

**Morganite Crucible (India) Limited**  
Morgan Advanced Materials  
Molten Metal Systems  
B-11, M.I.D.C., Waluj  
Aurangabad - 431 136,  
Maharashtra, (India)

August 30, 2022

To  
**BSE Limited**  
Phiroze Jee Jee Bhoy Towers,  
Dalal Street, Mumbai-400 001  
Maharashtra, India.

**Scrip Code: 523160**

**Sub.: Annual Report of the Company and Notice convening the 37<sup>th</sup> Annual General Meeting**

**Ref.: Regulation 30(2) and Regulation 34 of the Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

Dear Sir/Madam,

Pursuant to Regulation 30(2) and Regulation 34 of the SEBI Listing Regulations, please find enclosed Notice convening the 37<sup>th</sup> Annual General Meeting ("AGM") and the Annual Report of the Company for the financial year 2021-22.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2021-22 is being sent to all the Members of the Company whose e-mail addresses are registered with the Depositories/ the Company/ the Registrar and Share Transfer Agent of the Company through electronic mode.

Please note that the AGM of the Company will be held on Tuesday, September 27, 2022, at 11:00 am (IST) through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2021-22 is also being made available on the website of the Company at: <https://www.morganmms.com/en-gb/investors/annual-reports/>.

Kindly update the information in your records.

Yours faithfully,  
For Morganite Crucible (India) Limited


Rupesh Khokle  
(Company Secretary)

Place: Aurangabad, (India)



# WE SHAPE THE WORLD

Through efficient melting  
solutions using advanced material  
science and engineering

Annual Report  
**2021-22**

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#### 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.





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

From Aerospace to Electronics, from Power to Petrochemicals, and from Mining to Medicine and Military, our world-class crucibles and engineered ceramic products provide efficient melting and metal casting solutions to suit every plant and process across industries. We develop economical and sustainable products by leveraging our advanced materials, science, and engineering expertise.

We aim to meet the requirements of our customers while also being a responsible employer and a good corporate citizen. Our engineered crucible expertise combined with our strong technical capabilities enables us to do so. We are committed to optimising our operations to limit our environmental footprint and find solutions to ensure efficient and optimal use of resources and reduce our impact on the climate to create a thriving and better tomorrow for all.

**WE SHAPE  
THE WORLD**

Through efficient melting solutions using advanced material science and engineering

# CORPORATE SNAPSHOT

**Morganite Crucible (India) Limited is a part of Morgan Advanced Materials Plc, a UK-based Group, and is a distinguished manufacturer of high-performance crucibles, foundry consumables, and allied refractory products. We produce the finest silicon carbide crucibles, clay graphite crucibles, foundry and allied products for ferrous and non-ferrous metal industries.**

We are a part of the Molten Metal Systems (MMS) Division and specialise in providing melting solutions to foundries, die-casters, and metal melting facilities covering applications including zinc, precious metals, aluminium, copper, brass, and other non-ferrous metals. Our products use indigenous materials to suit the characteristics and operational performance to each customer's metal melting, holding or transfer application, and come in varied shapes and sizes.

Molten Metal Systems leverages sophisticated, world-class technology and produces crucibles and engineered consumables for the metals industry. Our vast expertise and domain knowledge enable Molten Metal Systems to cater to changing customer requirements across the world.

## MANUFACTURING PROWESS

Our state-of-the-art manufacturing unit is situated at Aurangabad, India. We also have a widespread sales and distribution network in India and around the world, enabling us to serve diverse customers efficiently.



## OUR VISION

We are committed to make 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

We are guided by four core values in all our actions:

### 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.

### OUR OFFERINGS

Our product portfolio comprises a wide array of crucibles and foundry products available in varied shapes and sizes. These products find application in diverse industries including mining, auto, industrial machinery, electrical equipment, and railways.

**Our products are widely recognised for:**

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

### OUR STRENGTHS

#### BRAND POSITIONING

Deep domain knowledge, rich legacy, robust manufacturing infrastructure and processes, and a talented workforce underpin the operations of the Company. Its proven expertise has enabled Morgan to achieve a strong brand recall and considerable market share of 40% in the industry.

### TECHNICAL SKILLS

Strong technological support from the parent company enables us to enhance our innovation and technical skills and stay competitive. We work in close collaboration with our customers to understand their requirements and produce customised products and solutions for complex and demanding applications.

#### ADHERENCE TO HIGH-QUALITY STANDARDS

Quality excellence is our topmost priority and forms the cornerstone of the corporate philosophy. We maintain a comprehensive quality management system based on ISO 9001:2015. We remain committed to delivering the highest-quality products and services and ensure maximum customer satisfaction.

