Net employee benefit expense recognized in employee cost

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Current service cost	26.65	21.25
Interest cost on benefit obligation	24.88	21.68
Interest income on plan assets	(29.19)	(22.51)
Total employee benefit expense recognized in profit and loss account	22.34	20.42
Remeasurements -		
Actuarial (Gains)/Losses on Obligations -Due to Change in Financial Assumptions	0.65	29.06
Actuarial (Gains)/Losses on Obligations -Due to Experience	(7.07)	28.89
Return on plan assets (excluding interest income)	2.65	1.16
Total remeasurements included in OCI	(3.77)	59.11
<b>Net employee benefit expense</b>	<b>18.57</b>	<b>79.52</b>

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

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
<b>Expected cash flows for following year</b>		
Expected total benefit payments		
Year 1	57.50	16.26
Year 2	9.46	22.48
Year 3	10.18	14.44
Year 4	26.69	9.56
Year 5	58.57	24.71
Next 5 years	201.92	227.89

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

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Investment with insurer	100%	100%

# Notes on Accounts

for the year ended 31 March 2021

## 37. EMPLOYEE BENEFITS (Contd.)

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

### (i) Actuarial assumptions

	Gratuity (Funded)	
	As at 31 March 2021	As at 31 March 2020
Expected rate of return on plan assets #	6.82%	6.84%
Discount rate current year	6.82%	6.84%
Discount rate previous year	6.84%	7.79%
Age of retirement	58-60 years	58-60 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.

### (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:

₹ in Lakhs (₹ equivalent of foreign currencies)

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
<i>Gratuity (funded):</i>				
Discount rate (1% movement)	30.57	35.16	30.48	35.23
Future Salary growth (1% movement)	33.30	30.05	33.87	30.41
Attrition (1% movement)	0.53	0.57	0.60	0.65

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.

## 38. DISCLOSURE FOR REVENUE FROM CONTRACTS WITH CUSTOMERS

All amounts in ₹ Lakhs unless otherwise stated

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
Revenue recognized from contracts with customers		
Disaggregation of revenue		
Based on type of goods		
- Sale of crucible	10,666.52	12,838.16
- Sale of scrap	19.00	17.20
Based on market/type of customer		
- Domestic	5,043.04	5,744.00
- Export	5,642.48	7,111.36

# Notes on Accounts

for the year ended 31 March 2021

## 38. DISCLOSURE FOR REVENUE FROM CONTRACTS WITH CUSTOMERS (Contd.)

### Performance obligations

The Company satisfies its performance obligations pertaining to the sale of crucibles at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The payment is generally due within 45-60 days. The Company is obliged for refunds due to shortages during the mode of transportation. There are no other significant obligations attached in the contract with customer.

### Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognized till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the entity's performance completed to date.

### Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue.

## 39. CLOSURE AND RELOCATION EXPENSES RELATING TO MEHSANA PLANT

During the previous year, subsequent to the receipt of the approval from Board of Directors on 17 October 2019 and Share Holders on 2 December 2019, the Company had shut down and relocated the operations of Mehsana Plant w.e.f. 1 February 2020 to Aurangabad. The management has estimated and accounted for the total closure and relocation cost relating to Mehsana of ₹ 765.62 lakhs till March 2021.

The relocation cost involves severance pay of the employees who have opted not to relocate, provision for assets written off which have not been shifted to Aurangabad due to wear and tear of those assets, charges for assets transportation and their restoration at Aurangabad.

Looking to the nature of the transaction, the management has shown the relocation cost as a separate line item as "Closure and Relocation expenses relating to Mehsana Plant" in the financial statements.

During the year the management has identified the potential buyer for sale of Land and Building of Mehsana Plant. The management has entered into an "Memorandum of Understanding" (MOU) dated 12 February 2021 for completion of the sale by June 2021 and accordingly, the Land and Building amounting to ₹ 101.32 lakhs have been reclassified under "Non current assets held for sale".

## 40. LEASES

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1 April 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain remeasurement adjustments.

