WE SHAPE
THE WORLD

Through efficient melting solutions using advanced material science and engineering

ANNUAL REPORT 2022-23

CONTENTS

Forward-looking statements

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

WE SHAPE THE WORLD

For almost a century and a half, Morganite Crucible (India) Ltd. have developed products and solutions combining our advanced materials, science, and engineering. Our world-class crucibles and extensive range of ceramic products have provided melting and metal-casting solutions to suit the needs and demands of industries ranging from aerospace to electronics, power to petrochemicals, and from mining to medicine and military.

In a world that is increasingly facing climate challenges, we are constantly thinking beyond today to create innovative solutions and products for our clients to help make their industrial processes efficient and sustainable. Combining our technical and engineering capabilities, our scientists have developed products that help optimise the use of natural resources while reducing the environmental footprint.

Our goal is to grow our business responsibly and sustainably by developing state-of-the-art products and solutions in a rapidly-changing world for our customers while improving the quality of life of the present and future generations.

COMPANY OVERVIEW

Morganite Crucible (India) Limited is a division of Morgan Advanced Materials Plc., a UK-based Group. We are a reputed manufacturer of high-performance crucibles, foundry consumables, and allied refractory products.

KNOW ABOUT US

As part of the Molten Metal Systems (MMS) Division, we specialise in offering melting solutions to foundries, die-casters, and metal-melting facilities covering including zinc, precious metals, aluminium, copper, brass, and other non-ferrous metals.

The Molten Metals Systems Business provides unrivalled technical competence and a broad range of crucibles to the metal sector. Molten Metal Systems' comprehensive knowledge and applications enable us to respond swiftly to customer needs all around the world.

HISTORY AND LEGACY

Our legacy dates back to a century and a half ago in 1856 when six Morgan Brothers began making their patented graphite crucibles in Battersea, England. From then to now, we have advanced with our continuous focus on engineering innovation.

PRODUCT 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 are selected to precisely fit the characteristics and operating performance of each customer's metal melting, holding, or transfer application, and they come in a variety of shapes and sizes.

MANUFACTURING EXPERTISE

We have a state-of-the-art manufacturing unit located in Aurangabad, India. In addition, we cater to a diverse set of clients through our widespread sales and distribution network in India and around the world.

OUR VISION

We are committed to making the best possible use of advanced materials to drive progress and solve difficult problems for our customers and the wider world. We will succeed because we have the capability 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 Obsession
- Deep Market Insight

OUR CORE VALUES

Ambition
We aim to build our business promptly and sustainably.

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

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

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

DIVERSIFIED PRODUCT PORTFOLIO

We have a diversified product portfolio of crucibles and foundry products in different shapes and sizes that have applications in a wide range of industries including mining, auto, industrial machinery, electrical equipment, and railways. USPs of our Products

- Consistency
- Reliability
- Energy efficiency
- Durability
- Performance
- Quality

OUR KEY STRENGTHS

Branding Recall and Recognition

Our state-of-the-art manufacturing prowess, strong parentage support, technical expertise, skilled human resources and domain knowledge have helped Morgan to be recognised as a strong brand with a 40% market share in the industry.

Maintaining Safety Standards

The safety and well-being of stakeholders and employees are of utmost importance to Morgan. We constantly evaluate and have put in place practices and processes across our factories and organisations to ensure zero harm to all our employees.

Prestigious Clientele

Our growing list of clients includes some distinguished corporates such as Tata Group, Hindustan Pencil, Indian Railways, Jindal Saw, Titan Company Limited, Sundaram Clayton Group, Mahindra CIE, and Bajaj Auto among others.

Technical Expertise

We continue to receive support from our parent company to enhance our innovation and technical know-how to stay in the competition. In alliance with our customers, we create personalised products and solutions as per their requirements.

Focus on Quality

Attaining and maintaining quality standards is the foundation of our corporate philosophy. Our quality management system is compliant with ISO 9001:2015. We continue to focus on delivering precision-quality products and services while ensuring customer delight.

FROM THE MANAGING DIRECTOR'S DESK

"Our team continued to perform exceptionally well in the face of these challenges and continue to remain focussed on executing Morgan's strategy, which we believe is the key for the long-term interests of our shareholders. Our strategy is centred on world-class material science, application engineering and customer focus while maintaining our commitment to our core values of working safely and ethically."

Dear Shareholders,

I am pleased to share an update on the performance of Morganite Crucible (India) Limited for FY 2022-23.

Despite a challenging and dynamic business environment, your Company retained the sustainable improvement trajectory of recent years, setting the foundation for our continued growth and long-term success. However, the past year was marked by two challenges your Company faced that appropriately represent today's volatile business environment – sustained input cost inflation and a cyberattack on the Company's networks.

Input cost inflation, especially in raw materials and energy costs, continued to pressure our margins throughout the previous year, and the Company was forced to go through the difficult process of passing these costs on to our customers. This process took a significant amount of the team's time and attention, but I am pleased to inform you that our operating margins have largely maintained their strength in the face of this sustained inflation thanks to the team's efforts.

In the final operating quarter of 2022-23, the team were again forced to react on an emergency footing to a cyberattack on the networks of the ultimate holding company that disrupted the ongoing business of the Company for a few weeks. The focus of the team was to ensure that as we switched to manually recorded business processes for those weeks, we did not compromise on the integrity of these processes. While this resulted in a reduction in customer despatches in that quarter, I am pleased to inform you that we were able to recover our business processes effectively and we expect to return to business as usual in the first quarter of 2023-24.

Our team continued to perform exceptionally well in the face of these challenges and continue to remain focussed on executing Morgan's strategy, which we believe is the key for the long-term interests of our shareholders. Our strategy is centred on world-class material science, application engineering and customer focus while maintaining our commitment to our core values of working safely and ethically. We believe we are well-positioned to capitalise on attractive market opportunities and I look forward to updating you on our progress in the years ahead.

I thank the members of the Board for their continued support in ensuring the organisation's success. I also take this opportunity to express my gratitude to all our customers, stakeholders, bankers, and suppliers for your support in such a difficult time. Last but not the least, I would like to express my sincere appreciation and thanks to all our shareholders for their continued support and trust reposed in us.

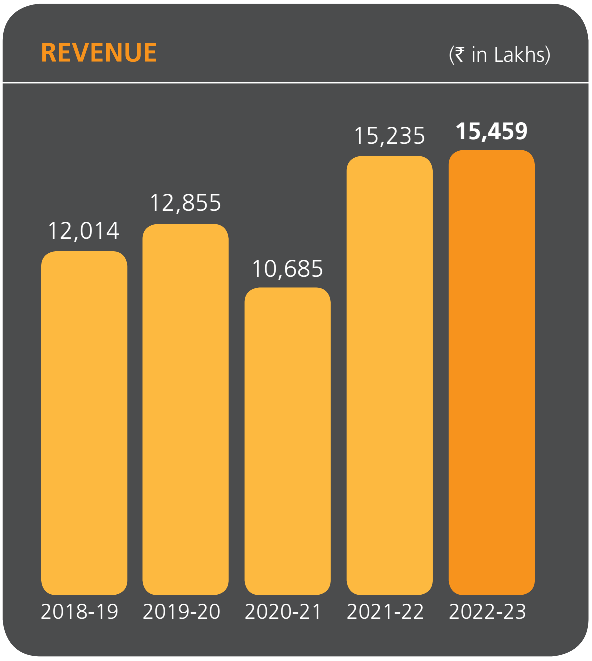
Thank you for continuing to support our business and our vision.

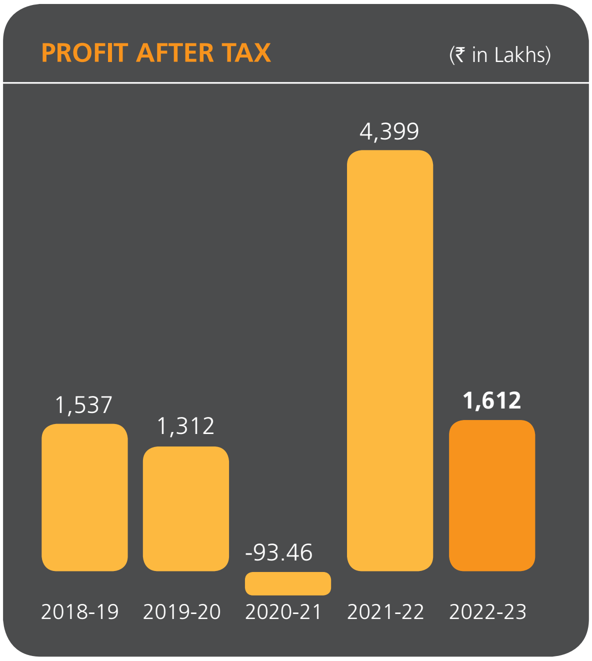
Yours Sincerely,

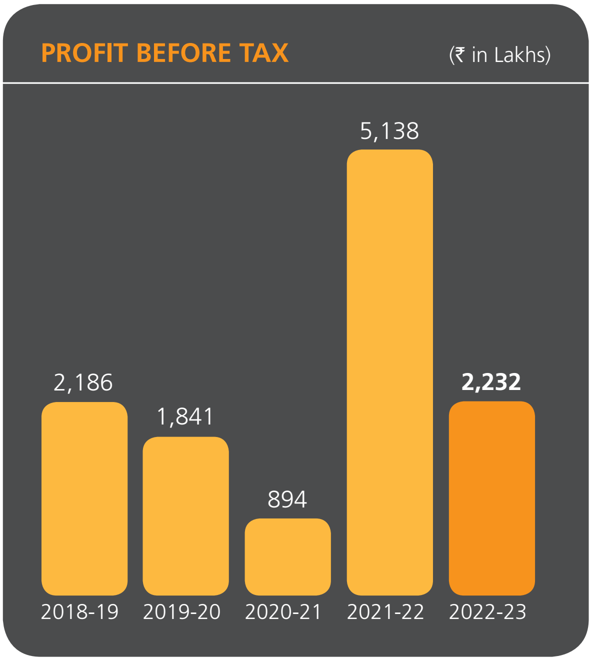
Dr. Aniruddha Karve

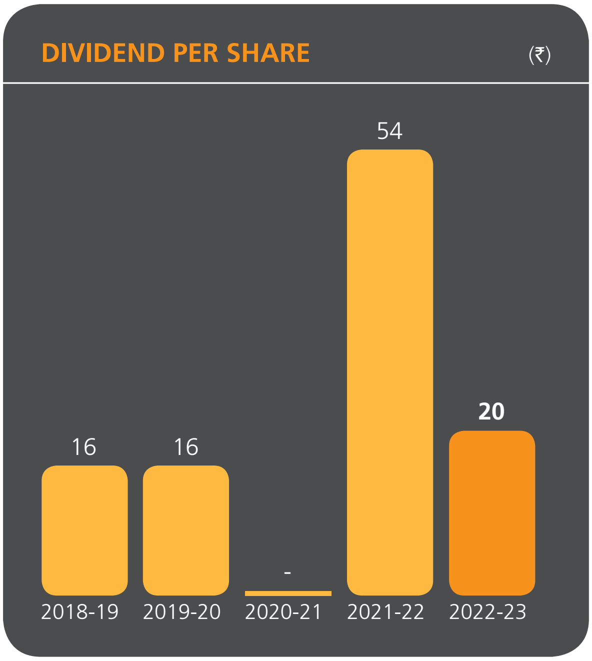
Managing Director,
Molten Metal Systems (MMS)

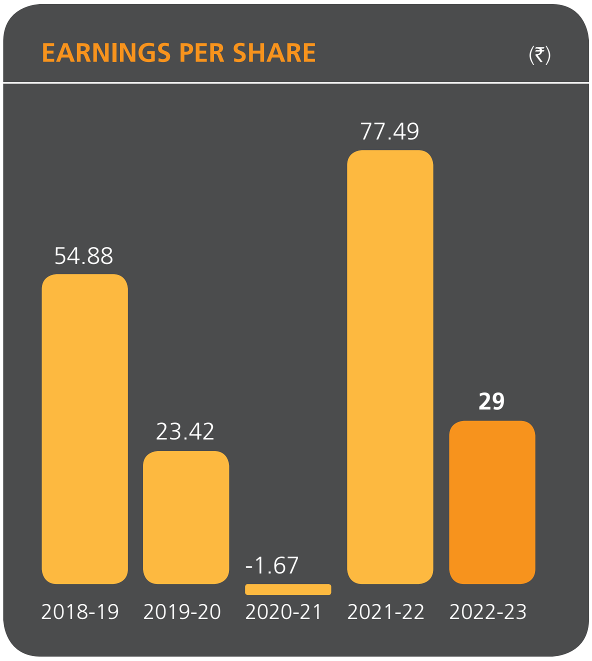
KEY FINANCIAL HIGHLIGHTS










EARNINGS PER SHARE
(₹)
54.88
23.42
-1.67
77.49
29
2018-19
2019-20
2020-21
2021-22
2022-23


MARKET CAPITALISATION
(₹ in Lakhs)
40,041
39,973
44,830
57,431
48,608
2018-19
2019-20
2020-21
2021-22
2022-23

Morgan Advanced Materials

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mukund Bhogale
Chairman & Independent Director

Aniruddha Karve
Director

Martin Coll
Director
(Up to May 30, 2023)

Jonathan Percival
Director

Nitin Sonawane
Manager & Director

Maithilee Tambolkar
Independent Director

Subhash Kolapkar
Independent Director
(Up to May 30, 2023)

Ulhas Gaoli
Independent Director
(From May 30, 2023)

KEY MANAGERIAL PERSONNEL

Nitin Sonawane
Manager & Director

Hanumant Mandale
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
Website: www.linkintime.co.in

REGISTERED OFFICE AND PLANT LOCATION

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

CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY

L26920MH1986PLC038607

Boards' Report
MANAGEMENT DISCUSSION AND ANALYSIS

To,
The Members of
Morganite Crucible (India) Limited

Your Directors are pleased to present herewith the 38th Board's Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2023.

FINANCIAL PERFORMANCE:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Revenue from Operations	15,459	15,235
Other income	483	2,896
Total income	**15,942**	**18,131**
Operating Expenses	12,934	12,253
Profit before finance cost, depreciation and amortisation	**3,008**	**5,878**
Depreciation and Amortisation Expense	776	740
Profit before tax	**2,232**	**5,138**
Provision for tax	620	1,109
Exceptional Item	-	(310)
Profit after tax (Loss)	**1,612**	**4,339**

DIVIDEND:

The Board of Directors in their meeting held on November 10, 2022, has paid an interim dividend of ₹ 9/- per share to the equity shareholders of the Company as on record date of November 23, 2022. In view of performance recorded by the Company as of March 31, 2023, your Directors are pleased to recommend a final dividend of ₹ 11/- per share to the equity shareholders of the Company as on record date of August 22, 2023.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at https://www.morganmms.com/en-gb/investors/

FINANCIAL PERFORMANCE:

The Company revenue from Operations for the financial year 2022-23 was ₹ 15,459/- lakhs, as against ₹ 15,235/- lakhs in the previous year. The gross profit before tax and depreciation was ₹ 3,008/- lakhs as against ₹ 5,878/- lakhs in the previous year. The operating expenses increased to ₹ 12,934/- lakhs as against ₹ 12,253/- lakhs the previous year.