#### SAFE PRACTICES

We ensure adherence to the highest standards of safety and well-being for our employees and stakeholders. We are continuously implementing safer practices and processes across our factories and the organisation and aim for zero harm to everyone.

#### ROBUST CLIENTELE

Our customers include some of the most prestigious and 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.

#### CRUCIBLES



Syncarb Z2e2



Suprex



Sigma



Excel & Himelt



Salamander



Ladle Liners

#### FOUNDRY PRODUCTS



Degassing Rotors and Mobile Degassing Unit



Blue Lightning Thermocouple Sheaths



Skimmer Bowls



Nozzle



Stopper Rods and Heads



Launderers & Liners



Morcem Cement



Tubes & Plunger Mix



Transfer Ladle





# MESSAGE TO SHAREHOLDERS



Dear Shareholders,

I am pleased to present the Annual Report of Morganite Crucible (India) Limited for the year 2021-22.

I hope this report finds you and your loved ones healthy and safe as the country and the world recovers from the COVID-19 pandemic. I am proud to share with you that our teams in MCIL have shown great resilience during the second and third waves of the COVID-19 pandemic in the previous year by implementing safe working protocols and procedures that allowed us to safely operate for most of the year. We also facilitated Company-sponsored vaccination drives for all employees, their family members and third-party stakeholders which helped to reduce the infection level in society as well as reducing further illness and loss in the third wave of infection.



At Morgan, our Purpose is 'to use advanced materials to make the world more sustainable and to improve the quality of life'. We continued to work with our customers through the year to reduce their energy consumption and increase their operating efficiencies through the effective selection of our products. Business demand continued to recover strongly across the global economy following the sharp slowdown in 2020, and the combination of high demand and ongoing pandemic effects led to supply chain disruptions, and high inflation in raw material and energy prices. Nevertheless, we have made good progress with aligning our progress as a company against our long-term goals in a challenging operating environment. With commitment and hard work, our team achieved strong financial results during the last year, driving increases in revenues, profitability, and cash flows for your company. This demonstrates increasing demand for our products and the strength of our long-term strategy.

Our continuing efforts to refine our operating footprint also progressed in the last year, with the Company ceasing operations at the Mehsana location and proceeding with the sale of the land and building assets. In the Aurangabad site, the continuing investments in plant and machinery enhanced the manufacturing capabilities of the company. This transformation project has largely concluded in the last year, and we now expect to realise the benefits of these investments in the coming years.

The operating outlook for the coming year remains challenging, with rising interest rates, continued inflation in commodity & energy prices, continuing COVID-19 impact in some geographies, and geo-political crises. This combination of conditions will create volatility in demand and our ability to supply that demand, however, I am confident in the abilities and focus of our team to navigate through these challenging times. We look forward to growing sustainably and profitably with our continuous focus on providing quality of product and services for customer satisfaction. Our alignment with the three strategic priorities for Morgan – Making a Big Positive Difference, Delighting the Customer, and Innovating to Grow – will provide the right foundation to build upon for your Company.

**We have made good progress with aligning our progress as a company against our long-term goals in a challenging operating environment. With commitment and hard work, our team achieved strong financial results during the last year, driving increases in revenues, profitability, and cash flows for your company. This demonstrates increasing demand for our products and the strength of our long-term strategy.**

In closing, I would like to express my gratitude towards our team members and all our stakeholders for their commitment and contribution during the year in supporting each other while working safely and diligently to meet our customers' demands. We look forward to working together to improve the Company's performance in the coming years and strengthening the confidence that our shareholders have placed in us.

Thanking You  
Yours Sincerely,

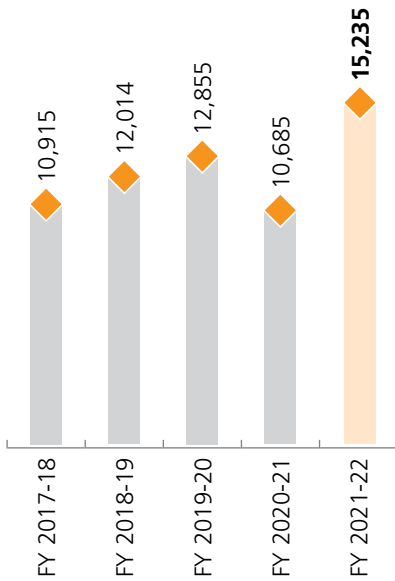
**Dr. Aniruddha Karve**  
Managing Director,  
Molten Metal Systems (MMS)