The Company has adopted the modified prospective transition method recognizing the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and recognized the Right of Use Asset (ROU) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The total cash outflow for leases is ₹ 5.53 lakhs ( 2020 : ₹ 41.69 lakhs), including cash outflow for short term and low value leases.

# Notes on Accounts

for the year ended 31 March 2021

## 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 earlier years 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). 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. The Company has applied for APA in FY 2015-16.

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 the 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.

## 42. GOODWILL

Following is the summary of changes in carrying amount of goodwill:

	(₹ in Lakhs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning of the year	137.81	137.81
Impairment	-	-
Balance at the end of the year	137.81	137.81

The Company tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Company has identified a single cash generating unit ("CGU") based on the business. The recoverable amount of CGU is determined based on higher of value-in-use and fair value less cost to sell. The recoverable value was determined by value in use in cases where there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. In determining the value in use, cash flow projections from financial budgets approved by senior management have been considered.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections are considered for next 5 years and consider past experience and represent management's best estimate about future developments. Cash flows beyond the five-year period are extrapolated using a 2% growth rate. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 14%. An analysis of the sensitivity of the computation of recoverable amount to a change in key parameters, based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount other than the amount.

43. During the year ended 31 March 2021 the Company has initiated the discussions with the workers for the voluntary retirement scheme (VRS) and the Company has considered a provision of ₹ 310 lakhs included in the exceptional item of the financial statement. The Board of Directors in their meeting held on 10 February 2021 has approved the Voluntary Retirement Scheme-2021 ("Scheme").
44. Raw materials and packing materials, work in progress, finished goods, and stores and spare parts as at 31 March 2020 have been reclassified. On account of reclassification, the amount of closing stock of raw material and packing material has decreased by ₹ 163.07 lakhs, work in progress has decreased by ₹ 39.64 lakhs, finished goods has increased by ₹ 402.32 lakhs and stores and spares has decreased by ₹ 199.60 lakhs (with consequential impact of increase in consumption of raw materials by ₹ 163.07 lakhs, stores and spare by ₹ 199.60 lakhs and decrease in change in inventory of finished goods and

# Notes on Accounts

## for the year ended 31 March 2021

work in progress by ₹ 362.67 lakhs, increase in other expenses by ₹ 199.60 lakhs) to reflect appropriate classification. This has no impact on profit before tax and earnings per share for the year ended as at that date.

45. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the rules are yet to be framed. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective and the related rules are published.
46. The financial statements of the Company for the year ended 31 March 2020, were audited by the BSR & Associates LLP, Chartered Accountants, the predecessor auditor have expressed an unmodified opinion on these financial statements vide their audit report dated June 16, 2020.
47. The appearance of the Coronavirus (COVID-19) in January 2020 and its recent global expansion to a large number of countries caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March 2020. The cases are again increasing since March 2021. The COVID-19 pandemic and the measures to combat it adopted by the authorities have had a significant effect on the Company's activity and results of 2021. Plant closures and/or reduced operation hours, limitations on capacity and restrictions of movements have led to a decrease in the Company's earnings and profitability. The Directors of the Company have assessed the current situation based on the best available information at the date of preparation of the financial statements. In this regard, although the Company has closed for a week its plant in April 2021 following the restrictions imposed by the authorities, these restrictions will foreseeably be lifted in the short term, and, therefore, the Company would be able to continue its operations normally.

The Company has considered the possible effects of the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, obsolescence of inventories and recoverability of security deposits. In assessing these assumptions / estimates relating to the possible future uncertainties because of this pandemic and impact of the same on future performance, the Company has used available information from internal and external sources to assess the impact of COVID-19 on the financial statements. However, given the undetermined circumstances due to the pandemic the actual outcome may differ from what has been estimated. The Company will continue to monitor the future developments and updates its assessment. Further, there is no change in the internal controls during the lockdown period.

As at 31 March 2021, the Company has a cash and bank balance of ₹ 3,701.44 Lakhs (including other bank balances ₹ 137.36 lakhs), the Company believes it will be able to operate uninterruptedly and realize its assets and meet its financial obligation for the next 12 months from the approval of the financial statements. Our cash and bank balances as of the date of authorization of these financial statements ensure we can continue to meet our financial obligations.