At start of January-2023, Morgan Advanced Materials Plc, the ultimate holding entity had encountered a cyber incident on their IT systems. Although, the Company has separate IT systems and infrastructure in India, as an immediate precautionary measure, basis advice from ultimate holding entity, the Company had temporarily shut down access to IT systems for security reasons which led to temporary disruption in some of the Company's business activities. The Company had put in place alternative control mechanism in the absence of the access to the said systems. Based on the investigation carried out by the ultimate holding company at group level, the said systems were restored in a phased manner after taking all the possible necessary measures and it was concluded that there was no impact on the Company's IT systems and infrastructure.

As per the Company's assessment there was no impact on the financial results of the Company for the year ended March 31, 2023 due to cyber incident at the ultimate holding entity level.

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.

ECONOMIC SCENARIO AND BUSINESS OUTLOOK:

India's economic growth continues to be resilient, and it will continue to be one of the fastest growing economies in the G20 in coming year despite decelerating global demand and the tightening of monetary policy to manage inflationary pressures, the latest being the liquidity troubles after a series of global bank crises. While Indian GDP growth may slow down to less than 6% in FY 2023-24, demand may continue to be driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. This should create a positive business outlook for the Company in the Indian market for the coming year.

The global economy growth is expected to slow down in coming year due to geopolitical impacts, continued high inflation and changes in monetary policy. The European markets already continue to show stagnation in demand, China's manufacturing output is weak, and there is fear of industrial slowdown in the USA. In view of weak global growth sentiments, and continued changes in monetary policy, a more pronounced slowdown or global recession this year is a distinct possibility. Therefore, the Company's export business outlook may be weaker than in recent years, as we look to take advantage of opportunities created by our customers seeking to diversify their global supply chains.

INDIAN FOUNDRY INDUSTRY INSIGHT:

In the last few years, the world economy has suffered a lot of volatility due to the impact of the global pandemic of Covid-19 and the metallurgical industry is no exception. Although the metal production has come down in last few months, it increased rapidly post-pandemic and exhibited strong recovery in steel & metals industry.

However, in the last year, the metal industry experienced setbacks due to Russia Ukraine war resulting in corporates facing issues in raw material availability and input prices also increased multi fold therefore leading to increased prices of finished products. Due to sanctions imposed by EU, it was difficult to trade with Russia, leading to adverse effects on several companies, including MCIL.

Given the weakening international backdrop, the Indian government's vision on expanding infrastructure projects and development of railways network including metros across the country translated into a huge demand for metals and foundry products which will certainly give a big a boost to the metal manufacturing and processing industry in the country.

Further, in today's time, governments all over the world are encouraging the electric vehicle (EV) industry through various regulations and incentives to meet the consumer demand for low emission commuting instead of the fossil fuel driven vehicles that are endangering our planet.

The Indian Government has also announced number of promotional measures in the last few years including tax incentives for electric vehicle owners, public EV charging infrastructure development etc. which will help to transform mobility and phased manufacturing programme for EV, its components and batteries in coming years.

In view of above, your Company is committed to deliver great value through our products and technical services to retain 'Morgan' as the preferred supplier to the non-ferrous metals industry. Your Company will continue its focus on providing value added services to their customers for their next generation of products and processes.

ENVIRONMENT, HEALTH AND SAFETY (EHS):

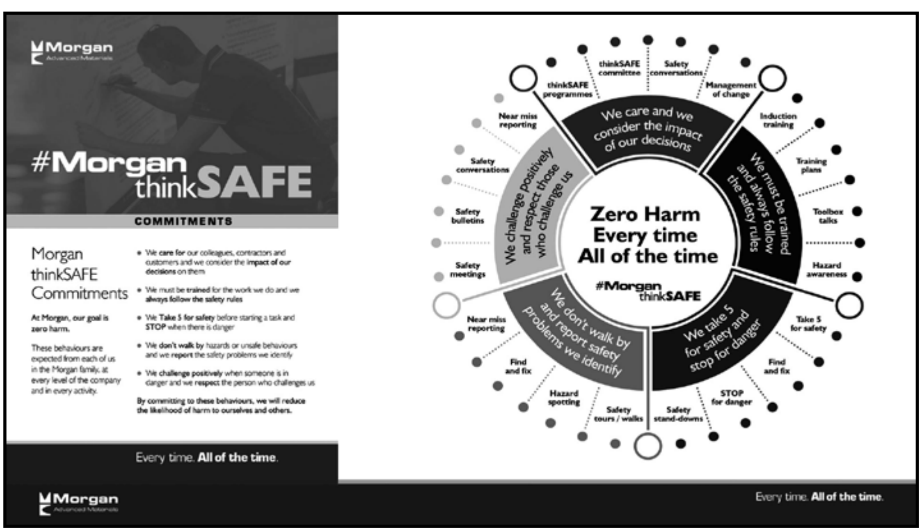
At Morgan Advanced Materials we are committed to a sustainable future. Our aim is to ensure that our products and manufacturing processes are designed, built and managed in a way that enhances their value to society and our environment. We are working towards our aspiration of 'zero harm' to all our employees. We are committed to conducting all our activities in a manner that builds a caring safety culture and develops a world-class safety system that supports this effort.

There was no lost time accident reported on the site during the year, the lost time incident frequency rate is zero as compared to previous year's 0.1. Further, there were 9 first-aid injuries and 12 significant near misses reported and immediate actions were taken on the observations of unsafe actions and unsafe conditions. The non-LTI incident frequency rate is 0.8 as compared to the earlier year's 1.1. We are regularly monitoring air, water and soil quality in the factory premises and corrective measures are being taken for any readings that are over the limit. We are also regularly focused on our 6S drive in the factory.

'THINKSAFE'

At Morgan Advanced Materials, 'thinkSAFE' is a mindset. This means we approach every moment of every working day with safety in mind. We do this by being curious, not complacent, by looking out for each other and by speaking up about safety issues. We consider safety in everything that we do because we care.

The six Morgan 'thinkSAFE' commitments provide guidance on how we should behave and remind us that:



During the year, we conducted 'thinkSAFE' refresher training programme for all shop floor workers, staff employees and agency employees.

Operational, Health and Safety Improvements:

- Modification & automation of all 3 LPG bullets
- Installed fire sprinkler system in old & new logistics area
- Various automation projects improving productivity has been completed.
- Received PESO permission for use of new LPG yard.
- Automation project completed for CIP line wash booth conveyor, mould pulling activity and sizzler lift arrangement.
- Installed sieving machine for CIP floor dust.

Employee Well-being:

- Organised COVID-19 Booster Vaccination camp to all third parties, employees, shop floor workers and their family members
- Organised first aid trainings, health awareness session for all employees, workplace monitoring

Expansion Project

Project Avatar – Phase II

As of year end, your Company has completed the entire project activity including installation of required plant and machineries at site which were relocated from Mehsana plant and has obtained regulatory approval from respective government departments. With the completion of this project, we will be able to deliver high-quality products and services within expected timelines.

We acknowledge the collaboration and teamwork that took place throughout the project by each team member which was essential to achieving our goals.

PRODUCT QUALITY AND CERTIFICATIONS:

Morgan's purpose is to use advanced materials to help make more efficient use of the world's resources, and to improve the quality of life. This comes down to the engineering of high-performance materials and specialized products that offer reliable solutions to the technical challenges that our customers have, and we are committed to help our customers achieve more by using our quality of products and services. The quality objective we measure and strive to continuously improve product quality, reliability, and durability. In order to improve customer satisfaction, our technical services and product team encourages in constant communication with customers, suppliers and employees, carries out continuous development and refinement of new designs, products and applications and enhancement of technical specifications and support services.

Morgan's global footprint enables the company to supply a customer's needs anywhere in the world, which means local and global expertise that Morgan can leverage, which we are keen to demonstrate. Your Company is equipped with wide range of engineering capabilities, specialist engineering teams and all required installation support to help customer to gain maximum benefits from the Morgan's product. We continuously review and analyse manufacturing 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.

Your Company has made below improvements during the year -

1. Mixing automation for accurate addition of mix components.
2. Crucible pulling automation in the Sigma section for better material handling & reduce damages during operation.
3. Sieving automation in sigma section for reliable sieving of material
4. Dust collector commissioned for the Sigma rotary dryer section.
5. Oil based paint replaced with environmentally friendly water-based paint for crucible finishing.

CHANGES IN SHARE CAPITAL

The paid-up equity share capital of the Company stood at ₹ 280 lakhs as on March 31, 2023. 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.

RELATED PARTY TRANSACTIONS:

All related party transactions entered during the year were on arms' length basis and in the ordinary course of business. 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), ('Listing Regulations') Regulations, 2015, the Audit Committee had given omnibus approval for related party transactions that were repetitive in nature and conducted with Morgan Group subsidiary companies for the sale and purchase of goods and services for a period of one year. The Company has also obtained approval of the members for material related party transactions which expects to exceed threshold limit based on annual turnover. The Audit Committee reviewed the current details of the related party transaction on a quarterly basis.

Further, there were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or others, which may raise a potential conflict of interest with the Company or requires approval of the shareholders. The Company has not given any loans and advances to any associate company or to firms/companies in which the directors have interest hence disclosure as per Regulation 34(3) of Listing Regulations is not applicable. During the fiscal year 2022-23, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

In accordance with 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 Listing Regulations, 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 made which affect 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:

As reported in the previous year, Mr Jonathan Percival (DIN: 09701284), was appointed as an Additional Non-executive Director on the Board of the Company effective from August 12, 2022 and regularised in the 37th Annual General meeting of the Company held on September 27, 2022. Mr Nitin Sonawane (DIN: 09701207) was appointed as an Additional Executive Director on the Board of the Company and also nominated as Manager of the Company within the meaning of Section 2 (53) of the Companies Act, 2013 read with Section 203 and Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 effective from August 12, 2022.

Pursuant to approval of members in the 37th Annual General Meeting held on September 27, 2022, Mr Nitin Sonawane (DIN: 09701207) was designated as 'Manager & Director' of the Company effective from August 12, 2022 until August 11, 2025 on the terms and conditions of appointment as contained in the agreement entered into with him effective from abovementioned date, at a remuneration as may be mutually decided between the Company and Mr Nitin Sonawane.

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.

In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity for the purpose of Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014. 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 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/

KEY MANAGERIAL PERSONNEL:

In terms of Section 203 of the Companies Act, 2013, the following officials are 'Key Managerial Personnel' of the Company during the financial year ending March 31, 2023 –

1. Mr Nitin Sonawane – Manager
   (Appointed effective from August 12, 2022)
2. Mr Hanumant Mandale – Chief Financial Officer
3. Mr Rupesh Khokle – Company Secretary

BOARD EVALUATION

As per Regulation 17(10) of Listing Regulations and Section 178 of the Companies Act, 2013, the annual evaluation process of the Board of Directors, as individual Directors and the Board as a whole was carried out based on criteria such as participation and contribution in Board and Committee meetings, enhancing shareholder value, experience and expertise to provide feedback, and guidance to top management on business strategy, governance, risk and understanding of the organization's strategy.

The entire Board has actively participated in every Board and Committee meeting with focus 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 the way forward which includes strategic engagement with alignment of Morgan group long term strategic plan.

BOARD MEETINGS AND ANNUAL GENERAL MEETING:

During the financial year 2022-23, the Board met four times, the details of which are mentioned in the Corporate Governance Report. The necessary quorum was present in all the Board and Committee meetings during the year. The 37th Annual General Meeting was held on September 27, 2022. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

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.

A Statement containing particulars of top 10 employees is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Shareholders, excluding the aforesaid Annexure. The said Statement is also open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has formulated an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has mechanism in place to report sexual harassment cases at workplace.

Your Company has organised workshops and awareness programmes against sexual harassment for employees of the Company. During the year, the Company has not received any complaint with allegations of sexual harassment.

RISK MANAGEMENT POLICY:

The Board of Directors established risk management methodology which seeks to identify, prioritise and mitigate risks, underpinned by a 'three lines of defence' model comprising an internal control framework, internal monitoring and independent assurance processes.

The 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.

During the year, the Board reviewed the status of all principal and emerging risks with a significant potential impact on the Company performance. These reviews included an analysis of both the principal risks and emerging risks, together with the controls, monitoring and assurance processes established to mitigate those risks to acceptable levels. As a result of the review, the number of actions were identified to continue to improve internal control and management of risks including improvement on safety and ethics of the Company.

The Committee met on two occasions on November 10, 2022 and February 13, 2023 and 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 in contributing to create equitable and sustainable society by way of undertaking various CSR activities and sustainability initiatives. During the year your Company sponsored to vocational skill development programme, provided school kits, uniforms and other basic amenities to orphaned students. Further, the Company with the help of local NGO developed a green belt with plantation of around one thousand indigenous, rare and medical plants in the nearby industrial area and committed to regular enrichment of the plants in coming years.

In compliance with the provisions of Section 135 of the Companies Act, 2013, during financial year 2022-23, your Company has fully spent the entire amount that is required to be spent under CSR guidelines.

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 2 times on May 25, 2022 and August 12, 2022.

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

CORPORATE GOVERNANCE:

Your Company is always striving long-term sustainable success for the shareholders of the Company by adopting best practices of corporate governance which are aligned with Morgan's Group purpose and strategic direction.

As per Regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is provided with this report.

CODE OF CONDUCT

While the Morgan Code is applicable to all level of employees, the Board of Directors as per Schedule IV of the Companies Act and Regulation 26 of the Listing Regulations have adopted for all Board members, key managerial personnel and senior management. Pursuant to the applicable Listing Regulations senior management has confirmed the compliance to the Code of Conduct of the Company and submitted the required annual compliance declaration to the Company. The Manager & Director Certificate on affirmation to the Code of Conduct is attached as part of Corporate Governance Report.

The detail of the Code of Conduct is available on website of the Company i.e. www.morganmms.com

FINANCE AND TAXATION:

During the financial year 2022-23, to update the Unilateral Advance Pricing Agreement for a period of five years from the financial year 2021-22 to 2025-26, the regional APA Commissioner has visited the site and the Company is awaiting a response from the department.

We have liquidated accumulated IGST input credit of ₹ 892.68 lakhs as per the provision of GST law. Our VAT assessment till FY 2017-18 has been completed and refund order received from the Department.

Your Company has continued to apply for Export Incentives under Remission of Duties and Taxes on Export Products (RODTEP) as part of the Foreign Trade Policy. During the year 2022-23, we have received duty benefit scripts amounted to ₹ 65.76 lakhs. The process of claiming RODTEP benefit is well established, and we are receiving duty benefit scripts on regular basis.

ETHICS AND LEGAL GOVERNANCE:

Morgan's ethics and compliance strategy has strengthened our ethical culture and reinforced the controls in key compliance risk areas as covered under the Morgan Code.

The Morgan Code is a foundational component of our ethics and compliance programme. The Morgan Code is a set of principles, supported by Group policies, which set out how we must conduct ourselves in support of our people, our communities, our business partners and our shareholders. It applies to all employees and extends, as appropriate, to Morgan's business partners including agents and other third-party representatives.

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. It requires our people to operate in accordance with applicable laws, regulations and Company policies and processes relating to areas such as ethical business behaviour, trade compliance, gifts and entertainment, donations and sponsorships.