# FINANCIAL SCORECARD

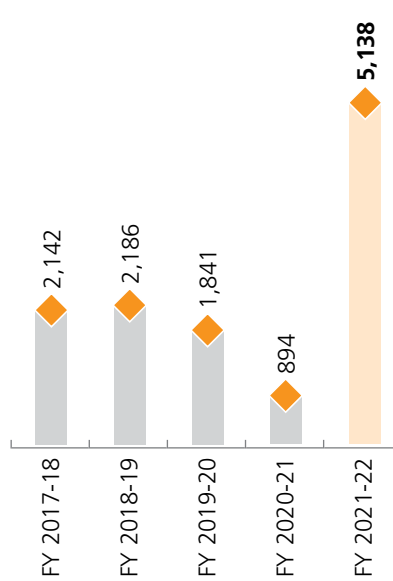
## REVENUE

(₹ in Lakhs)



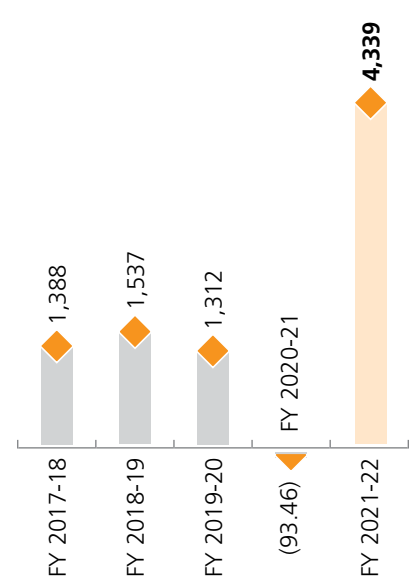
## PROFIT BEFORE TAX

(₹ in Lakhs)



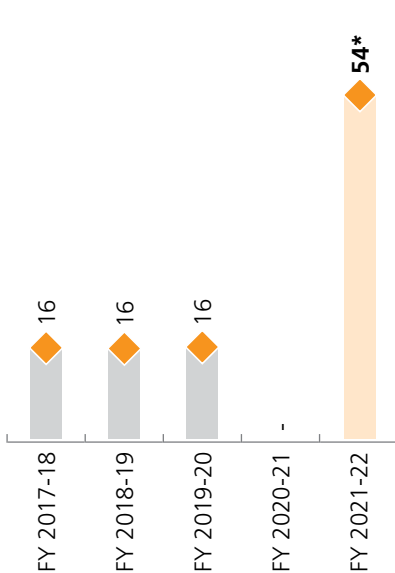
## PROFIT AFTER TAX

(₹ in Lakhs)



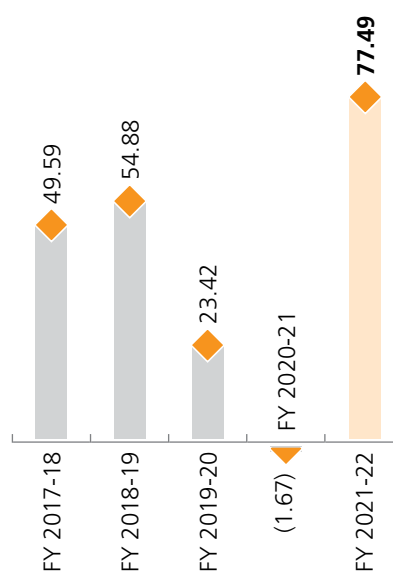
## DIVIDEND PER SHARE

(₹)



## EARNINGS PER SHARE

(₹)

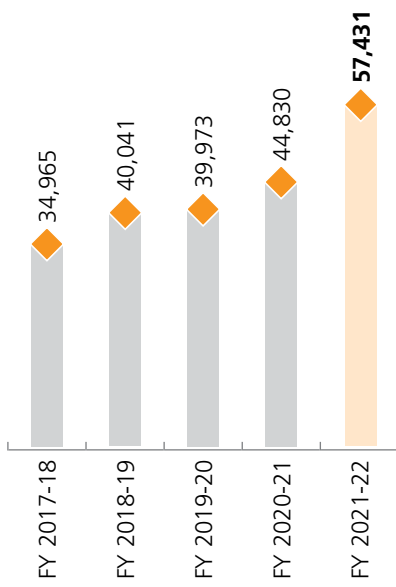


\* Includes ₹ 42/- Interim Dividend



### MARKET CAPITALISATION

(₹ in Lakhs)