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

**Vikas Kadlag**

Managing Director  
DIN : 05122774  
Place : Aurangabad  
Date: 31 May 2021

**Atithi Majumdar**

Chief Financial Officer  
Place: Aurangabad  
Date: 31 May 2021

**Aniruddha Karve**

Director  
DIN : 07180005  
Place : Aurangabad  
Date: 31 May 2021

**Rupesh Khokle**

Company Secretary  
Place: Aurangabad  
Date: 31 May 2021

## Notice

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of Morganite Crucible (India) Limited will be held on Thursday, August 5, 2021 at 11:00 am IST through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2021, including Audited Balance Sheet as at March 31, 2021, 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 re-appoint Mr Aniruddha Karve as a Director of the Company who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

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

#### **Re-appointment of Mr Mukund Bhogale (DIN:00072564) as a Chairman and Independent Director**

**"RESOLVED** THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act, as amended from time to time, Mr Mukund Bhogale (DIN: 00072564), who has submitted a declaration that he meets the criteria for Chairman and Independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Chairman and Independent Director of the Company, for a period of 3 (Three) consecutive years with effect from August 10, 2021 to August 09, 2024 and whose office shall not be liable to determination by retirement of directors by rotation;

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149 and other applicable provisions, Mr Mukund Bhogale be paid sitting fees within the limits prescribed and as approved by the Board of Directors in their earlier meeting, for attending the meeting(s) of the Board or any Committee thereof and reimbursement of any expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** any of the Directors of the Company and Key Managerial Personnel of the Company, be

and is hereby severally authorised to do all such acts, deeds and things, including signing and issuing revised letter of appointment and to complete all other formalities as may require to give effect to this resolution."

### Registered Office:

B-11 MIDC, Industrial Area, Waluj,  
Aurangabad (MS) – 431 136

By Order of the Board,

**Vikas Kadlag**

(Managing Director)

DIN: 05122774

Date: May 31, 2021

### NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circular 02/2021 dated January 21, 2021 (collectively referred to as "MCA Circulars ") permitted the holding of Annual General Meeting through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. The Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company Secretary or authorised representative of the Company at e-mail ID [Rupesh.Khokle@morganplc.com](mailto:Rupesh.Khokle@morganplc.com).
4. **Registration of email ID and Bank Account details:**  
In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/

Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR
  - (ii) In the case of Shares held in Demat mode:  
The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
5. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.morganmms.com](http://www.morganmms.com) and websites of the Stock Exchange i.e. Bombay Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
  6. The Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
  7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 30, 2021 to Thursday, August 5, 2021 (both days inclusive).
  8. The balance lying in the unpaid dividend account of the Company in the respect of the dividend declared for the financial year 2013-14 will be transferred to Investor Education and Protection Fund of the Central Government by October, 2021. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its RTA i.e. Link Intime India Private Limited for obtaining the payment thereof by end of September, 2021.
  9. 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.

10. 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.
11. 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 Friday, July 23, 2021, 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.
12. 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.
13. The facility for voting through electronic voting system be made available at the AGM and the members attending the AGM through VC/OAVM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM through E-Voting. The Company have entered into an arrangement with Link Intime India Private Limited for facilitating remote e-voting for AGM.

#### PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- ▶ Select the **"Company"** and **'Event Date'** and register with your following details: -
  - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

### Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the [Rupesh.Khokle@morganplc.com](mailto:Rupesh.Khokle@morganplc.com) created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

### Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.