Ethics and Compliance Training Programme

In compliance with Morgan Group's guidelines, your Company has given e-learning training programmes to all employees on various topic of anti-bribery and anti-corruption, conflict of interest and anti-competitive practices. Apart from this e-learning, we continued practice of arranging Ethics Theme of the Month session for all employees on monthly basis on various ethics and compliance topics.

'Speak-up' Ethics Helpline

We maintain a confidential 'Speak Up' ethics helpline operated by an independent third party where anyone can raise a concern or report a suspected violation of our policies, procedures or the law as an alternative channel to reporting concerns internally. Reporters can raise concerns by telephone, web form or email and may elect to remain anonymous. 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.

During the year, there was 1 complaint raised by the third party which was investigated, and the necessary disciplinary action was taken as appropriate.

Further, in compliance with Listing 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 a quarterly compliance report to the 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 the various statutes applicable to the Company's business operations.

HUMAN RESOURCES:

Ambition, Innovation, Collaboration, and Integrity are the guiding principles for the success of Morgan. Our employees are our brand ambassadors who are contributing to make it happen. They bring enthusiasm, energy, vigour, and ideas every day to not only deliver product and service excellence, but also play a significant role in helping us fulfil our aspirations in this new era.

Our people contribute to the culture and are the driving force behind our success. In return we aim to be a caring 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 are committed to providing a safe, fair, and inclusive workplace. Our aspirations and 2030 goals outline our focus for making Morgan a better place for our people.

We provide our employees with an empowering, collaborative, non-discriminative and safe work culture where they learn and lead. We engage with our employees, invest in their professional development, provide them with a meaningful purpose, focus on their health & safety, celebrate innovation and out-of-the-box thinking, support well-reasoned risk-taking, and reward our employees for their performance.

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.

We promote equal opportunities for all employees and job applicants, and do not unlawfully discriminate on the grounds of gender, parental leave needs, marriage/civil partnership status, race, disability, sexual orientation, age, religion, or belief etc.

Our 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. Finding, retaining, and developing the right people to meet the ever changing and challenging requirements of our business is a key priority for all of us, and helps to ensure diverse representation in the organisation. The employee turnover ratio was 10.83% as compared to 8.08% the previous year.

Developing our people is key for Morgan to be successful in the marketplace now and in the future. We emphasize for every employee to perform at their best, reach their full potential and feel rewarded for what they do. During the last year, while we continued our focus on virtual learning offerings to our employee, we also provided key in-person learnings including our in-house Supervisory Development Program – "Elevate" to all the mid-level and first line supervisors, Leadership Development Program "LEAP" : Leadership Enhancement & Advancement Program" to the senior leadership team and awareness program on POSH to all the employees.

During the year, the company has organised more than 7600 hours of training on more than twenty-five various topics against 2470 hours the previous year for nurturing existing people's talent and motivating them to attain organisation goals.

At Morgan we believe our people are at the heart of our strategy. We want to support our people to perform at their best and reach their potential. Performance conversations and ongoing feedback are a key part of achieving this. The principle of pay for performance underpins our compensation approach. Compensation levels are set using external benchmarking and relevant commercial considerations that are both competitive and affordable. We offer short term performance incentives to our managers as well as technical and functional experts. The Morgan Group recognises & rewards the accomplishments of its people individually and as teams.

Having people who bring a diverse range of talents and perspectives, and who feel engaged in their role, is of paramount importance to our long-term success. Our employees are instrumental in making Morgan the company it is today. They are key to driving the brand forward and ensuring it remains relevant in the future. Through our "Your Voice" Survey we gauge employee engagement and gather feedback from them annually.

Ninety-nine percent of our people participated in the 2022 Your Voice survey and shared their opinion. The overall engagement score rose to 56%, compared to 49% from 2021. Employee feedback from Your Voice showed that our employees strongly believe and are in alignment with Morgan's commitment and focus on Safety and Ethics, along with Customer Satisfaction.

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 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 with professional fees and charges as mutually agreed between M/s Deloitte Haskins & Sells LLP and the Company.

The report 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

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s KMP & Associates, (FCS9710 / COP 11947) Practicing Company Secretaries, were appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for financial year 2022-23 forms part of the Board's Report as **Annexure - IV**. The Board has appointed M/s Prajot Tungare & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2023-24.

There has been no qualification, reservation, adverse remark or disclaimer given by M/s KMP & Associates, Secretarial Auditor in their report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 Unicus Risk Advisors LLP, internal auditors of the Company have conducted internal audit for complete year and detailed report was submitted to Audit Committee on periodic basis. 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, the Audit Committee needs to evaluate internal financial control systems of the Company and make further reports 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 considered 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 2022-23 however have made certain recommendation for continuous improvement of the process.

ANNUAL RETURN:

In accordance with Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the Company has placed the Annual Return 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, 2023, 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 2014-15 of ₹ 52,441/- to IEPF Authority.

OTHER DISCLOSURES:

a) Your Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

b) Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

c) Your Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.

d) Maintenance of cost records and requirement of cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the business activities carried out by the Company.

e) There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

f) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

g) There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

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 strong support and assistance. Your Directors also place on record their deep appreciation to employees at all levels for their hard work, solidarity, dedication and commitment, and look forward to their continued support in the future.

For and on behalf of the Board,

Mukund Bhogale	**Aniruddha Karve**
(Chairman)	(Director)
DIN: 05122774	DIN: 07180005

Place: Aurangabad
Date: May 30, 2023

ANNEXURE – I

FORM NO. AOC-2

April 1, 2022 to March 31, 2023

Particulars of contracts 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

None

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

There were no material Related Party Transactions i.e. 10% of the annual total turnover as per the last audited financial statement, were entered during the year by your Company. However, the Company has taken members' approval for the related parties with whom it was expected to increase the transactions more than 10% of total turnover. The details of transactions with Related Parties are as follows:-

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (₹ in Lakhs)
Morgan Advanced Materials plc.	Ultimate Holding Company	Management Charges and Trademark charges	Not Applicable	794.74
		Reimbursement of expenses	Not Applicable	115.02
Morganite Crucible Inc.	Fellow Subsidiary	Sale of finished goods	Not Applicable	1,129.99
		Other expenses	Not Applicable	0.10
Mkgs. Morgan Karbon Grafit	Fellow Subsidiary	Sale of finished goods	Not Applicable	12.16
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Sale of finished goods, raw materials	Not Applicable	154.96
		Purchase of raw material and consumables	Not Applicable	46.71
		Reimbursement of expenses	Not Applicable	13.14
		Other Support Services	Not Applicable	2.80
Morgan Molten Metal System GmbH	Fellow Subsidiary	Sale of finished goods, raw materials	Not Applicable	755.58
		Purchase of raw material and consumables	Not Applicable	0.36
		Reimbursement of expenses	Not Applicable	13.85
		Other Support Expenses	Not Applicable	6.05
Morganite Brasil Ltda.	Fellow Subsidiary	Sale of finished goods	Not Applicable	37.85
Grupo Industrial Morgan, S.A. De C.	Fellow Subsidiary	Sale of finished goods	Not Applicable	14.45

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Amount (₹ in Lakhs)
Morganite Carbon Kabushiki Kaisha	Fellow Subsidiary	Sale of finished goods	Not Applicable	119.25
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Purchase of raw material and consumables	Not Applicable	4.25
		Other Support expenses	Not Applicable	3.38
		Purchase of capital goods	Not Applicable	77.64
Thermal Ceramics Limited (UK)	Fellow Subsidiary	Purchase of raw material	Not Applicable	1.37
Morgan Advanced Materials India Pvt Ltd	Fellow Subsidiary	Reimbursement of expenses	Not Applicable	45.55
		Other Support expenses	Not Applicable	159.85
Morganite Crucible Limited	Fellow Subsidiary	Dividend Payment	Not Applicable	194.04
Morgan Terrassen B V	Fellow Subsidiary	Dividend Payment	Not Applicable	183.96

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**

   Morgan's CSR policy focuses on social development, and aims to create self-empowered communities, and to reach out to the destitute population to upbring their lives. Morgan continues to focus on children's education and continuously supporting local schools and orphanages to enable them to get quality of education, and facilities to build the better future of the country.

   Morgan's CSR policy is available on Company's website
   http://www.morganmms.com/en-gb/investors/

2. **Composition of CSR Committee**

Sr No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mukund Bhogale	Chairman and Independent Director	2	2
2	Mr. Aniruddha Karve	Member/Non-Executive Director	2	2
3	Mr. Martin Coll	Member/Non-Executive Director	2	2

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:
   https://www.morganmms.com/en-gb/investors/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of rule 8 (3), if applicable:

   Not applicable, as the average CSR obligation of the Company did not exceed Rs. 10 Crore or more, in the three immediately preceding financial years.

(Amt INR in Lakhs)

5.

a)	Average net profit of the Company as per Section 135(5) of the Act	2,353.00
b)	Two percent of average net profit of the Company as per Section 135(5) of the Act	47.06
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial Years	Nil
d)	Amount required to be set off for the financial year, if any	Nil
e)	Total CSR obligation for the financial year (b+c-d)	47.06

(Amt INR in Lakhs)

6.

a)	Amount spent on CSR Projects (Ongoing Project and other than Ongoing Project)	67.82
b)	Amount spent in Administrative Overheads:	Nil
c)	Amount spent on Impact Assessment, if applicable:	Nil
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	67.82
e)	CSR amount spent or unspent for the financial year	As below

(Amt INR in Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
67.82	Nil	Nil	Nil	Nil	Nil

6. (f) **Excess amount for set off, if any:**

Sr. No.	Particulars	Amt INR in Lakhs
i)	Two percent of average net profit of the company as per Section 135(5) of the Act	47.06
ii)	Total amount spent for the Financial Year	67.82
iii)	Excess amount spent for the financial year [(ii)-(i)]	20.76
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	20.76
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. **Details of Unspent CSR amount for the preceding three financial years:**

(Amt INR in Lakhs)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund as specified under Schedule VII as per Section 135(5), if any	Amount remaining to be spent in succeeding financial years	Deficiency, if any
1	2020-21	21.00	Nil	20.76	Nil	2.53	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No): **No**

If Yes, enter the number of Capital assets created/ acquired: **NIL**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR amount spent (₹ in lakhs)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
NIL							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable.**

Annexure – III

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 2022-23

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Nitin Sonawane	Manager & Executive Director	4.01	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 2022-23-

Name	Designation	Percentage increase in Remuneration
Mr Nitin Sonawane (From August 12, 2022)	Manager & Executive Director	10%
Mr Hanumant Mandale	Chief Financial Officer	8.75%
Rupesh Khokle	Company Secretary	11.25%

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 8.75 per cent.

iv. There were 70 staff and 78 workers on rolls of the Company as on March 31, 2023.

v. **Average percentiles increase 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 8.75 per cent. The average increase in employee remuneration shows competitive market 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 31.03.2023

[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 31st March, 2023

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 our opinion thereon.

Based on our verification of the Morganite Crucible (India) Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 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, however Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company;

(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, within and beyond the time specified in the Act and/or Rules, on payment of additional fees, wherever applicable.

(ii) The Company has not filed form IEPF -2, further Form IEPF-4 and allied compliances were not done.

(iii) The Company has received notice from BSE on 22nd August 2022 for non-compliance of regulation 17 (1) w.r.t for composition of board, the company has filed clarification regarding notice and stated that it has not violated the regulation and requested for waive the penalty imposed, however the BSE has not given any reply on subject matter nor they have issued any fresh notice.

(iv) The Company has intimated material event on 16th January 2023 under regulation 30 regarding cyber-attack on the Morgan-group due to which all the network were suspended as a precautionary measure due to which Company has applied for extension of timeline to report unaudited financial statement (as require to report as per regulation 33 of listing agreement) for quarter ended 31st December 2022. However the Company has received 2 notices from Bombay stock exchange –

<table>
<tr><td>Email – dated 14/03/2023 - Fines as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 – w.r.t non-compliance of regulation 33.</td><td rowspan="2">The Company has filed the said return and applied to waive off the penalty imposed by BSE since they have already reported the incident and on numerous occasion applied for extension, the Company has not received any communication from BSE w.r.t waiver nor they have received any further non-compliance notice till the date of signing of this report.</td></tr>
<tr><td>Reminder before freezing promoter demat account for non-compliance with regulation 33/29/44 (3) (action under SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020)</td></tr>
</table>

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: F00971O000381829

Date: 26.05.2023
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: F00971O000381829

Date: 26.05.2023
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:

- Completed Solar Phase I & II installation for reduction in electricity bills
- Installation of an high-capacity Kiln to reduce the energy consumption and improve productivity
- Upgradation in Ovens for energy saving

B. Technology Absorption, Adaptation & Innovation:

The efforts made towards technology absorption –

- R&D investment to develop internal testing capability for material analysis to enhance the speed of new material development as under –
  - Installed test foundry for dynamic corrosion testing
  - Initiated pilot scale set-up to speed-up the development
  - Installation of Hot Modulus of Rupture (HMOR) machine for material characterisation mainly to measure high temperature strength
- Focusing on the new materials development for next generation products.
- New binder development for high temperature application under testing
- Non-wetting and erosion resistance coating development
- Developed additives and new mix to reduce firing temperature which will reduce the energy consumption.
- Improvement in crucible coatings for high purity aluminium, erosion resistance and non-sticking of metal to the crucible
- 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 –

- 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 for the last three years nor during the financial year ending 2022-23 for reporting purposes.

C. Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

Foreign Exchange Earnings	7,393.69
Foreign Exchange Outgo	1,614.18

For and on behalf of the Board,

Mukund Bhogale	**Aniruddha Karve**
(Chairman)	(Director)
DIN: 05122774	DIN: 07180005

Place: Aurangabad
Date: May 30, 2023

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 Board is collectively and ultimately responsible to the Company's shareholders for the long-term sustainable success of the Company and oversees how the organisation generates and preserves value. It establishes the Morgan Group's purpose, sets the strategic direction and monitors Morgan Advanced Materials' culture to ensure this is aligned to the strategic vision.

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 Board supervises and monitors progress against execution priorities, whilst ensuring that there are robust and effective controls which enable risks and emerging risks to be identified, assessed and managed.