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Vikas Kadlag**

Managing Director  
(Up to February 12, 2022)

**Aniruddha Karve**

Director

**Martin Coll**

Director

**Mukund Bhogale**

Chairman & Independent Director

**Subhash Kolapkar**

Independent Director

**Maithilee Tambolkar**

Independent Director

## KEY MANAGERIAL PERSONNEL

**Vikas Kadlag**

Managing Director  
(Up to February 12, 2022)

**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:  
117366WW-100018

## SECRETARIAL AUDITORS

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

## BANKERS

Axis Bank Limited  
State Bank of India  
The Hongkong and Shanghai Banking  
Corporation Limited  
IndusInd Bank Limited

## REGISTRARS & SHARE TRANSFER AGENTS

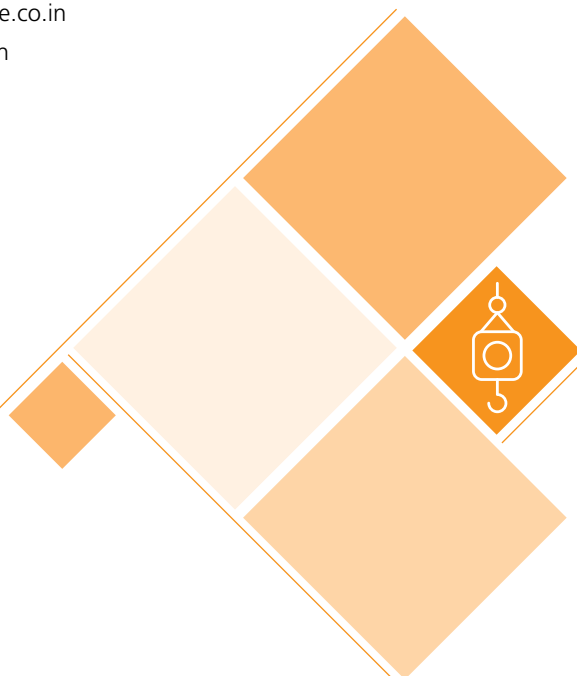
Link Intime India Private Limited  
CIN: U67190MH1999PTC118368  
C 101, 247 Park, L B S Marg,  
Vikhroli West,  
Mumbai – 400 083  
Tel No.: +91 22 49186000  
Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## REGISTERED OFFICE AND PLANT LOCATION

Morganite Crucible (India) Limited  
Unit: Aurangabad B-11, MIDC Waluj,  
Aurangabad – 431 136, Maharashtra  
Morganite Crucible (India) Limited  
Unit: Mehsana (Up to December 31, 2021)  
212/C, GIDC Estate,  
Mehsana – 384 002, Gujarat

## CORPORATE IDENTITY NUMBER (CIN) OF THE COMPANY

L26920MH1986PLC038607

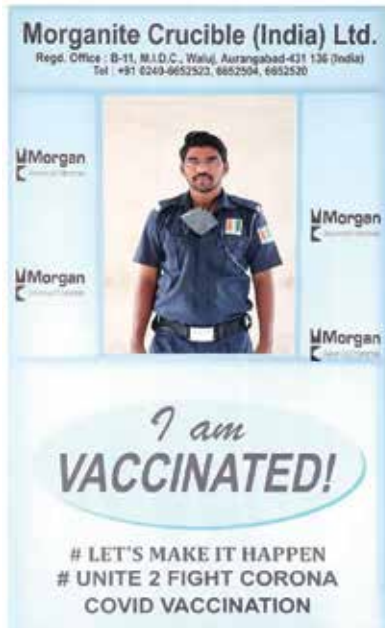




School Kits distribution as part of our CSR Activity



IDEX Expo Participation - Morganite Product demonstration



COVID Vaccination drive at our plant



Test Foundry Inauguration at MCIL



# Boards' Report

## AND MANAGEMENT DISCUSSION AND ANALYSIS

To,

The Members,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

### FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
Particulars	2021-22	2020-21
Revenue from Operations	15,235	10,685
Other income	2,896	409
<b>Total income</b>	<b>18,131</b>	<b>11,094</b>
Operating Expenses	12,253	9,475
Mehsana Relocation Cost	-	160
Profit before finance cost, depreciation and amortisation	5,878	1,459
<b>Depreciation and Amortisation Expense</b>	<b>740</b>	<b>566</b>
Profit before tax	5,138	894
<b>Provision for tax</b>	<b>1,109</b>	<b>677</b>
Exceptional Item	(310)	310
Profit after tax (Loss)	4,339	(93)

### DIVIDEND:

Pursuant to approval of Board of Directors in their meeting held on November 12, 2021, your Company paid special interim dividend of ₹ 42/- per share to the equity shareholders of the Company as on record date of November 25, 2021. In view performance recorded by the Company as of March 31, 2022 and in alignment to the Dividend Distribution Policy of the Company, your Directors are pleased to recommend final dividend of ₹ 12/- per share to the equity shareholders of the Company as on record date of September 20, 2022.