3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

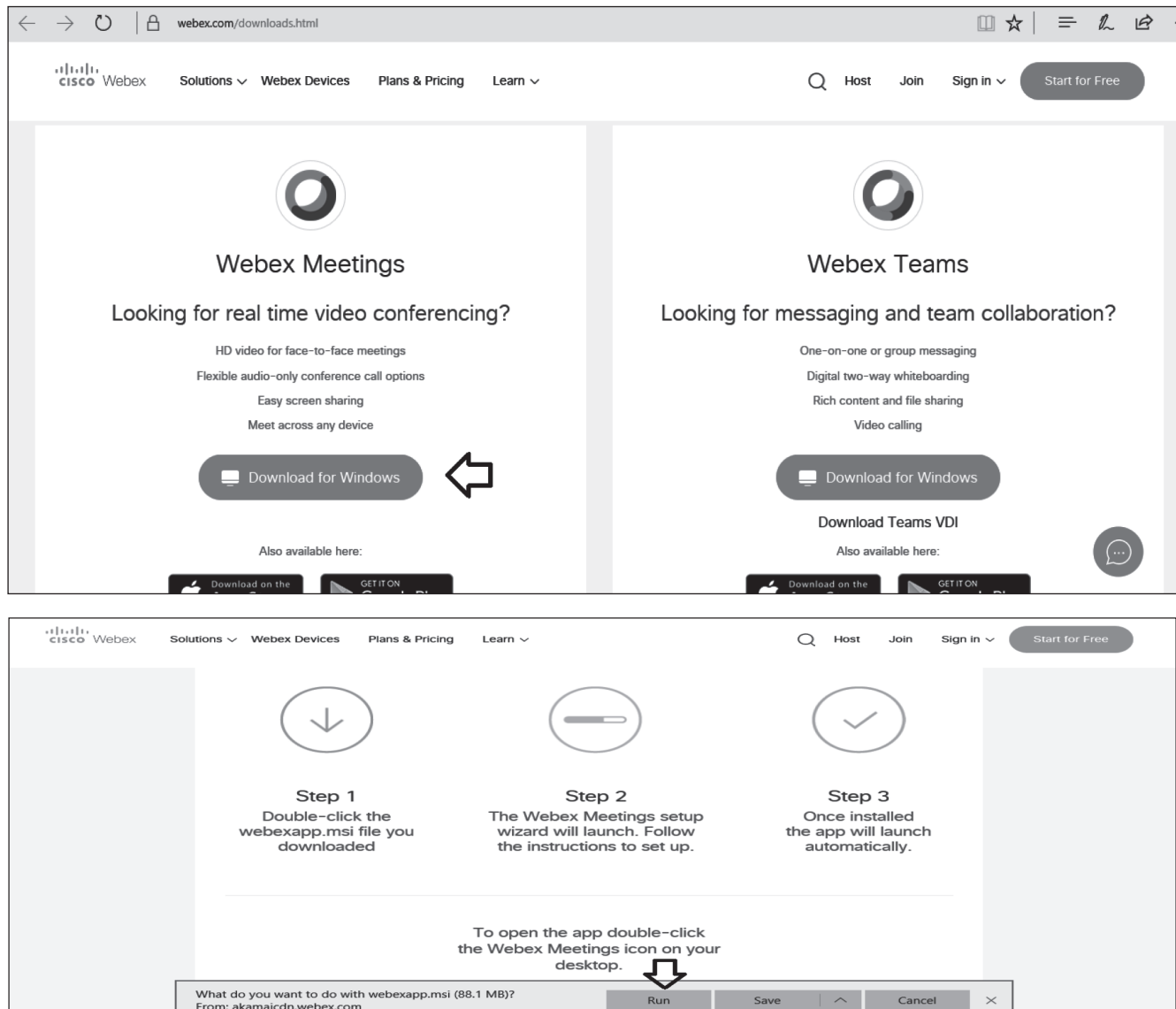
**InstaMeet Support Desk**  
**Link Intime India Private Limited**