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, 2023 the Board had 7 Directors consisting of three Non-executive Directors, three are Non-executive Independent Director including one woman Independent Director and one Executive Director. The composition of the Board is in conformity with the requirements of Regulation 17 of Securities Exchange Board of India Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') 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 one third of Board comprises of Independent Director. During the year, the Board of Directors met on 4 (four) occasions and 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	Date of Appointment	Date of Re-Appointment	Other Directorships Held#	Membership/ Chairmanship of Committees of other Public Companies
Mr Mukund Bhogale	Chairman & Non-Executive Independent	October 30, 2015	August 05, 2021	-	-
Mr Aniruddha Karve	Non-Executive	July 01, 2015	-	-	-
Mr Martin Coll	Non-Executive	May 21, 2019	-	-	-
Mr Jonathan Percival	Non-Executive	August 12, 2022			
Mr Nitin Sonawane	Executive	August 12, 2022			
Mr Subhash Kolapkar	Non-Executive Independent	August 14, 2013	September 25, 2019	-	-
Ms Maithilee Tambolkar	Non-Executive Independent	March 28, 2015	September 20, 2020	-	-

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 7 listed entities and none of the Independent Director (ID) is serving as ID in more than 7 listed Companies.
- Mr. Nitin Sonawane, Manager & Executive 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, the Board of Directors Meetings and 37th Annual General Meeting were conducted through other audio-visual means.

b. Board Meetings

During the year four Board meetings were held –

Name	Category	Attendance				AGM
		May 25, 2022	August 12, 2022	November 10, 2022	February 13, 2022	September 27, 2022
Mr Mukund Bhogale	Chairman & Non-Executive Independent	Attended	Attended	Attended	Attended	Attended
Mr Aniruddha Karve	Non-Executive	Attended	Attended	Attended	Attended	Attended
Mr Jonathan Percival	Non - Executive Director	⊗	Attended	Attended	Attended	Attended
Mr Nitin Sonawane	Manager & Executive Director	⊗	Attended	Attended	Attended	Attended
Mr Subhash Kolapkar	Non-Executive Independent	Attended	Attended	Attended	Attended	Attended
Ms Maithilee Tambolkar	Non-Executive Independent	Attended	Attended	Attended	Attended	Attended
Mr Martin Coll	Non-Executive	Attended	Attended	Attended	Attended	Attended

Attended ⊗ Appointed as on August 12, 2022

c. Board Evaluation

Pursuant to provisions of Regulation 17(10) of Listing Regulations and the provisions of the Companies Act, 2013, Annual Performance Evaluation were carried out for all Board Members with specific focus on performance and effective functioning of the Board and other 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 Listing 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.

d. Independent Directors

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

The Company has 3 Independent Directors on Board as on March 31, 2023 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 including not entitled for any stock option scheme.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. 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.

The Company has an orientation process/ familiarization programme for its independent directors that includes, briefing on their role, responsibilities, duties, and obligations as a member of the Board, nature of business and business model of the Company, Company's strategic and operating plans and matters relating to Corporate Governance, Code of Conduct etc.

e. 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 Listing Regulations, 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, 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/

f. 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/

g. Membership in Board Committees

As per Regulation 26 of the 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 Listing 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 Listing Regulations, 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

In terms of Regulation 18 of Listing Regulations and provisions of the Companies Act, 2013, the qualified and independent 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 are financial literate possessing strong accounting and financial management acquaintance with requisite professional certification and diverse industry knowledge.

The Chairman of the audit committee is an independent director, and he was present at 37th Annual general meeting of the Company to answer shareholder queries. The Company Secretary act as the secretary to the audit committee. During the year, the audit committee had invited the finance controller and a representative of the statutory auditor and other such executives to present at the meetings of the committee.

The terms of reference of the Audit Committee are very wide and are in line with the regulatory requirements mandated by Listing Regulations 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 Terms of Reference of the Audit Committee broadly covers responsibility 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, 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 gap between two meetings were not exceeded one hundred and twenty days. The details of attendance of the meeting are as follows:

Name	Category	Attendance				AGM
		May 25, 2022	August 12, 2022	November 10, 2022	February 13, 2022	September 27, 2022
Mr Mukund Bhogale	Chairman & Non-Executive Independent					
Mr Subhash Kolapkar	Non-Executive Independent					
Ms Maithilee Tambolkar	Non-Executive Independent					
Mr Martin Coll	Non-Executive					

Attended

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 Listing Regulations and Section 178 (1) of the Companies Act, 2013, the Nomination and Remuneration Committee comprises of 3 Directors all of whom are non-executive directors and at least half are independent directors of the Company. The Chairman of the Committee is 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 Committee met 2 (two) times during the year under review. The details of attendance of the meeting are as follows:

Name	Category	Attendance		AGM
		May 25, 2022	August 12, 2022	September 27, 2022
Mr Subhash Kolapkar	Chairman & Non-Executive Independent			
Mr Mukund Bhogale	Non-Executive Independent			
Mr Aniruddha Karve	Non-Executive			

Attended

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.

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, 2023 –

Mr Nitin Sonawane – Manager & Director

(From August 12, 2022 to March 31, 2023)

Particulars	Amount in ₹ in Lakhs
Salary & Allowances	20.14
Performance Bonus	01.55
Total	**21.69**

Notes:

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

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

(c) 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 2022-23 are given below:

Particulars	Amount in ₹ in Lakhs
Mr. Mukund Bhogale	1.00
Mr. Subhash Kolapkar	1.00
Ms. Maithilee Tambolkar	1.00
Total	**3.00**

Independent directors receive twenty thousand as sitting fee for each board meeting attended however the Board of Directors in their meeting held on February 13, 2023 approved for revision in sitting fees from twenty thousand to forty thousand per Board meeting attendance. 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 2 times during the year i.e on May 25, 2022 and February 13, 2023. During the year, the Company haven't s received any complaint from the shareholders of the Company and no complaints were pending as on March 31, 2023. Further, the company has successfully addressed the queries raised by shareholders regarding financial performance of the company during 37th 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	Category	Attendance		AGM
		May 25, 2022	February 13, 2023	September 27, 2023
Mr Mukund Bhogale	Chairman & Non-Executive Independent	●	●	●
Mr Subhash Kolapkar	Non-Executive Independent	●	●	●
Mr Aniruddha Karve	Non-Executive	●	●	●

● Attended

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. 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. RISK MANAGEMENT COMMITTEE

As per Regulation 21 of the Listing Regulations Risk Management Committee was constituted and having responsibility to frame, implement and monitor the risk management plan for the Company. We have an established risk management methodology which seeks to identify, prioritise and mitigate risks, underpinned by a 'three lines of defence' model comprising an internal control framework, internal monitoring and independent assurance processes.

The 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 2 times during the year as per below details –

Name	Category	Attendance	
		November 10, 2022	February 13, 2023
Mr Mukund Bhogale	Chairman & Non-Executive Independent	●	●
Mr Aniruddha Karve	Non-Executive	●	●
Mr Martin Coll	Non-Executive	●	●

● Attended

During the year, the Committee reviewed the status of all principal and emerging risks with a significant potential impact on the Company performance. These reviews included an analysis of both the principal risks and emerging risks, together with the controls, monitoring and assurance processes established to mitigate those risks to acceptable levels.

- As a result of these reviews, a number of actions were identified to continue to improve internal controls and the management of risk, including:
- Followed revised Morgan Group's 'thinkSAFE' programme, focusing on developing a caring safety culture, together with work to strengthen our safety systems.
- Increased focus on Trade Compliance with screening of restricted countries and parties through the system;
- Awareness of the Group's 'Speak Up' process;
- Further emphasis on the ethics agenda, including implementing self-certification of policy compliance and change to the Ethics & Compliance training platform;
- Driving forward the Morgan Group's sustainability and environmental agenda.

e. 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 during the year as per below details –

Name	Category	Corporate Social Responsibility Committee	
		May 25, 2022	February 13, 2023
Mr Mukund Bhogale	Chairman & Non-Executive Independent		
Mr Aniruddha Karve	Non-Executive		
Mr Martin Coll	Non-Executive		

Attended

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

Summary of CSR Activity	Tentative Fund Requirement (Amt in INR)
Environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water	280,250
Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water etc.;	167,737
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	6,333,538
Total	**6,781,525**

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, 2018	**Registered Office of the Company:** B-11,MIDC Industrial Area, Waluj, Aurangabad– 431136, Maharashtra, India	EGM	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
March 31, 2021		AGM	August 5, 2021	11.00 AM	Yes
March 31, 2022		AGM	September 27, 2022	11.00 AM	Yes

5. DISCLOSURES:

a. Related Party Transactions

In Compliance with Regulation 23 of Listing Regulations, during the year, all contracts/ arrangements/ transactions entered by the Company during the financial year 2022-23 with related parties were on an arm's length basis and in the ordinary course of business. The Company had taken approval of members for transactions entered with material subsidiary for the financial year 2022-23.

All the transactions were in compliance with the applicable provisions of the Act and 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 Listing Regulations 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. Secretarial Audit and Secretarial Compliance Report

In compliance with Regulation 24A of the Listing Regulations, the Company has engaged M/s KMP & Associates to conduct the Secretarial Audit for the financial year 2022-23. The Secretarial Compliance Report for the previous year has been submitted within timeline to the Bombay Stock Exchange.

c. Disclosure of Accounting Treatment in Preparation of Financial Statements

Pursuant to Regulation 48 of Listing Regulations, 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 Listing Regulations, the Company have submitted a quarterly compliance report on Corporate Governance to the Bombay Stock Exchange within timeline 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 Listing Regulations 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

a) The management discussions and analysis report shall form part of the Board Report.

b) None of the senior management of the Company has any financial or commercial dealings which had potential conflict of the interest with the Company.

f. Succession Planning

The 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 38th Annual General Meeting (AGM) of the Company.

h. Certification from Company Secretary in practice

A certificate has been received from M/s 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 2022-23	Financial Year 2021-22
Statutory Audit	34.00	24.00
Tax Audit	2.50	2.50
Limited review of quarterly results	10.50	10.50
Certification fees	1.00	1.00
Audit of group reporting package	10.00	4.00
Reimbursement of expenses	2.11	0.92
Total	**60.11**	**42.92**

j. CEO (MD)/CFO Certification:

As required under Regulation 17(8) of the Listing Regulations, Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2023.

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 Regulation 22 of Listing Regulations, 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.

We do not unfairly discriminate, and we respect human rights. Our employee policies are set and are within the overall Morgan Group framework. We operate a 'Speak Up' hotline which enables individuals who are aware of, or suspect, issues contravening Morgan's Human Rights Policy, or wider concerns on policy adherence, to report these confidentially. All issues are investigated, individuals responded to where contact information is given, and progress is tracked to conclusion.

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:

a. number of complaints filed during the financial year -Nil

b. number of complaints disposed of during the financial year -Nil

c. number of complaints pending as on end of the financial year -Nil

q. Dividend Distribution Policy

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

i. 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:

Pursuant to Regulation 12 of the Listing Regulations, the Company has transferred the dividend by way of electronic mode as approved by the Reserve Bank of India and also issued warrants to physical shareholders. The requisite dividend warrants were dispatched through speed post to the shareholders at their address registered with Registrar and Transfer Agent.

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, 2023 given as below:

Year	Dividend per share	Date of Declaration	Due Date	Unclaimed Amount in INR Lakhs
2022-23 (Interim)	₹ 9	10/11/2022	09/12/2022	4.01
2021-22 (Final)	₹ 12	27/09/2022	26/10/2022	6.02
2021-22 (Interim)	₹ 42	12/11/2021	24/12/2021	17.52
2019-20	₹ 16	06/08/2020	05/09/2021	3.80
2018-19 (Final)	₹ 12	07/08/2019	06/09/2019	5.08
2018-19 (Interim)	₹ 4	13/11/2018	12/12/2018	1.76
2017-18	₹ 16	08/08/2018	07/09/2018	6.34
2016-17	₹ 8	09/08/2017	08/09/2017	3.86
2015-16	₹ 4	10/08/2016	09/09/2016	3.08

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, 2015 in the 30^{th} Annual General Meeting of members held on September 22, 2015 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, 2022, the unpaid dividend amount of ₹ 52,441/- 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 Listing Regulations, 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.

6. GENERAL INFORMATION FOR SHAREHOLDERS:

a. Date, Time and Venue of 38th Annual General Meeting:

Date & Time: Tuesday, August 29, 2023 at 11.00 AM

Venue: B-11 Waluj MIDC, Aurangabad – 431136 and through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

b. Tentative Financial Calendar for the year 2023-24:

Financial year : April 1, 2023 to March 31, 2024

First Quarter results : Second week of August, 2023

Half Yearly results : Second week of November, 2023

Third Quarter results : Second week of February, 2024

Results for year-end : Third week of May, 2024

c. Date of Book Closure:

Wednesday, August 23, 2023, to Tuesday, August 29, 2023 (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

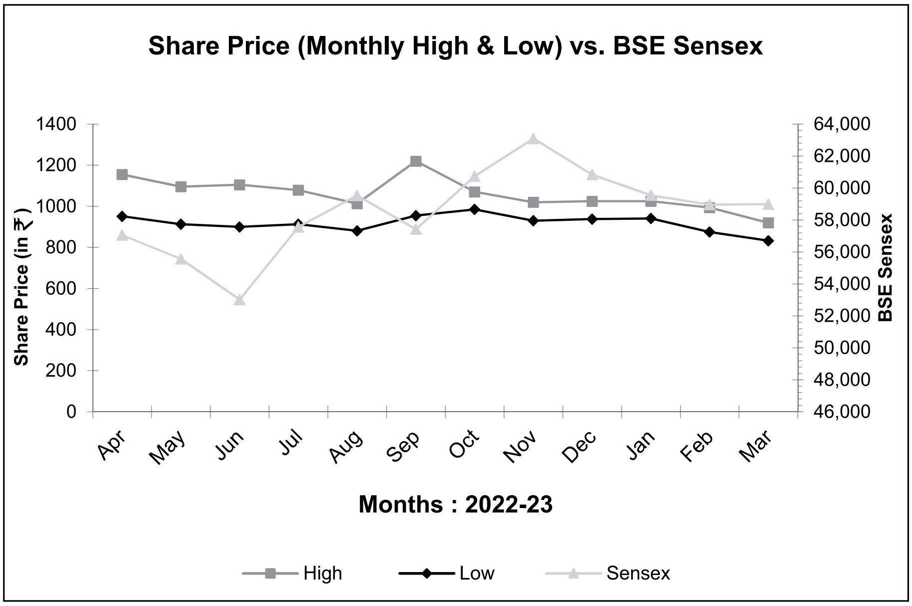
The annual listing fee for the financial year 2023-24 has been duly paid to the above stock exchange.

h. Market Price Data:

High, Low and number of equity shares traded during each month in the year 2022-23 on BSE :

Month	High	Low	Volume	BSE Sensex
Apr-22	1,155.00	951.35	23,281	57,060.87
May-22	1,095.95	913.00	12,355	55,566.41
Jun-22	1,105.00	900.00	15,699	53,018.94
Jul-22	1,079.00	913.00	14,477	57,570.25
Aug-22	1,013.00	881.00	27,809	59,537.07
Sep-22	1,220.00	955.00	60,625	57,426.92
Oct-22	1,070.55	985.00	14,567	60,746.59
Nov-22	1,019.70	930.00	20,050	63,099.65
Dec-22	1,024.90	938.00	21,236	60,840.74
Jan-23	1,025.00	941.00	14,625	59,549.90
Feb-23	994.00	875.00	10,996	58,962.12
Mar-23	920.00	832.60	10,422	58,991.52

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



i. Distribution of Shareholding as at March 31, 2023:

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	Public	12,19,670	5,129	21.86
3	Nationalised Bank	1,200	2	0.02
	Foreign Portfolio Investors	10,501	1	0.19
4	HUF	70,192	217	1.30
4	NRI / Non-NRI	34,531	116	0.62
6	Clearing Members	66	4	0.00
7	Bodies Corporate	36,760	44	00.53
8	IEPF	27,080	1	0.48
	TOTAL	**56,00,000**	**5,516**	**100.00**

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, 5,492,936 Equity Shares representing 98.08% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2023.

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)

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

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

o. Investor services

E-mail: rupesh.khokle@morganplc.com

p. Registrars & Transfer Agents

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

Investor contact details will be as follows :

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

For and on behalf of the Board,

Mukund Bhogale
(Chairman & Independent Director)
DIN: 00072564

Aniruddha Karve
(Director)
DIN: 07180005

Place: Aurangabad
Date: May 30, 2023

CEO(MD)/CFO CERTIFICATION TO THE BOARD

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 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 listed entity 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 they 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.