### PERFORMANCE REVIEW:

The Company revenue from Operations for the financial year 2021-22 was ₹ 15,235/- lakhs, 42% higher than ₹ 10,685/- lakhs in the previous year. The gross profit before tax and depreciation were ₹ 5,878/- lakhs as compared to ₹ 1,459/- lakhs in the previous year. The operating expenses increased to ₹ 12,253/- lakhs as compared to ₹ 9,475/- lakhs in the previous year based on higher production levels.

The second wave of COVID-19 in India has had severe consequences on human life and overall industry and overall economic development owing to the several regulatory

restrictions, interruptions in supply chain and availability of resources. However, your Company maintained strict COVID-19 controls and protocols across the business as needed, in line with the regulatory requirements and Morgan Group COVID-19 standards.

Despite all these operating challenges, your Company able to deliver the strong results and profitability compared to the previous year.

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 OUTLOOK:

Before the COVID-19 pandemic hit in early 2020, Indian economic growth rate was already slowing to multi-year lows. The rapidly surging COVID-19 cases forced the government to impose a nationwide lockdown which resulted in India's first recession in FY21 after a gap of many years. While the economy was showing signs of improvement, the second wave beginning in March 2021 led to loss of many more lives and further deceleration of growth momentum, which took the majority of 2021 to recover before the Omicron wave at the beginning of 2022. However, data indicates that the Indian economy came out of the Omicron wave in February 2022 with little damage, in stark contrast with the two previous coronavirus waves.

On the other hand, with the ongoing Russia-Ukraine conflict that started in Feb 2022, the global supply chains for commodities and energy were thrown into chaos, worsening the effects of the pandemic that preceded the conflict. The conflict has also brought in severe financial sanctions and political pressure on Russia from the rest of the world and it is obvious that these will likely have unpredictable and undesired implications on the global financial system and economy in the months to come.

India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook is expected to be marginal. The results of the Indian government's growth-enhancing policies and schemes, the emphasis on manufacturing in India with various government incentive schemes and rising services exports on the back of stronger digitization and technology transformation will drive the growth in coming years.

In view of above scenario, India's GDP is expected to grow to range between 7.5% and 8.0% in FY 2022-23 and

between 6.7% and 7.1% in FY 2023–24. The continued rise of commodity and crude prices with supply chain disruption and sanctions will add to global inflation which will also feed increases in domestic prices. The production-cost escalations across industries will result in higher producer prices which will likely impact consumer prices depending on the degree of pass-through to consumers. This creates a policy dilemma for the Reserve Bank of India, that has to balance the continued support for the ongoing economic recovery with the need to rein in inflation. The focus of the government on the manufacturing sector with initiatives like 'Make in India' and 'Skill India' has certainly created positive economic sentiments amongst the business community albeit with abundant caution.

### Indian Foundry Industry Insight:

Impacts of the COVID-19 pandemic over the past several years and now the Russia-Ukraine conflict, that have resulted in the increase in raw material costs and semiconductor prices, coupled with supply chain disruptions have created significant headwinds for the Indian automobile and foundry industry this year, thereby affecting growth. However, the long-term growth prospects for the industry remain strong.

As the automobile sector consumes majority of aluminium casting produced in India, casting consumption per vehicle is expected to increase considerably in next few years, owing to the continued shift from iron to lighter castings materials for manufacturing fuel-efficient automobiles and electronic vehicles (EVs). This should create a multiplier effect over the volume growth in the automotive industry. The expansion of infrastructure by the government is also expected to generate demand for a wide variety of machinery and equipment which will create fresh demand for metal castings. The market is driven by the focus on technology upgrades, such as those for reducing carbon emissions, and increasing business confidence within the foundry industry.

Further, the key growth drivers of the market such as foundry sector across India are presently upgrading facilities and technologies in a bid to improve their productivity and increase their capacity. Further, re-implementation of Public Procurement Policy, Pradhan Mantri MUDRA Yojana, Make in India, Start-up India, and Skill India initiatives are helping in the growth of the MSME sector in the country, which is both a producer and consumer of metal castings.