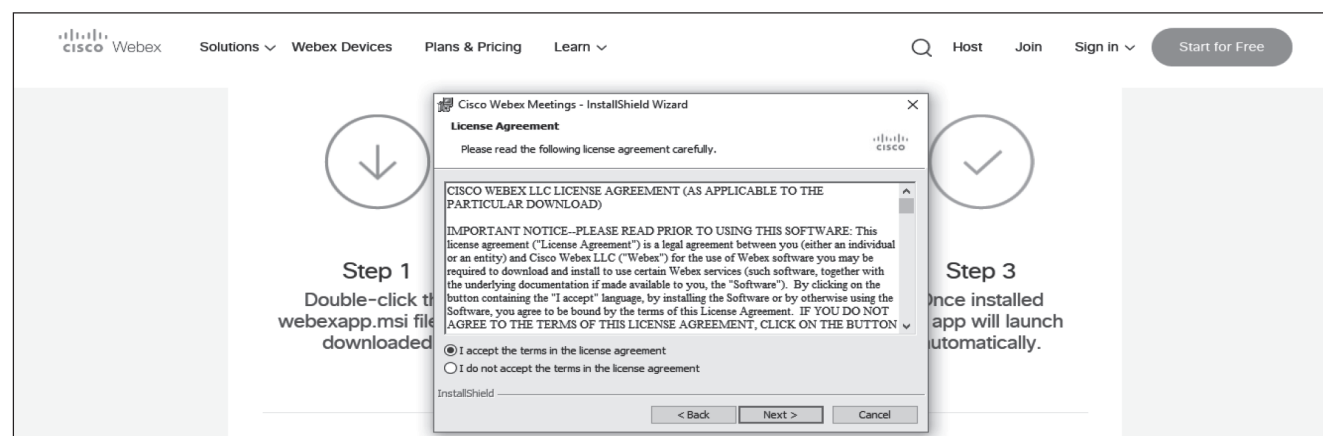
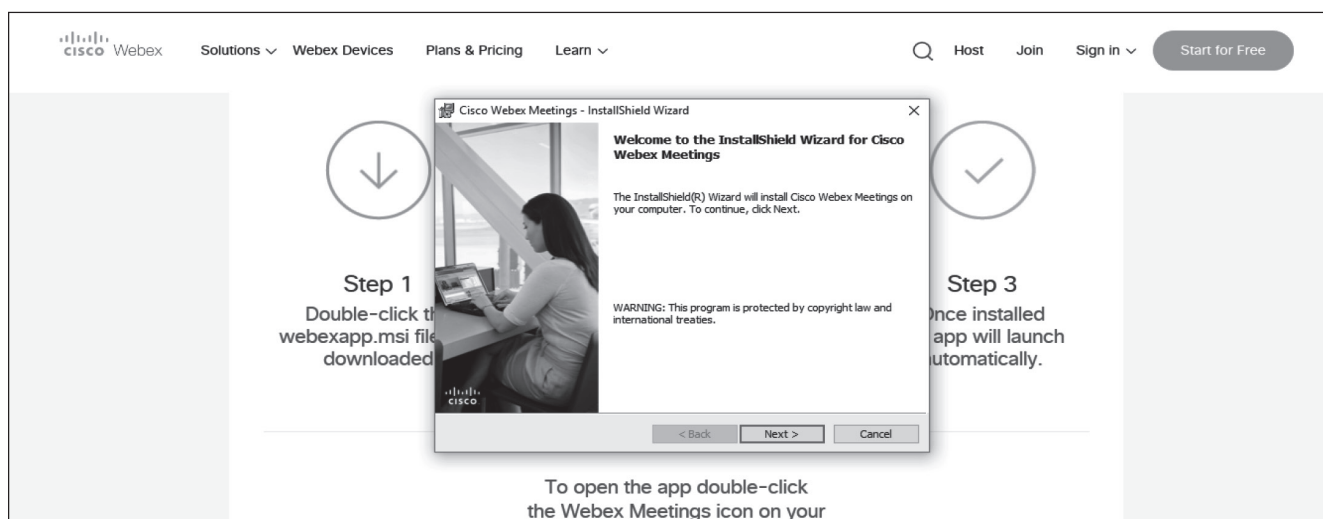
## ANNEXURE

### Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



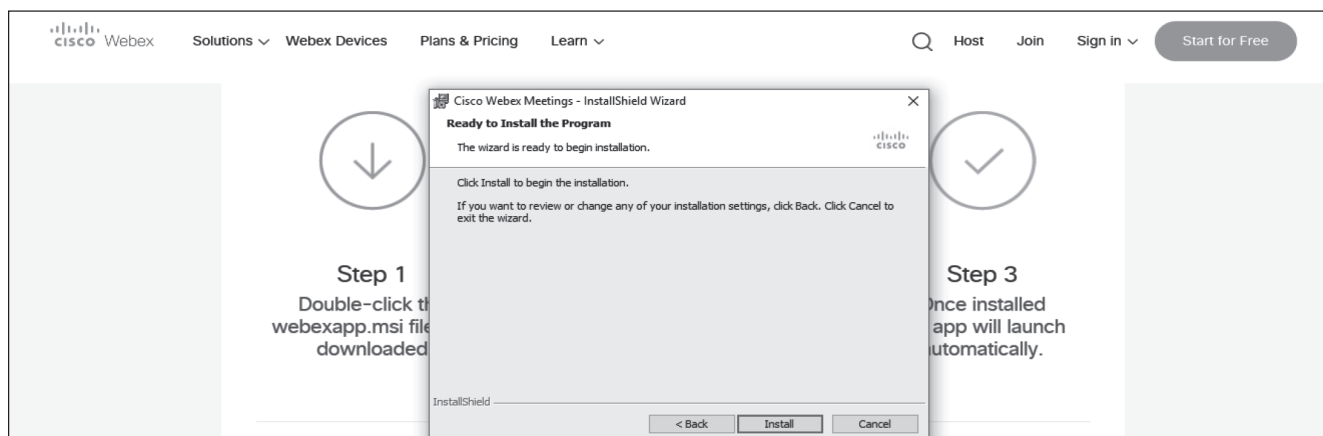


**Step 1** Enter your First Name, Last Name and Email ID and click on Join Now.

**1 (A)** If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

**1 (B)** If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or [Run a temporary application](#).

Click on [Run a temporary application](#), an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



OR

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

15. The instructions for remote e-voting are as under:

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9<sup>th</sup> June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on <b>"Sign Up"</b> under <b>'SHARE HOLDER'</b> tab and register with your following details: - <ul style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ul> </li> <li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> <li>Click on 'Login' under <b>'SHARE HOLDER'</b> tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on <b>'Submit'</b>.</li> <li>After successful login, you will be able to see the notification for e-voting. Select <b>'View'</b> icon.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option <b>'Favour / Against'</b> (If you wish to view the entire Resolution details, click on the <b>'View Resolution'</b> file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on <b>'Submit'</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>'Yes'</b>, else to change your vote, click on <b>'No'</b> and accordingly modify your vote.</li> </ol>

### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

### Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

## Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

### InstaVote Support Desk

#### Link Intime India Private Limited

### Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 and /or Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company have received a consent from Mr Mukund Bhogale in writing to continue to act as Independent Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect from April 1, 2014 which requires every public company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Section 149, 150, 152 and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company has proposed appointment of Mr Mukund Bhogale as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies act, 2013 for a term of 3 consecutive years commencing from August 9, 2021.

Mr Mukund Bhogale qualified as Bachelor of Chemical Engineering in 1981 from U.D.C.T. Mumbai University. Mr Mukund Bhogale holds Directorship in various companies, trustees and members in various NGO's and trusts. He was also holding position of President and Chairmanship of Chamber of Marathwada Industries & Agriculture, (CMIA), Marathwada Zonal Council-Confederation of Indian Industry (CII) and Marathwada Auto Cluster (MAC). He has been actively involved in various social, industrial gathering and made significant contribution during chairmanship of CMIA and MAC.

Mr Mukund Bhogale associated as Chairman and Independent Director of the Company since October-2015 and since then he was very instrumental in contributing in every Board and Committee meeting and advised management on various aspect for improvement.

Considering the rich experience and contribution made by him for welfare and development of industries and the society in Aurangabad and upon recommendation of Nomination and Remuneration committee, it was proposed to re-appoint Mr Mukund Bhogale as a Chairman and Independent Director of the Company for a period of 3 years effective from August 10, 2021.

Your Directors recommend Resolution at Item No. 1 as a Special Resolution for approval of the members.

#### Registered Office:

B-11 MIDC, Industrial Area, Waluj,  
Aurangabad (MS) – 431 136

By Order of the Board,

**Vikas Kadlag**

(Managing Director)

DIN: 05122774

Date: May 31, 2021

[illegible]





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**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](mailto:Sales.India@morganplc.com)

Web : [www.morganmms.com](http://www.morganmms.com)