Nitin Sonawane
(Manager & Director)

Hanumant Mandale
(Chief Financial Officer)

Date: May 21, 2023
Place: Aurangabad

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 31st March 2023, 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 31 March 2023, and its profit, total comprehensive income, 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 (SAs) specified under section 143(10) of the Act. 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 judgment, 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's report and management discussion and analysis 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 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, 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to financial statements 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.

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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements. .

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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30(i) to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in note 45 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)
Aurangabad, May 30, 2023 UDIN:23106388BGUGJP5779

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Morganite Crucibles (India) Limited Company Limited ("the Company") as of March 31, 2023 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 with reference to financial statements based on, "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements 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)
Aurangabad, May 30, 2023 UDIN:23106388BGUGJP5779

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) In respect of its Property, Plant and Equipment and Intangible Assets:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Capital work-in-progress).

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment (Capital work-in-progress) so to cover all the items once every 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, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment, capital work-in progress) are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, excluding Goods in Transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the

Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of dues of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount of Dispute (₹ in lakhs)	Amount paid under protest (₹ in lakhs)
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	April 2013 to August 2015	7.68	-
Goods & Service Tax	GST	Commissioner of Goods & Service Tax	FY 2018-19	1.14	-
Gujrat Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Sales Tax	2001-02 to 2005-06	88.74	-

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any short-term funds during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2023.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has not transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account within a period of 30 days from the end of the financial year in compliance with section 135(6) of the Act. The details of the amounts unspent, the amounts transferred and the amounts remaining to be transferred are given below:

(₹ In lakhs)

Financial Year	Amount unspent on Corporate Social Responsibility activities for "Ongoing Projects" as at Balance Sheet date	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date	Amount pending to be transferred as at the report date
FY 20-21	2.5	-	0.50	2.00

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

Jayesh Parmar
Partner
(Membership No. 106388)
UDIN:23106388BGUGJP5779

Aurangabad, May 30, 2023

Morgan
Advanced Materials

Balance Sheet

As at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	5	5,168.43	3,622.47
Capital work-in-progress	5	139.89	1,470.86
Right-of-use asset	6	10.68	10.52
Goodwill	42	137.81	137.81
Other intangible assets	7	22.26	15.84
Other financial assets	8	46.62	36.24
Deferred tax assets (net)	9	88.32	98.15
Income tax assets (net)		437.12	255.40
Other non-current assets	10	25.10	38.09
Total non-current assets		**6,076.23**	**5,685.38**
Current assets			
Inventories	11	2,340.40	2,270.89
Financial assets			
i. Trade receivables	12	2,706.76	3,126.32
ii. Cash and cash equivalents	13	4,514.17	3,567.39
iii. Other balances with banks	14	52.94	56.99
iv. Loans	15	10.82	4.35
v. Other financial assets	16	7.96	1.84
Other current assets	17	400.66	778.49
Total current assets		**10,033.71**	**9,806.27**
Total assets		**16,109.94**	**15,491.65**
Equity and Liabilities			
Equity			
Equity share capital	18	280.00	280.00
Other equity	19	12,415.40	11,975.47
Total Equity		**12,695.40**	**12,255.47**
Liabilities			
Current liabilities			
Financial liabilities			
i. Trade payables			
(a) dues of micro and small enterprises (refer note 33)	20	258.36	352.55
(b) dues of other than micro and small enterprises	20	2,500.67	2,224.59
ii. Other financial liabilities	21	122.59	204.00
Other current liabilities	22	188.10	111.59
Provisions	23	337.29	335.92
Income tax liabilities (net)		7.53	7.53
Total current liabilities		**3,414.54**	**3,236.18**
Total liabilities		**3,414.54**	**3,236.18**
Total equity and liabilities		**16,109.94**	**15,491.65**
Significant accounting policies	3		
Notes to the financial statements	4-46		

The notes referred to above form an integral part of the financial statements

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Jayesh Parmar
Partner
Membership No : 106388

Place: Aurangabad
Date: 30 May 2023

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

Mukund Bhogale
Chairman & Director
DIN : 00072564

Nitin Sonawane
Manager and Director
DIN : 09701207

Hanumant Mandale
Chief Financial Officer

Rupesh Khokle
Company Secretary

Place: Aurangabad
Date: 30 May 2023

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue from operations	24	15,458.91	15,235.25
Other income	25	483.13	2,896.33
Total income		**15,942.04**	**18,131.58**
Expenses			
Cost of materials consumed	26	6,904.13	6,094.03
Purchases of stock-in-trade		32.02	295.45
Changes in inventory of finished goods and work-in-progress	27	(27.91)	(296.93)
Employee benefit expenses	28	1,609.91	1,774.75
Depreciation and amortization expense	5, 6 & 7	775.37	740.26
Other expenses	29	4,416.37	4,386.02
Total expenses		**13,709.89**	**12,993.58**
Profit before tax exceptional items		**2,232.15**	**5,138.00**
Exceptional items	43	-	(310.00)
Profit before tax		**2,232.15**	**5,448.00**
Tax expense			
Current tax	9	610.37	1,049.33
Deferred tax	9	9.83	59.33
Total tax expense		**620.20**	**1,108.66**
Profit/(Loss)for the year		**1,611.94**	**4,339.34**
Item that will not be reclassified subsequently to profit or loss			
Remeasurements income/(losses) on defined benefit plans		4.99	29.29
Income tax relating to item that will not be reclassified to profit or loss		(1.00)	(5.89)
Other comprehensive gains/(loss) for the year, net of tax		**3.99**	**23.40**
Total comprehensive income for the year		**1,615.93**	**4,362.74**
Earnings Per Share: (Face value of ₹ per share)			
Basic (₹)		28.78	77.49
Diluted (₹)		28.78	77.49
Significant accounting policies	3		
Notes to the financial statements	4-46		

The notes referred to above form an integral part of the financial statements
As per our report of even date
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Chief Financial Officer

Rupesh Khokle
Company Secretary

Place: Aurangabad
Date: 30 May 2023

Morgan
Advanced Materials

Statement of Cashflow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	31 March 23	31 March 22
A) Cash flow from operating activities		
Profit before tax from discontinuing operations	-	-
Profit before tax	**2,232.15**	**5,448.00**
Adjustments for :		
Interest income	(9.41)	(4.63)
(Gain)/ Loss on account of foreign currency transactions and translation	5.52	34.03
Depreciation and amortization expense	775.37	740.26
Gain on sale of property, plant and equipment	(8.03)	(811.18)
Provision/ reversal for doubtful receivables	(9.94)	(61.17)
	753.51	**(102.69)**
Changes in working capital :		
Inventories	(69.51)	(499.09)
Trade receivables	426.93	(979.05)
Loans, other financial assets and other assets (Current and Non current)	452.20	(259.35)
Trade payables, other financial liabilities ,other liabilities and provisions (Current and Non current)	177.51	287.18
Cash generated from operating activities	**3,972.79**	**3,895.00**
Income taxes paid (net)	(792.09)	(1,344.81)
Net cash flows generated from operating activities (A)	**3,180.70**	**2,550.19**
B) Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including movement in capital work in progress and capital advances)	(1,076.21)	(1,010.06)
Proceeds from sale of property, plant and equipment	19.63	916.28
Bank balances not considered as Cash and cash equivalents	14.20	(14.70)
Investment in bank deposits	-	(144.05)
Maturity of bank deposits	-	58.98
Interest received	3.15	4.63
Net cash generated / (used) in investing activities (B)	**(1,039.23)**	**(188.92)**
C) Cash flows from financing activities		
Repayment of Lease Liability including interest	-	-
Payment of dividend (including Dividend Distribution Tax thereon)	(1,186.15)	(2,368.91)
Net cash used in financing activities (C)	**(1,186.15)**	**(2,368.91)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**955.32**	**(7.64)**
Effect of exchange differences on cash and cash equivalents held in foreign currency	(8.54)	10.96
Cash and cash equivalents at the beginning of the year	3,567.39	3,564.07
Cash and cash equivalents at the end of the year	**4,514.17**	**3,567.39**

Statement of Cashflow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars		31 March 23	31 March 22
Components of cash and cash equivalents			
Cash and cash equivalents comprises of:			
Cash on hand		0.13	0.13
Bank balances			
- in current accounts		2,341.91	2,715.30
- Export Earner's Foreign Currency account		559.41	741.94
- in deposits accounts (with original maturity of 3 months or less)		1,612.72	110.02
Total cash and cash equivalents (refer note 13)		**4,514.17**	**3,567.39**
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and bank balances		4,567.11	3,624.38
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:			
(i) In earmarked accounts (Refer Note (i) below)			
- Unpaid dividend accounts		52.44	42.29
- Other earmarked accounts (CSR)		0.50	14.70
Bank balances not considered as Cash and cash equivalents		52.94	56.99
Total cash and cash equivalents at the end of the year		**4,514.17**	**3,567.39**

Note:

(i) These earmarked account balances with banks can be utilised only for the specific identified purposes.

Significant accounting policies	3		
Notes to the financial statements	4-46		

The notes referred to above form an integral part of the financial statements
As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Jayesh Parmar
Partner
Membership No : 106388

Place: Aurangabad
Date: 30 May 2023

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

Mukund Bhogale
Chairman & Director
DIN : 00072564

Nitin Sonawane
Manager and Director
DIN : 09701207

Hanumant Mandale
Chief Financial Officer

Rupesh Khokle
Company Secretary

Place: Aurangabad
Date: 30 May 2023

Statement of changes in equity

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Equity	Reserves and Surplus						Items of OCI	Total equity
		General reserves	Capital reserve	Securities premium	Capital Profit on Forfeited shares	Statutory Reserve	Retained earnings	Remea-surement losses on defined benefit plans	
Balance as at 1 April 2021	280.00	525.49	67.65	350.00	0.04	8.70	9,093.04	(81.15)	10,243.77
Profit for the year	-	-	-	-	-	-	4,339.34		4,339.34
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	24.36	24.36
Dividend	-	-	-	-	-	-	(2,352.00)	-	(2,352.00)
Balance as at 31 March 2022	**280.00**	**525.49**	**67.65**	**350.00**	**0.04**	**8.70**	**11,080.38**	**(56.79)**	**12,255.47**
Balance as at 1 April 2022	280.00	525.49	67.65	350.00	0.04	8.70	11,080.38	(56.79)	12,255.47
Profit for the year	-	-	-	-	-	-	1,611.95		1,611.95
Other comprehensive income (net of tax)	-	-	-	-	-	-		3.99	3.99
Dividend	-	-	-	-	-	-	(1,176.00)	-	(1,176.00)
Balance as at 31 March 2023	**280.00**	**525.49**	**67.65**	**350.00**	**0.04**	**8.70**	**11,516.33**	**(52.80)**	**12,695.41**

Significant accounting policies	3
Notes to the financial statements	4-46

The notes referred to above form an integral part of the financial statements

As per our report of even date

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

Jayesh Parmar
Partner
Membership No : 106388

Place: Aurangabad
Date: 30 May 2023

For and on behalf of the Board of Directors of
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Hanumant Mandale
Chief Financial Officer

Rupesh Khokle
Company Secretary

Place: Aurangabad
Date: 30 May 2023

Notes to financial statements

for the year ended March 31, 2023

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 2023 were approved by the Board of Directors and authorised for issue on 30 May 2023.

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"); presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable 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.

3. 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.

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 have resulted 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:

a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realized within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

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

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company classifies all other liabilities 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.

Notes to financial statements

for the year ended March 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES

a. Property, plant and equipment

i. Recognition and measurement

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.

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
- 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).

Notes to financial statements

for the year ended March 31, 2023

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 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 and stock-in-trade 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, RoadTEP 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 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

Notes to financial statements

for the year ended March 31, 2023

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 substantively enacted by the end of the reporting period.

Current Income Tax

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

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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for the year ended March 31, 2023

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 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

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for the year ended March 31, 2023

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.

l. Earnings per share

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

m. Cash and cash equivalents

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.

Notes to financial statements

for the year ended March 31, 2023

n. Financial instruments

Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets - Recognition

All financial assets are recognized initially at fair value (except for trade receivables which are initially measured at transaction price) plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Classification and subsequent measurement For purposes of subsequent measurement, financial assets are classified in following categories:

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Debt instruments at fair value through other comprehensive income (FVOCI)

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, interest income, impairment losses and reversals and foreign exchange gain or loss is recognized in statement of profit and loss. On derecognition of the asset, cumulative gains or losses previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method. Debt instruments at fair value through profit or loss (FVTPL) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit or loss.

Equity instruments measured at fair value through other comprehensive income (FVOCI)

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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for the year ended March 31, 2023

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in Statement of profit and loss.

Financial liabilities – Recognition and Subsequent measurement

The Company's financial liabilities are initially measured at fair value less any attributable transaction costs. Subsequent to initial measurement, these are measured at amortized cost using the effective interest rate ('EIR') method or at fair value through profit or loss (FVTPL).

Company's financial liabilities include trade and other payables, Loans and borrowings including bank overdrafts.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through Statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through Statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains or losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gains or losses within equity. All other changes in fair value of such liability are recognized in Statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

Financial liabilities that are not held for trading, or designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial assets derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the

Notes to financial statements

for the year ended March 31, 2023

cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset.

Financial liabilities derecognition

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized 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.

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.

Notes to financial statements

for the year ended March 31, 2023

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.

r. Other matters:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of these amendments is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendments and the impact of the amendments are insignificant in the financial statements.