Your Company aims to deliver great value through our products and technical services so that our customers choose us as their 'go-to' supplier. To do this effectively, your Company is actively engaging with customers and developing mutual trust and constructive dialogue. Your Company is looking forward growing demand for advanced materials as customers push the boundaries of their technology and we have been working

closely with our customers to develop new solutions for their next generation of products and processes.

### EXPANSION PROJECT

#### Project Avatar – Phase II

As of December 31, 2021, your Company has completed the relocation of entire plant and machineries from Mehsana to Aurangabad, and disposal of the land and building assets. Your Company has made significant progress in completing the remaining expansion activity at the Aurangabad site including installation of required machineries transferred from Mehsana, construction of new logistics & warehouse building and is in process to approach the various government agencies for final approval.

### CHANGES IN SHARE CAPITAL

The paid-up equity share capital of the Company stood at ₹ 280 lakhs as on March 31, 2022. 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.

### PUBLIC DEPOSIT:

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

### RELATED PARTY TRANSACTIONS:

During the year under review, all related party transactions entered during the year were in the ordinary course of business and on an arms-length basis. 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), Regulations, 2015 ('Listing Regulations'), the Audit Committee had given omnibus approval for related party transactions which were repetitive in nature and entered with fellow 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 members for material related party transactions which exceeds 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 Promoters, Directors, Key Managerial Personnel or others, which may raise a potential conflict of interest with the Company or requires approval of the shareholders. Further, 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 2021-22, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

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

As per Regulation 46 of 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:**

During the year under review, Mr Vikas Kadlag, Managing Director of the Company resigned from the Board effective from February 12, 2022. Your Company is in compliance with applicable provisions of Companies Act, 2013 and Listing Regulations in terms of composition of Board of Directors and various committees.

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

#### **Brief profile of the directors appointed/ re-appointed during the year under review and till the date of report, is given below.**

Mr. Martin Coll (DIN: 08399389) joined Morgan in 2016 as Finance Manager in the Specialty Ceramics and Electrical Carbon business. In 2017, he was appointed Finance Director of Composites & Defence Systems, where he took a lead role in two restructuring programs and most recently, the disposal of the business. Mr Martin Coll is an ACA qualified Chartered Accountant (Institute of Chartered Accountants in England & Wales) and has extensive international finance experience working for MoneyGram and Honeywell Process Solutions in the Middle East and Asia, in roles where he contributed

significantly to business growth, developing strategy and leading the finance function. Currently Mr Martin Coll is the Finance Director of the Molten Metal Systems (MMS) global business unit of the Group since 2019 and also non-executive Director and member of the Audit Committee of your Company.

During the year under review, the independent directors has submitted certificate of independence under Section 149 (6) (d) of the Companies Act, 2013. The policy on the familiarisation program for Independent Directors including details of Nomination & Remuneration Committee and their roles and responsibility are provided in the Corporate Governance Report. The evaluation of Board including independent directors was carried out based on parameters of attendance in every Board and Committee meeting, participation in discussions and independent judgement.

The details of the familiarization program for Independent Directors are posted on the website of the Company and can be accessed at - <http://www.morganmms.com/en-gb/investors/> Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr Mukund Bhogale (DIN: 00072564) Chairman and Independent Director of the Company was re-appointed for a term of 3 consecutive years commencing from August 9, 2021 in the 36<sup>th</sup> Annual General Meeting of the Company held on August 5, 2021.

#### **KEY MANAGERIAL PERSONNEL:**

Pursuant to provisions of Section 2(51) of the Companies Act, 2013, the following officials are 'Key Managerial Personnel' of the Company during the financial year ending March 31, 2022 –

1. Mr Vikas Kadlag – Managing Director  
(Resigned from the Board effective from February 12, 2022)
2. Mr Hanumant Mandale – Chief Financial Officer  
(Appointed effective from November 12, 2021)
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 Director and Board as a whole, were carried out internally in the Board of Directors meeting held on February 14, 2022.

The Board Evaluation Form was circulated to all Directors for evaluation based on parameters such as board composition and quality, board meetings and procedure, board development,

succession plan and independent judgement etc. The entire Board has actively participated in every Board and Committee meeting 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 various action points which will be implemented in the coming financial year.

### **BOARD MEETINGS AND ANNUAL GENERAL MEETING:**

During the financial year 2021-22, the Board met five 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 36<sup>th</sup> Annual General Meeting was held on August 5, 2021. 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:**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has adopted a policy on Prevention of Sexual Harassment at Workplace. During the year, the Company has not received any complaint with allegations of sexual harassment.