Notes to financial statements

for the year ended March 31, 2023

5 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Building	Plant and equipment	Vehicles	Computers	Office equipment	Furniture and fixtures	Total
Gross Block							
Balance as at 1 April 2021	**654.06**	**4,100.37**	**0.90**	**144.40**	**66.56**	**84.57**	**5,050.86**
Additions during the year	149.75	1,413.01	7.32	1.42	5.93	51.30	**1,628.73**
Disposals during the year	(178.41)	(230.31)	(0.03)	-	(1.00)	(2.74)	**(412.49)**
Balance as at 31 March 2022	**625.40**	**5,283.07**	**8.19**	**145.82**	**71.49**	**133.13**	**6,267.10**
Balance as at 1 April 2022	**625.40**	**5,283.07**	**8.19**	**145.82**	**71.49**	**133.13**	**6,267.10**
Additions during the year	1,348.77	898.29	-	8.76	9.64	59.06	**2,324.52**
Disposals during the year	-	(45.67)	-	-	-	-	**(45.67)**
Balance as at 31 March 2023	**1,974.33**	**6,135.69**	**8.19**	**154.58**	**81.13**	**192.19**	**8,546.11**
Accumulated depreciation							
Balance as at 1 April 2021	**163.32**	**1,848.16**	**0.45**	**93.81**	**43.93**	**44.47**	**2,194.14**
Depreciation for the year	32.38	633.70	0.57	33.20	12.04	20.79	**732.68**
Assets written off	(83.91)	(195.26)	(0.03)	-	(1.00)	(1.99)	**(282.19)**
Balance as at 31 March 2022	**111.79**	**2,286.60**	**0.99**	**127.01**	**54.97**	**63.27**	**2,644.63**
Balance as at 1 April 2022	111.79	2,286.60	0.99	127.01	54.97	63.27	**2,644.63**
Depreciation for the year	64.89	632.57	1.03	14.47	9.97	43.70	**766.63**
Depreciation on disposals during the year	-	(33.57)	-	-	-	-	**(33.57)**
Balance as at 31 March 2023	**176.68**	**2,885.60**	**2.02**	**141.48**	**64.94**	**106.80**	**3,377.69**
Carrying amounts (net)							
Balance as at 31 March 2022	**513.61**	**2,996.47**	**7.20**	**18.81**	**16.52**	**69.86**	**3,622.47**
Balance as at 31 March 2023	**1,797.49**	**3,250.09**	**6.17**	**13.10**	**16.19**	**85.39**	**5,168.43**

Particulars	Capital work-in-progress
Balance as at 1 April 2021	**2,153.19**
Additions	271.45
Transferred to property, plant and equipment	953.78
Balance as at 31 March 2022	**1,470.86**
Balance as at 1 April 2022	**1,470.86**
Additions	239.30
Transferred to property, plant and equipment	1,570.27
Balance as at 31 March 2023	**139.89**

CWIP ageing schedule

As at 31 March 2023	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	138.34	1.56	-	-	139.90
Projects temporarily suspended	-	-	-	-	-
Total	**138.34**	**1.56**	**-**	**-**	**139.90**
As at 31 March 2022	**< 1 year**	**1-2 years**	**2-3 years**	**> 3 years**	**Total**
Projects in progress	167.42	308.87	643.08	351.49	1,470.86
Projects temporarily suspended	-	-	-	-	-
Total	**167.42**	**308.87**	**643.08**	**351.49**	**1,470.86**

Notes to financial statements

for the year ended March 31, 2023

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

	< 1 year	1-2 years	2-3 years	> 3 years	Total
Factory Building Avtar Phase II	2.50	-	-	-	2.50
Electrical installation	2.26				2.26
Fire Hydrant ETP/STP	133.58	1.56	-	-	135.14
Total	**138.34**	**1.56**	**-**	**-**	**139.90**

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Notes to financial statements

for the year ended March 31, 2023

6 RIGHT-OF-USE ASSETS

(₹ in Lakhs)

Particulars	Leasehold land	Total
Balance as at 01 April 2021	**11.55**	**11.55**
Additions during the year	0.33	0.33
Disposals during the year	-	-
Balance as at 31 March 2022	**11.88**	**11.88**
Balance as at 01 April 2022	**11.88**	**11.88**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31 March 2023	**11.88**	**11.88**
Accumulated Depreciation		
Balance as at 01 April 2021	**0.85**	**0.85**
Additions during the year	0.18	0.18
Disposals during the year	-	-
Balance as at 31 March 2022	**1.03**	**1.03**
Balance as at 01 April 2022	**1.03**	**1.03**
Additions during the year	0.17	0.17
Disposals during the year	-	-
Balance as at 31 March 2023	**1.20**	**1.20**
Carrying amounts (net)		
Balance as at 31 March 2022	**10.85**	**10.85**
Balance as at 31 March 2023	**10.68**	**10.68**

7 OTHER INTANGIBLE ASSETS

Reconciliation of carrying amount

(₹ in Lakhs)

Particulars	Software	Total
Gross Block		
Balance as at 1 April 2021	**78.97**	**78.97**
Additions during the year	3.90	3.90
Balance as at 31 March 2022	**82.87**	**82.87**
Balance as at 1 April 2022	**82.87**	**82.87**
Additions during the year	15.00	15.00
Balance as at 31 March 2023	**97.87**	**97.87**

Notes to financial statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Software	Total
Accumulated amortization		
Balance as at 1 April 2021	**59.80**	**59.80**
Amortization for the year	7.23	7.23
Balance as at 31 March 2022	**67.03**	**67.03**
Balance as at 1 April 2022	**67.03**	**67.03**
Amortization for the year	8.58	8.58
Balance as at 31 March 2023	**75.61**	**75.61**
Carrying amounts (net)		
Balance as at 31 March 2022	**15.84**	**15.84**
Balance as at 31 March 2023	**22.26**	**22.26**

8 OTHER FINANCIAL ASSETS - NON CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Other financial assets (Unsecured, considered good)	-	-
Security deposits	45.62	31.24
Bank deposits (due to mature after 12 months from reporting date)*	1.00	5.00
	46.62	**36.24**

[* Includes ₹ 1 lakhs (2022 - ₹ 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)

		Year ended 31 March, 2023	Year ended 31 March, 2022
(a)	**Income tax expense**		
	Current tax		
	Current tax on the profit for the year	610.38	902.40
	Adjustment of current tax of prior periods	-	146.93
	Total current tax expense	**610.38**	**1,049.33**
(b)	**Deferred tax**		
	Attributable to -		
	Origination and reversal of temporary differences	9.83	59.33
		9.83	**59.33**
Tax expense (a+b)		**620.21**	**1,108.66**

Notes to financial statements

for the year ended March 31, 2023

B] Amounts recognised in other comprehensive income

	For the year ended 31st March, 2023		
	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 (₹ Lakhs)	4.99	(1.00)	3.99

	For the year ended 31st March, 2022		
	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 (₹ Lakhs)	29.29	5.89	23.40

C Reconciliation of effective tax rate

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Profit before tax	2,232.15	5,138.00
Enacted tax rate	25.17%	25.17%
Income tax expense calculated at 25.17% (2022: 25.17%)	561.82	1,293.23
Effect of expenses allowed / disallowed for tax purpose and others	58.38	(331.51)
Permananet allowance on APA adjustment	16.08	(345.62)
CSR expenditure	15.78	12.67
Others	26.52	1.44
	620.20	**961.72**
Effect of income taxes related to earlier periods	-	146.93
Effect of differential tax rate	-	-
	620.20	961.72
Income tax expense recognised in statement of profit and loss	**620.20**	**1,108.66**

D Recognised deferred tax assets and liabilities

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets/(liabilities)		
Provision for doubtful debts	-	2.50
Provision for employee benefits	35.67	37.95
Provision for others	87.51	12.18
Property, plant and equipment	(34.86)	45.52
	88.32	**98.15**

Notes to financial statements

for the year ended March 31, 2023

E Movement in deferred tax balances

(₹ in Lakhs)

	Net balance 1 April 2022	Recognised in profit or loss	Recognized in OCI	31 March 2023 Net
Deferred tax assets / (liabilities)				
Provision for doubtful debts	2.51	(2.51)	-	-
Provision for employee benefits	37.95	(1.28)	(1.00)	35.67
Provision for others - Disallowances under the Income Tax Act, 1961	12.18	75.33	-	87.51
Property, plant and equipment	45.52	(80.37)	-	(34.86)
Net Deferred tax assets	**98.16**	**(8.83)**	**(1.00)**	**88.32**

	Net balance 1 April 2022	Recognised in profit or loss	Recognized in OCI	31 March 2022 Net
Deferred tax assets / (liabilities)				
Provision for doubtful debts	20.46	(17.95)	-	2.51
Provision for employee benefits	26.30	17.54	(5.89)	37.95
Provision for others - Disallowances under the income tax Act, 1961	65.34	(53.16)	-	12.18
Property, plant and equipment	44.42	1.10	-	45.52
Net Deferred tax assets	**156.52**	**(52.47)**	**(5.89)**	**98.15**

10 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Capital advances (Unsecured, Considered good)	25.10	18.94
Duty drawback receivable	-	19.15
	25.10	**38.09**

11 INVENTORIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Raw materials and packing materials [including goods in transit ₹ 198.85 lakhs (2022 : ₹ 110.79 lakhs)]	797.83	753.34
Finished goods [including goods in transit Nil (2022: ₹ 160.78 lakhs)]	661.53	674.40
Work-in-progress	764.50	723.72
Stores and spares	103.23	109.72
Stock in trade	13.31	9.71
	2,340.40	**2,270.89**

The cost of inventories recognized as an expense includes ₹ nil lakhs (2022: ₹ 15.01 lakhs) in respect of write-downs of inventory to net realizable value.

Notes to financial statements

for the year ended March 31, 2023

12 TRADE RECEIVABLES

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022
(a)	Trade receivables (unsecured)-considered good	2,706.76	3,126.32
	Less: Allowances for expected credit loss	-	-
(b)	Trade receivables (unsecured)-credit impaired	-	9.94
	Less: Loss allowance for credit impaired	-	(9.94)
Net trade receivables		**2,706.76**	**3,126.32**

The average credit period on sales of goods is 45 - 60 days. Interest is charged below 30 days @12% and above 30 days @15% on overdue receivables from dealer, however no interest is charged on outstanding trade receivables (Other than dealer).

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. 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)

	As at March 31, 2023	As at March 31, 2022
Movement in the allowance for expected credit loss/credit impaired		
Opening balance	9.94	71.11
Movement in the expected credit loss/ allowance for credit impaired	(9.94)	(35.23)
Amounts recovered during the year	0	(25.94)
Balance at the end of the year	**-**	**9.94**

Ageing schedule for trade receivables

As at 31 March 2023	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables							
Considered good	2,280.39	337.18	89.19	-	-	-	2,706.76
Credit impaired							-
	2,280.39	**337.18**	**89.19**	**-**	**-**	**-**	**2,706.76**
Less : Allowances for credit impared	-	-	-				-
	2,280.39	**337.18**	**89.19**	**-**	**-**	**-**	**2,706.76**

Notes to financial statements

for the year ended March 31, 2023

As at 31 March 2022	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables							
Considered good	2,664.91	457.05	4.36	-	-	-	3,126.32
Credit impaired	-	-	-	0.18	0.12	9.56	9.86
	2,664.91	**457.05**	**4.36**	**0.18**	**0.12**	**9.56**	**3,136.18**
Less : Allowances for credit impared	-	-	-	0.18	0.12	9.56	9.86
	2,664.91	**457.05**	**4.36**	**-**	**-**	**-**	**3,126.32**

Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	
Metso India Private Limited	Sales	7.55	0.98	0	0.98	External customer

13 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.13	0.13
Bank balances		
- In current accounts	2,341.91	2,715.30
- Fixed deposits (up to 3 months original maturity from deposit date)	1,612.72	110.02
- Export Earner's Foreign Currency account (EEFC)	559.41	741.94
	4,514.17	**3,567.39**

14 OTHER BALANCES WITH BANKS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Bank Balance in current accounts	0.50	14.70
Unpaid dividend accounts	52.44	42.29
	52.94	**56.99**

15 LOANS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Loans to employees (Unsecured, considered good)	10.82	4.35
	10.82	**4.35**

Notes to financial statements

for the year ended March 31, 2023

16 OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Other financial assets (Unsecured, considered good)		
Other receivables*	-	0.14
Interest accrued on bank deposits	7.96	1.70
	7.96	**1.84**

[*Includes ₹ 23.06 lakhs (2022 - ₹ 0.14 lakhs) as amount receivable from LIC for the amount paid to employees by the Company.]

17 OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advances to suppliers		
Considered good	175.31	189.79
Prepayments	6.14	8.70
Balances with Government Authorities#	160.63	423.57
Export benefits receivable	58.58	156.43
	225.35	588.70
	400.66	**778.49**

Includes balances receivable for Goods and Service Tax (GST)

18 EQUITY SHARE CAPITAL

(₹ in Lakhs, except share data)

	31-Mar-23	31-Mar-22
Authorized capital :		
10,900,000 equity shares of ₹ 5 each	545.00	545.00
Issued, subscribed and paid-up		
5,600,000 equity shares of ₹ 5 each fully paid-up	**280.00**	**280.00**

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

The Company has only one class of equity shares having a par value of ₹ 5 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 board of director at the board meeting held on 10th November 2022 approved dividend of ₹ 9 per equity share for interim period ended 30 September 2022 which was subsequently paid during the quarter ended 31 December 2022. The amount was recognized as distributions to equity shareholders during the year ended 31 March 2023 and the total appropriation was ₹ 504 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.

Notes to financial statements

for the year ended March 31, 2023

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

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Equity shares		
At the commencement and at the end of the year	56,00,000	56,00,000

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

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2023	As at March 31, 2022
Morganite Crucible Limited, subsidiary of the ultimate holding company	21,56,000	21,56,000
Morgan Terreassen BV, subsidiary of the ultimate holding company	20,44,000	20,44,000

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

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Fully paid-up equity shares				
Morganite Crucible Limited	21,56,000	38.50%	21,56,000	38.50%
Morgan Terreassen BV	20,44,000	36.50%	20,44,000	36.50%

19 OTHER EQUITY

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
a. **Retained earnings**		
Items of other comprehensive income		
At the commencement of the year	(56.79)	(81.15)
Remeasurement of employee benefit obligations during the period (net of tax)	3.99	24.36
At the end of the year	**(52.80)**	**(56.79)**
Items other than other comprehensive income		
At the commencement of the year	11,080.38	9,093.04
Profit attributable to shareholders	1,611.95	4,339.34
Dividend paid	(1,176.00)	(2,352.00)
Dividend distribution tax on above	-	-
At the end of the year	**11,516.33**	**11,080.38**
Total retained earning at the end of the year	**11,463.53**	**11,023.60**

Notes to financial statements

for the year ended March 31, 2023

(₹ in Lakhs)

		As at March 31, 2023	As at March 31, 2022
b.	**General reserve**		
	At the commencement and end of the year	525.49	525.49
c.	**Securities premium**		
	At the commencement and end of the year	350.00	350.00
d.	**Capital reserves**		
	At the commencement and end of the year	67.65	67.65
e.	**Capital profit on forfeited shares**		
	At the commencement and end of the year	0.04	0.04
f.	**Statutory reserve**		
	At the commencement and end of the year	8.70	8.70
	Total other equity	**12,415.40**	**11,975.48**

Nature of Reserves -

a) **General reserve :** The General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/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.

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

c) **Capital reserve:** Capital reserve comprises of receipt of Central Government investment subsidy under '1993 package scheme of incentives', State government investment subsidy under '1983 package scheme of incentives and capital reserve arising on amalgamation of Diamond Crucible Company Limited.

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

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

Notes to financial statements

for the year ended March 31, 2023

20 TRADE PAYABLES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
- dues of micro and small enterprises (refer note 33)	258.36	352.55
- dues of creditors other than micro and small enterprises	2,500.67	2,224.59
	2,759.03	**2,577.14**

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.

Ageing schedule for trade payables

As at 31 March 2023	Current but not due	Outstanding from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade payables						
Due to micro enterprises and small enterprises	162.23	96.13	-	-	-	258.36
Due to other than micro enterprises and small enterprises	1,666.65	822.70	11.32	-	-	2,500.67
	1,828.88	**918.83**	**11.32**	**-**	**-**	**2,759.03**

As at 31 March 2022	Current but not due	Outstanding from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade payables						
Due to micro enterprises and small enterprises	267.84	58.93	25.78	-	-	352.55
Due to other than micro enterprises and small enterprises	1,709.00	508.47	-	6.43	0.70	2,224.59
	1,976.84	**567.40**	**25.78**	**6.43**	**0.70**	**2,577.14**

21 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Capital creditors	67.38	131.29
Deposits from dealers	2.77	2.77
Unpaid dividend	52.44	42.29
Liabilities for Closure and Relocation expenses relating to Mehsana Plant	-	27.65
	122.59	**204.00**

Notes to financial statements

for the year ended March 31, 2023

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advances from customers	104.65	42.10
Statutory dues (includes payable on account of Provident Fund, TDS, ESIC etc.)	83.45	69.49
	188.10	**111.59**

23 CURRENT PROVISIONS

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Compensated absences	85.61	76.70
Gratuity (refer note 37)	56.10	42.94
Total provisions for employee benefits (A)	**141.71**	**119.64**
Other provisions		
Provision for warranties	195.58	207.69
Provision for corporate social responsibility	-	8.59
Total other provisions (B)	**195.58**	**216.28**
Total provision (A+B)	**337.29**	**335.92**

(₹ in Lakhs)

Movement in other provisions during the year	**As at March 31, 2023**	
	Provision for corporate social responsibility	**Provision for warranties**
Balance at 1 April 2021	34.38	177.40
Provisions made during the year	5.16	30.29
Provisions utilized during the year	(30.95)	-
Provisions reversed during the year	-	-
Balance at 31 March 2022	**8.59**	**207.69**
Balance at 1 April 2022	8.59	207.69
Provisions made during the year	-	15.58
Provisions utilized during the year	-	-
Provisions reversed during the year	(8.59)	(60.12)
Balance at 31 Mar 2023	**-**	**163.15**

Notes to financial statements

for the year ended March 31, 2023

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Revenue from contract with customers	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of products*	15,395.51	15,179.40
Total sale of products (A)	**15,395.51**	**15,179.40**
Other operating revenue		
Sale of scrap	63.40	55.85
Total other operating revenue (B)	**63.40**	**55.85**
Total revenue from operations (A+B)	**15,458.91**	**15,235.25**

[* Net of turnover discount ₹ 33.90 lakhs (2022: ₹ 43.43 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)

Revenue from contract with customers	For the year ended March 31, 2023	For the year ended March 31, 2022
Duty drawback on exports	117.25	130.55
Export benefits	62.63	85.39
Interest income on		
- deposits with bank	9.41	4.63
- overdue trade receivables	4.31	0.09
`- VAT / Income tax refund	16.91	40.12
Gain on account of foreign currency transactions (net)	139.63	85.88
Gain on sale of property, plant and equipment	8.03	811.18
Liabilities written back to the extent no longer required	9.94	192.22
Other non-operating income*	115.02	1,546.27
	483.13	**2,896.33**

*Other non operating income includes reimbursement of management charges and R&D charges from holding company Morgan.

Advanced Materials Plc. ₹ 115.02 lakhs (2022 : ₹ 1,506.43)

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory of materials at the beginning of the year	753.34	584.45
Purchases	6,948.62	6,262.92
Inventory of materials at the end of the year	(797.83)	(753.34)
	6,904.13	**6,094.03**

Notes to financial statements

for the year ended March 31, 2023

27 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year		
Finished goods - Crucibles	674.40	512.64
Work-in-progress - Crucibles	723.72	588.55
Inventory at the end of the year		
Finished goods - Crucibles	661.53	674.40
Work-in-progress - Crucibles	764.50	723.72
Decrease/(Increase) in Inventory	**(27.91)**	**(296.93)**

28 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	1,359.18	1,556.99
Contribution to provident and other funds	82.60	80.89
National Pention System	12.16	-
Staff welfare expenses	155.97	136.87
	1,609.91	**1,774.75**

29 OTHER EXPENSES

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	1,047.48	1,122.98
Power and fuel	210.95	201.03
Contract labour charges	648.45	657.26
Repairs to buildings	13.24	11.42
Repairs to machinery	383.00	295.58
Repairs others	46.01	37.02
Rent	24.04	20.41
Rates and taxes	1.52	3.07
Travelling and motor car expenses	48.79	35.43
Legal and professional fees	58.90	91.95
Insurance	49.15	53.17
Payment to auditors (refer note (i) below)	60.11	42.92
Sales commission	88.20	95.12
Trade Mark Charges	139.44	121.62
Management charges	657.78	553.65
Central Support Cost	141.08	152.52

Notes to financial statements

for the year ended March 31, 2023

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Warranty Expense	8.75	8.50
Business development and promotional expenses	52.27	59.81
SAP training & maintenance expenses	22.84	14.76
Loss on sale / retirement of fixed assets	0.50	50.66
Freight outward	389.74	500.52
Security charges	52.98	58.25
Bad Debt expenses	9.94	-
Corporate Social Responsibility expenses (refer note (ii) below)	62.66	50.37
Miscellaneous expenses	198.55	148.00
	4,416.37	**4,386.02**

i) Payment to auditors (excluding taxes)

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor		
Statutory Audit	34.00	24.00
Tax Audit	2.50	2.50
Limited review of quarterly results	10.50	10.50
Certification fees	1.00	1.00
For other services		
Audit of group reporting package	10.00	4.00
Reimbursement of expenses	2.11	0.92
	60.11	**42.92**

ii) CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Amount spent during the year on the breakup of expenditure incurred on CSR activities

(₹ in Lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Construction / acquisition of any asset	-	10.79
b) On purposes other than (i) above	67.82	30.99
	67.82	**41.78**

Notes to financial statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) amount required to be spent by the company during the year,	47.06	30.69
(ii) amount of expenditure incurred,	67.82	41.78
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	2.50	23.29
(v) reason for shortfall,	Pertains to ongoing projects	Pertains to ongoing projects
(vi) nature of CSR activities,	Other purposes	Other purposes
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not applicable	Not applicable
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not applicable	Not applicable

30 TAXATION

(i) Contingent Liabilities:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
- Matters relating to income tax	-	-
- Matters relating to excise duty, value added tax and service tax (Refer note 1) [Excluding interest on value added tax liability ₹ 67.81 lakhs (2022 : ₹ 64.05 lakhs)]	29.75	43.66
	29.75	**43.66**

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) The Company has filed an application for renewal of the Advanced Pricing Agreement (APA) for five years (FY 2021-22 to 2025-26) on 26 March 2021. The current tax working for period ended 31 March 2023 is calculated based on the APA signed on 18th August 2021 for 5 years ended 31 March 2021.

31 COMMITMENTS:

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	226.29	501.62

Notes to financial statements

for the year ended March 31, 2023

32 EARNINGS PER SHARE

(₹ in Lakhs, except share data)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	2,232.15	5,448.00
Less : Tax expenses	620.20	1,108.66
Profit after tax (a)	1,611.95	4,339.35
Weighted average number of equity shares outstanding during the period for calculation of basic and diluted EPS	56,00,000	56,00,000
Earnings per share, net of tax		
Basic (a/b)	28.78	77.49
Diluted (a/b)	28.78	77.49

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

(₹ in Lakhs, except share data)

	Year ended March 31, 2023	Year ended March 31, 2022
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	258.36	352.55
b) Interest due on above	3.05	5.44
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	7.27	1.30
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	41.41	36.53
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.

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.

Notes to financial statements

for the year ended March 31, 2023

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	India	31 March, 2023					Total
		Outside India					
		Asia and Far East	Europe	Africa and Middle East	North America	Others	
Revenue from external customers	8,001.81	2,109.33	2,017.36	1,075.72	2,030.47	160.82	15,395.51
Non current assets	6,076.23	-	-	-	-	-	6,076.23

(₹ in Lakhs)

Particulars	India	31 March, 2022					Total
		Outside India					
		Asia and Far East	Europe	Africa and Middle East	North America	Others	
Revenue from external customers	6,547.01	1,788.15	2,354.12	2,088.07	1,537.88	864.17	15,179.40
Non current assets	5,685.38	-	-	-	-	-	5,685.38

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.

Notes to financial statements

for the year ended March 31, 2023

		Morganite Carbon Kabushiki Kaisha
		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.
		Morgan Advanced Materials (Taiwan) Co.
		Morgan Ceramics Middle East FZE
		Ciria India Limited
ii	Key Management Personnel	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 (upto 31 May 2021)
		Mr. Hanumant Mandale - Chief Financial Officer (from 12 November 2021)
		Mr. Nitin Sonawane - Manager & Executive Director (from 12 August 2022)
		Mr. Rupesh Khokle - Company Secretary

Details of Remuneration paid and amount outstanding as at 31 March 2023 to above mentioned Key Managerial Personnel

(₹ in Lakhs)

Name of the person	Remuneration paid*	
	31-Mar-23	31-Mar-22
Mr. Hanumant Mandale	53.23	17.12
Mr Atithi Majumdar (Upto 31 May 2021)	-	15.05
Mr. Rupesh Khokle	18.81	16.87
Mr. Nitin Sonawane (Wef. 12 August 2022)	21.18	-

*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 (2022 : ₹ 2.40 lakhs) to non executive independent directors.

35 RELATED PARTY DISCLOSURES (Continued)

Related party transactions for the year ended 31 March 2023

(₹ in Lakhs)

Particulars	Ultimate Holding	Enterprise exercising significant influence		Fellow Subsidiaries														
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	Morganite Brasil Ltda.	Mkgs. Morgan Karbon Grafit	Thermal Ceramics Limited, UK	Grupo industrial Morgan, S.A. de C.	Murgappa Morgan Thermal Ceramics Limited	Morganite Carbon Kabushiki Kaisha	Furnace Industries	Molten Ceramics Asia Pte. Ltd.	Morgan Advanced Materials India Private Limited	Morgan Ceramics Middle East FZE	Dalian Morgan Refractories Ltd	Morgan AM & T B.V. Netherlands
Income																		
Sale of finished goods ,raw materials				1,129.99	755.58	154.96	37.85	12.16		14.45		119.25						
Reimbursement of expenses	115.02				13.85	13.14									45.55			
Sale of fixed asset																		
Expenditure																		
Purchase of raw materials (including goods in transit)					0.36				1.37									
Purchases of stock in trade						46.71												
Purchases of spares / consumables											4.25							
Capital Goods purchase (including taxes)											77.64							
Management charges	658.38																	
Trademark Charges	136.36																	
Other Support Expenses				0.10	6.05	2.80					3.38				159.85			
Other																		
Dividend paid		194.04	183.96															
Outstanding Balances:																		
Receivables	115.02			270.95	182.20	111.84	16.57					26.25			13.44			
Payables	451.18				7.69	30.88			4.07						153.20			

Notes to financial statements

for the year ended March 31, 2023

Related party transactions for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Ultimate Holding	Enterprise exercising significant influence		Fellow Subsidiaries														
	Morgan Advanced Materials Plc	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc.	Morgan Molten Metal System GMBH	Morgan Molten Metal System (Suzhou) Company Limited	Morganite Brasil Ltda.	Mkgs. Morgan Karbon Grafit	Thermal Ceramics Limited, UK	Grupo industrial Morgan, S.A. de C.	Murugappa Morgan Thermal Ceramics Limited	Morganite Carbon Kabushiki Kaisha	Furnace Industries	Molten Ceramics Asia Pte. Ltd.	Morgan Advanced Materials India Private Limited	Morgan Ceramics Middle East FZE	Dalian Morgan Refractories Ltd	Morgan AM & T B.V. Netherlands
Income																		
Sale of finished goods ,raw materials	-	-	-	1,524.65	1,035.28	73.50	4.53	10.93	-	7.45	-	118.50	-	-	-	-	-	-
Reimbursement of expenses	1,506.43	-	-	-	-	-	-	-	-	-	-	-	-	-	10.80	-	-	-
Sale of fixed asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure																		
Purchase of raw materials (including goods in transit)	-	-	-	-	-	4.68	-	-	4.26	-	1.15	-			-	-	-	-
Purchases of stock in trade	-	-	-	-	-	221.03	-	-	-	-	-	-			-	-	-	-
Purchases of spares / consumables	-	-	-	-	(0.11)	6.02	-	-	(0.43)	-	15.58	-			-	-	-	-
Capital Goods purchase (including taxes)	-	-	-	-	-	-	-	-	-	-	8.52	-			-	-	-	-
Management charges	558.23	-	-	-	-	-	-	-	-	-	-	-			-	-	-	-
Trademark Charges	121.62	-	-	-	-	-	-	-	-	-	-	-			-	-	-	-
Other Support Expenses	-	-	-	-	-	-	-	-	-	-	-	-			174.21	-	-	-
Other																		
Dividend paid	-	905.52	858.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances:																		
Receivables	766.84	-	-	500.93	263.00	34.81	-	-	-	-	-	12.20	-	-	12.74	-	-	-
Payables	162.25	-	-	-	1.27	10.70	-	-	4.26	-	2.31	-	-	-	168.57	-	-	-

Notes to financial statements

for the year ended March 31, 2023

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 2023 (₹ in Lakhs)

	Note	Amortized Cost	Financial assets / liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets not measured at fair value*						
Trade receivables	12	2,706.76	-	-	2,706.76	2,706.76
Cash and cash equivalents	13	4,514.17	-	-	4,514.17	4,514.17
Other bank balances	14	52.94	-	-	52.94	52.94
Loans	15	10.82	-	-	10.82	10.82
Other current financial assets	16	7.96	-	-	7.96	7.96
Other non current financial assets	8	46.62	-	-	46.62	46.62
		7,339.27	**-**	**-**	**7,339.27**	**7,339.27**
Financial liabilities not measured at fair value*						
Trade payables	20	2,759.03	-	-	2,759.03	2,759.03
Other current financial liabilities	21	122.59	-	-	122.59	122.59
		2,881.62	**-**	**-**	**2,881.62**	**2,881.62**

31 March 2022 (₹ in Lakhs)

	Note	Amortized Cost	Financial assets / liabilities at fair value through profit and loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets not measured at fair value*						
Trade receivables	12	3,126.32	-	-	3,126.32	3,126.32
Cash and cash equivalents	13	3,567.39	-	-	3,567.39	3,567.39
Other bank balances	14	56.99	-	-	56.99	56.99
Loans	15	4.35	-	-	4.35	4.35
Other current financial assets	16	1.84	-	-	1.84	1.84
Other non current financial assets	8	36.24	-	-	36.24	36.24
		6,793.13	**-**	**-**	**6,793.13**	**6,793.13**
Financial liabilities not measured at fair value*						
Trade payables	20	2,577.14	-	-	2,577.14	2,577.14
Other current financial liabilities	21	204.00	-	-	204.00	204.00
		2,781.14	**-**	**-**	**2,781.14**	**2,781.14**

*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 to financial statements

for the year ended March 31, 2023

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 analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

(i) credit risk;

(ii) liquidity risk; and

(iii) market risk.

(i) Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss.

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 to financial statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in the form of-		
Current Accounts	2,341.91	2,715.30
EEFC Accounts	559.41	741.94
Fixed Deposits	1,613.72	115.02
Total	**4,515.04**	**3,572.26**

(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 2023, the Company had a working capital of ₹ 6,619.17 lakhs (as on 31 March 2022 ₹ 6570.09 lakhs) including cash and cash equivalents and other bank balance of ₹ 4,567.11 lakhs (as on 31 March 2022 ₹ 3624.38 lakhs). The working capital of the Company for this purpose has been derived as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total current assets (A)	10,033.71	9,806.27
Total current liabilities (B)	3,414.54	3,236.18
Net working capital (A-B)	**6,619.17**	**6,570.09**

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	2,747.71	11.32	-	-	2,759.03
Other financial liabilities	122.59	-	-	-	122.59

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022 -

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-5 years	more than 5 years	Total
Trade payables	2,577.14	-	-	-	2,577.14
Other financial liabilities	204.00	-	-	-	204.00

(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.