### **RISK MANAGEMENT POLICY:**

The Board 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 12, 2021 and February 14, 2022 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's CSR efforts continue to focus on education, skill development, healthcare, and hygiene and all such other activities as mentioned in the Corporate Social Responsibility Policy. We have undertaken various CSR programmes during the year on green belt development, vocational skill development and COVID-19 vaccination support to the society and providing basic amenities to an orphanage home etc. In compliance with the provisions of Section 135 of the Companies Act, 2013, during FY 2021-22, your Company has fully spent the entire amount that is required to be spent under CSR. The Company has revised the CSR policy during the year in line with amended provisions and Schedule VII of the Companies Act, 2013.

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 3 times on May 31, 2021, November 12, 2021 and February 11, 2022.

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

### **CORPORATE GOVERNANCE:**

The Board is always striving for the long-term sustainable success for the shareholders of the Company and oversees how the organisation generates and preserves value. It aligns with the Morgan's Group purpose, sets the strategic direction and monitors Morgan Advanced Materials' culture to ensure this is aligned to the strategic vision in all their subsidiary companies.

As required under Listing Regulations, your Company has complied with required regulations and provisions of the Companies Act, 2013. 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 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 Chairman 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](http://www.morganmms.com)

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

**ENVIRONMENT, HEALTH AND SAFETY (EHS):**

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. We are also committed to align our strategy to Morgan's ESG priorities as per below –

ESG PRIORITIES		
	OUR ASPIRATION	OUR 2030 GOALS <sup>2</sup>
<p><b>PROVIDE A SAFE, FAIR AND INCLUSIVE WORKPLACE</b></p>  <p>3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>→ 'Zero harm' to our employees;</li> <li>→ A workforce reflective of the communities in which we operate;</li> <li>→ A welcoming and inclusive environment where employees can grow and thrive.</li> </ul>	<ul style="list-style-type: none"> <li>→ 0.10 lost-time accident rate, on the way to 'zero harm' by 2050;</li> <li>→ 40% of our leadership population will be female;</li> <li>→ Top-quartile engagement score of 75% or greater.</li> </ul>
<p><b>PROTECT THE ENVIRONMENT</b></p>  <p>6 CLEAN WATER AND SAFETY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>→ A CO<sub>2</sub>e net zero business by 2050<sup>1</sup>;</li> <li>→ Use water sustainably across our business as defined by our 2030 goals.</li> </ul>	<ul style="list-style-type: none"> <li>→ 50% reduction in scope 1 and scope 2 CO<sub>2</sub>e emissions<sup>2</sup>;</li> <li>→ 30% reduction in water use in high and extremely high stress areas<sup>2</sup>;</li> <li>→ 30% reduction in total water usage<sup>2</sup>.</li> </ul>

<sup>1</sup> Excludes indirect emissions generated by our supply chain, distribution network and employee travel. <sup>2</sup> Reduction targets shown are compared with a 2015 baseline.

**WORKING SAFELY DURING THE PANDEMIC:**

We have maintained our COVID-19 controls in the factory premises, in line with the regulatory norms and Morgan Group COVID-19 protection standards. Our employees have been diligent in looking out for one another and following our protocols to keep each other safe. We had organised a COVID-19 vaccination camp, to help protect their team from the virus. The vaccination camp was available to all third-party service providers, staff members, including shop-floor workers, casual labourers, trainees and their family members.

There was one lost time accident reported on the site and the management has covered the medical treatment of the injured worker and allowed him sufficient time period for recovery. Further, there were 13 first-aid injuries and 12 significant near misses reported and immediate action were taken on the observations of unsafe actions and unsafe conditions. We

are regularly monitoring air, water and soil pollution in the factory premises and corrective measures being taken for any excessive limit.

**'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:

- We care, and we consider the impact of our decisions;
- We must be trained and always follow the safety rules;

- We take 5 for safety and stop for danger;
- We don't walk by and we report safety problems we identify;
- We challenge positively and respect those who challenge us;
- Zero harm every time all the time.