Notes to financial statements

for the year ended March 31, 2023

Market risk comprises of:

a. Interest rate risk

b. Foreign currency risk

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

a. **Interest rate risk**

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

b. **Foreign currency risk**

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

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 2023 :

₹ in Lakhs (₹ equivalent of foreign currencies)

Particulars	EURO	GBP	US Dollars	AED	Total
Cash and cash equivalents	146.82	45.75	366.83	-	559.40
Trade receivables	537.31	545.86	539.12	(2.23)	1,620.06
Trade payables	66.47	12.44	119.92	-	198.83
Other current assets	28.48	15.72	-	-	44.20
Other current liabilities	-	-	-	-	-
Net assets	**779.08**	**619.77**	**1,025.87**	**(2.23)**	**2,422.49**

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2022 :

₹ in Lakhs (₹ equivalent of foreign currencies)

Particulars	EURO	GBP	US Dollars	AED	Total
Cash and cash equivalents	163.11	187.79	401.98	-	752.89
Trade receivables	406.54	538.72	740.56	(2.23)	1,683.59
Trade payables	(14.81)	(4.07)	(245.71)	-	(264.59)
Other current assets	23.89	14.44	11.39	-	49.72
Other current liabilities	(0.56)	(2.22)	(6.53)	-	(9.32)
Net assets	**578.17**	**734.66**	**901.69**	**(2.23)**	**2,212.29**

Sensitivity Analysis

A reasonable possible strengthening / (weakening) of the major currencies US Dollar, EURO or GBP against all other currencies as at 31 March 2023 would have affected the measurement of financial instruments (including derivatives) denominated in a foreign currency and affected equity and profit by the amounts shown below. This analysis assumed that all other variables, in particular interest rates, remain constant and ignores any impact of the forecast sales and purchases.

Notes to financial statements

for the year ended March 31, 2023

Year ended on	Currency	Change in foreign exchange rate	Impact on profit before tax gain / (loss)
31 March 2023			
	EURO	+ 5%	38.95
		- 5%	(38.95)
	GBP	+ 5%	30.99
		- 5%	(30.99)
	USD	+ 5%	51.29
		- 5%	(51.29)
31 March 2022			
	EURO	+ 5%	28.91
		- 5%	(28.91)
	GBP	+ 5%	36.73
		- 5%	(36.73)
	USD	+ 5%	45.08
		- 5%	(45.08)

Note 1

Financial assets carried at fair value as at 31 March 2023 is ₹ Nil and financial assets carried at amortized cost as at 31 March 2023 is ₹ 7339.27 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 ₹ 4515.04 lakhs as at 31 March 2023 where the Company has assessed the counterparty credit risk.

Trade receivables amounting to ₹ 2706.06 lakhs as at 31 March 2023 is valued at considering provision for allowance under the expected credit loss method. 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 ₹ 53.28 Lakhs (31 March 2022: ₹ 80.89 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 to financial statements

for the year ended March 31, 2023

Assets and Liabilities related to employee benefits:

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2023	**31 March 2022**
Defined benefit obligation	(427.28)	(416.96)
Fair value of Plan Assets	371.18	374.02
Liability recognized in balance sheet	**(56.10)**	**(42.94)**
Ind-AS adjustment - discontinued operations		-
Ind-AS balance	**(56.10)**	**(42.94)**
Net employee benefit assets (non current)		
Current	(56.10)	(42.94)
Non current		
Total employee benefit (liabilities)/ assets	**(56.10)**	**(42.94)**

a) Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

b) The discount rate is based on the prevailing market yields Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

c) The Company's gratuity fund is managed by Life Insurance Corporation of India, 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

Name of the person	Gratuity (Funded)	
	31 March 2023	**31 March 2022**
Opening defined benefit obligation	416.95	422.95
Interest cost	30.09	28.85
Current service cost	26.98	23.07
Benefits paid from plan	(41.78)	(61.29)
Remeasurements - Actuarial (Gains)/Losses on Obligations	0.97	0.02
Due to Change in Financial Assumptions	(6.78)	(12.96)
Due to Experience	0.85	33.96
Transfer out	-	(17.64)
Closing defined benefit obligation	**427.28**	**416.95**

Notes to financial statements

for the year ended March 31, 2023

Changes in fair value of Plan Assets are as follows

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2023	31 March 2022
Opening fair value of Plan Assets	374.02	386.34
Adjustment for closure of Mehsana Plant	-	-
Transfer in/(out) plan assets	-	-
Interest income	26.97	26.34
Employer's contribution	11.94	25.01
Benefits paid from plan assets	(41.78)	(61.29)
Return on plan assets (excluding interest income)	0.02	(2.40)
Closing fair value of Plan Assets	**371.17**	**374.02**

Net employee benefit expense recognized in employee cost

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2023	31 March 2022
Current service cost	26.98	23.07
Interest cost on benefit obligation	30.09	28.85
Interest income on plan assets	(26.97)	(26.34)
Total employee benefit expense recognized in profit and loss account	**30.10**	**25.56**
Remeasurements -		
Actuarial (Gains)/Losses on Obligations -Due to Change in Financial Assumptions	(6.78)	(12.96)
Actuarial (Gains)/Losses on Obligations -Due to Experience	0.85	33.96
Actuarial (Gains)/Losses on Obligations -Due to Demographic Assumptions	0.97	
Return on plan assets (excluding interest income)	(0.02)	2.40
Total remeasurements included in OCI	**(4.98)**	**23.39**
Net employee benefit expense	**25.12**	**48.95**

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

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2023	31 March 2022
Expected cash flows for following year		
Expected total benefit payments		
Year 1	28.98	11.42
Year 2	27.99	10.82
Year 3	54.96	19.71
Year 4	91.52	54.87
Year 5	64.06	101.48
Next 5 years	136.37	176.05

Notes to financial statements

for the year ended March 31, 2023

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

	Gratuity (Funded)	
	31 March 2023	31 March 2022
Investment with insurer	100%	100%

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

(i) Actuarial assumptions

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Expected rate of return on plan assets #	7.50%	7.25%
Discount rate current year	7.50%	7.25%
Discount rate previous year	7.25%	6.82%
Age of retirement	58-60 years	58-60 years
Attrition rate	4.00%	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:

All amounts in ₹ Lakhs unless otherwise stated

	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
Gratuity (funded):				
Discount rate (1% movement)	25.21	28.42	31.59	36.21
Future Salary growth (1% movement)	26.21	24.13	33.72	30.71
Attrition (1% movement)	0.78	0.91	0.34	0.43

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.

Notes to financial statements

for the year ended March 31, 2023

38. DISCLOSURE FOR REVENUE FROM CONTRACTS WITH CUSTOMERS :

All amounts in ₹ Lakhs unless otherwise stated

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue recognized from contracts with customers		
Disaggregation of revenue		
Based on type of goods		
- Sale of crucible	15,395.51	15,179.40
- Sale of scrap	63.40	55.85
Based on market/type of customer		
- Domestic	8,065.22	6,602.86
- Export	7,393.69	8,632.39

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 ended 31 March 2021, the management had identified the potential buyer for sale of Land and Building of Mehsana Plant. The management had entered into an "Memorandum of Understanding" (MOU) dated 12 February 2021 for sale of land and building.

With effect from May 21 production activities have been stopped at Mehsana plant, all assets has been transferred from Mehsana to Aurangabad plant. The Company has sold the land and building of Mehsana Plant on November 11, 2021 and subsequently submitted the application before GIDC for effecting the transfer of the property. The GIDC vide its Officer Order dated 04 December 2021 had approved the transfer of property in the name of Buyer and accordingly the possession of the property handed over to the Buyer effective from December 06, 2021. Basis the approval from GIDC, the Company executed sale deed for Rs. 900 lakhs for Mehsana Plant Land & building in November 2021 and transferred the land & Building to prospective buyer in the month of December 2021. The profit on sale of Land and Building to the extent of Rs. 738 Lakhs was recognized in Other Income in the year ended on 31 March 2022.

Notes to financial statements

for the year ended March 31, 2023

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 ₹ Nil (2022 : ₹ 6.29 lakhs), including cash outflow for short term and low value leases.

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). The Company has entered into in APA agreement with CBDT dated 18 August 2021 for 5 years ended 31 March 2021.

The Company has also filled application for renewal of APA agreement for five years (FY 2021-22 to 2025-26) on 26 March 2021 and current tax working for FY 2022-23 is calculated based on the APA agreement signed on 18th August 2021 for 5 years ended 31 March 2021.

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.

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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

Notes to financial statements

for the year ended March 31, 2023

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 12%. 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 month of January 2023, the Company was informed by the ultimate holding entity viz. Morgan Advanced Materials Plc, that the ultimate holding entity had encountered a cyber incident on their IT systems. Although, the Company has separate IT systems and infrastructure in India, as an immediate precautionary measure, basis advice from ultimate holding entity, the Company had temporarily shut down access to IT systems for security reasons which led to temporary disruption in some of the Company's business activities. The Company had put in place alternative control mechanism in the absence of the access to the said systems. Based on the investigation carried out by the ultimate holding company at group level, the said systems were restored in a phased manner after taking all the possible necessary measures and it was informed that there was no impact on the Company's IT systems and infrastructure. As per the Company's assessment there was no impact on the financial statement and results of the Company for the year ended 31 March 2023 due to cyber incident at the ultimate holding entity level.

44. 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.

45. OTHER INFORMATION

a) The Company did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year except as mentioned in Note 12.

b) The Company does not have any Benami property, where any proceedings have been initiated or are pending against the Company for holding any Benami property.

c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

e) The Company have not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

g) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey).

Notes to financial statements

for the year ended March 31, 2023

46. RATIOS AND ITS ELEMENTS

Ratios	March 31, 2023	March 31, 2022	
Current ratio^			
Current assets/ Current liabilities	2.94	3.03	-3%
Debt - Equity ratio			
Total debt/ Shareholders equity	Not applicable	Not applicable	--
Debt service coverage ratio			
EBITDA (excluding non-cash expenses)/ Interest + principal repayments	Not applicable	Not applicable	--
Return on Equity ratio *			
Net profit after tax - Preference dividend (if any)/ Equity shareholder's funds * 100	0.13	0.35	-64%
Inventory turnover ratio@			
Cost of goods sold/ average inventory	3.00	1.77	69%
Trade receivables turnover ratio^			
Sales/ average receivables	5.30	5.69	-7%
Trade payable turnover ratio^			
Net credit purchases/ average payables	2.62	2.74	-4%
Net capital turnover ratio ^			
Sales (includes only revenue from operation)/ Capital employed = total assets - current liabilities	1.22	1.24	-2%
Net profit ratio *			
Net profit / Sales	0.10	0.29	-64%
Return on capital employed (%)*			
Earnings before interest and tax (EBIT)/ Capital employed = total assets - current liabilities	0.18	0.44	-60%
Return on investment (%)			
Finance income/ Investment	Not applicable	Not applicable	--

^ There is no significant change (i.e. change of more than 25% as compared to the immediately previous financial year) in the key financial ratios.

* Higher amount of Other income was earned in PY due to Non-operating income earned from holding company and Sale of Mehsana Plant, which is Nil in CY.

Hence major reduction is seen in profit as compared to PY resulting in decrease in the ratio.

@ Increase in COGS is seen due to major increase in RM costs for Graphite and silicon in the CY as compared to the PY, due to which increase is seen in ratio.

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

Mukund Bhogale
Director
DIN : 00072564

Nitin Sonawane
Manager and Director
DIN : 09701207

Hanumant Mandale
Chief Financial Officer

Rupesh Khokle
Company Secretary

Place : Aurangabad
Date : 30 May 2023

Morgan
Advanced Materials

Notice

NOTICE is hereby given that the 38th Annual General Meeting (AGM) of Morganite Crucible (India) Limited will be held on Tuesday, August 29, 2023 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, 2023, including Audited Balance Sheet as at March 31, 2023, 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 confirm the declaration and payment of interim dividend paid during the financial year ended March 31, 2023 and to declare final dividend for the financial year ended March 31, 2023.

3. 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, IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

4. Appointment of Mr Ulhas Gaoli (DIN: 00286833) as an Independent Director of the Company

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr Ulhas Gaoli (DIN: 00286833), who was appointed as an Additional Director in the capacity of an Independent Director with effect from May 30, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years till May 29, 2028, and that Mr Ulhas Gaoli shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT Mr Aniruddha Karve, Director, Mr Nitin Sonawane, Manager and Mr Rupesh Khokle, Company Secretary be and is hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

Registered Office:

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

By Order of the Board,

Rupesh Khokle
Date: May 30, 2023 (Company Secretary)

NOTES:

1. In continuation with Ministry of Corporate ("MCA") General Circular no. 20/2020 dated 05.05.2020 and General Circular 10/2022 dated December 12, 2022 and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI, it was decided to allow companies to hold Annual General Meeting through VC/OAVM, without the physical presence of the members at a common venue. In compliance with the above 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.

4. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 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 2022-23 will also be available on the Company's website www.morganmms.com and websites of the Stock Exchange i.e. Bombay Stock Exchange Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

5. 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.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 23, 2023 to Tuesday, August 29, 2023 (both days inclusive).

7. The Final Dividend for the financial year ended March 31, 2023, as recommended by the Board, if approved by the Members, shall be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members of the Company as on August 22, 2023.

8. 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.

9. 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.

10. 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 Tuesday, August 22, 2023, 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.

11. The voting period begins on August 26, 2023 at 09.00 am and ends on August 28, 2023 at 05.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2022, may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.

12. The Company has appointed M/s 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.

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL

    1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under

Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select «Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

   1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

   2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

   3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

   4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:
Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in **NSDL form**, shall provide 'D' above

- Set the password of your choice (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).

- Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL 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.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

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 evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

  In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.

  User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

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

Shareholders 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".

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM No. 4

The Company has received from Mr Ulhas Gaoli a consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under the Listing Regulations. The Board of Directors in their meeting held on May 30, 2023 has appointed Mr Ulhas Gaoli as an Additional Director in the capacity of Independent Director of the Company who holds office until ensuing annual general meeting for a term of 5 (five) years with effect from May 30, 2023 to May 29, 2028 (both days inclusive) subject to the approval of the shareholders through a special resolution.

Dr Ulhas Gaoli is a highly accomplished and visionary leader with a strong track record of driving business growth and success over period of more than last 25 years. With extensive experience in strategic leadership, operations management, and corporate governance, he was associated as Managing Director of MAVIM Ltd., a Government of Maharashtra Undertaking. He was also Vice President of Garware Polyester Limited at Aurangabad and founder Chairman of Hindustan Awas Ltd. a Company that was established for affordable housing. He was also associated as Corporate Advisor in multinational companies in Aurangabad. He has earned a reputation for his exceptional business acumen and ability to guide organizations to new heights of success.

Based on the recommendation of the Nomination and Remuneration Committee and experience and expertise of Mr Ulhas Gaoli in earlier organisations, the Board of Directors of the Company noted that his guidance will assist the management for future growth of the Company.

The resolution seeks the approval of members for the appointment of Mr Ulhas Gaoli as an Independent Director of the Company for a term of 5 (five) years effective May 30, 2023 to May 29, 2028 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof), not be liable to retire by rotation.

None of the Directors or Key Managerial Personnel except Mr Ulhas Gaoli are concerned or interested, financial or otherwise, in the aforesaid resolution.

Your Directors recommends Resolution at Item No. 4 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,

Rupesh Khokle
(Company Secretary)

Date: May 30, 2023

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