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

### Operational, Health and Safety Improvements:

- Received revised Consent To Operate shifting the company from Red to Orange category for a period of 6 years until 2027
- Successfully installed high temperature Kiln-6, Kin-7 and Ovens without any safety incidents
- Installed robot in clay graphite area to eliminate manual handling and ergonomic issues.
- Solar Phase II installation on remaining area of the premises
- Dedicated Fire hydrant and Sprinkler system installed with separate water storage tank to meet any exigencies
- Various automation projects improving productivity has been completed
- Continue to receive PESO permission for use of new LPG yard
- New STP & ETP being used and STP treated water is being used internally for gardening purpose.
- Installed dust collector for rotary dryer system and also procured 3 portable dust collector to reduce dust level in the factory

### Employee Well-being:

- Followed all regulatory and Group COVID-19 protocols and conducted RT-PCR testing to reduce the infections in the society
- Organised COVID-19 Vaccination camp to all third parties, employees, shop floor workers and their family members

- Regular mentoring and awareness being carried out for protecting from COVID-19 infection and required support was given to affected employees and their family members
- Purchased ambulance to meet medical emergency in the plant
- Use of N95 respiratory masks & other necessary PPEs has been in place as our EHS policy guidelines and same has been critically monitored continuously.

### FINANCE AND TAXATION:

During the financial year 2021-22, your Company has successfully signed a Unilateral Advance Pricing Agreement with the Central Board of Direct Taxes (CBDT) on August 18, 2021. The Company has also applied for Unilateral Advance Pricing Agreement for further period of five years from the financial year 2021-22 to 2025-26. We have liquidated accumulated IGST input credit of ₹ 368.28 Lakhs as per 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 Merchandise Exports from India Scheme (MEIS) as part of the Foreign Trade Policy. During the year 2021-22, we have received Duty Benefit Scripts amounted to ₹ 99 Lakhs. The process of claiming MEIS benefit is well established and we are receiving MEIS duty benefit scripts on regular basis.

### ETHICS AND LEGAL GOVERNANCE:

We remain committed to operating ethically in everything we do in our business. Morgan's renewed ethics and compliance strategy will guide the efforts over the coming years to strengthen and embed our ethical culture and reinforce controls in key compliance risk areas covered by 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 programme 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 have arranged Ethics Theme of the Month session for all employees on monthly basis where various topics and incidence shared with all employees to raise awareness on ethics and compliance.

### **'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 were 3 complaints were raised by the employees and third parties and all concerns were reviewed or investigated and necessary disciplinary and/or corrective action were 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 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:**

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 use our 'Leadership Behaviours' and the Morgan Code to guide the actions we take. This helps us to achieve our strategic aim of delivering performance and value creation for our stakeholders.

Further, we continue to empower our employees to make them more productive and efficient in their respective areas. We strive to maintain collaborative, non-discriminative and safe working culture in the organisation. We promote equal opportunities for all employees and job applicants, and do not unlawfully discriminate on the grounds of gender, pregnancy/maternity leave, marriage/civil partnership status, race, disability, sexual orientation, age, religion or belief etc.

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

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

During the year, your company has organised nearly 2470 man-days training on 15 various topics against 308 man-days as compared to previous year for nurturing existing people's talent and motivating them to attain organisation goals. The employee turnover ratio was 8.08% as compared to 19.02% as compared to previous year.

The principle of pay for performance underpins our compensation approach and we set compensation levels using external benchmarking and relevant commercial considerations that are both competitive and affordable. We offer short-term performance incentives to our managers, and technical and functional experts. The Morgan Group recognises the accomplishments of its people individually and as teams, and makes awards to acknowledge achievement, loyalty and innovation. Recognition awards continue to be made across local businesses as well as to senior management, with awards linked to business performance.



Your Company has conducted various training programme such as Ethics & Contractor Safety Management, Occupational Diseases and its preventive measures, First Aid, Near miss reporting, Total Risk Assessments, Leadership Development programme i.e. ELEVATE, Model Selection & Assembly Challenges, Aluminum Foundry & Morgan MMS Products Offering, Effective Preventive, Predictive & Proactive maintenance, Safer Precaution for COVID-19, Purchase Negotiations Skills, Root Cause Analysis and other technical and functional trainings to the employee and workmen of the Company.

Effective engagement enables our employees to contribute to improving Morgan's business performance. We keep employees informed about what is happening across the business, including Company results, major business decisions, and other matters which affect them. We seek to maintain constructive relationships with all trade and labour unions across the geographies in which we work.

In 2021, we communicated and engaged our people on our new execution priorities and longer-term aspirations. Our aspiration is for all employees to understand and engage with our longer-term ambitions so that they can both relate to and contribute to them. In 2021, we conducted our employee engagement survey 'Your Voice'. 77% of our people participated. Although the overall engagement score declined to 50%, compared to 55% from a 2019 pulse survey, employee feedback from 'Your Voice' showed strong employee alignment with Morgan's purpose and good focus on the customer.

Your Company has also signed a Memorandum of Settlement on November 30, 2021 with All Marathwada Kamgar Union for a period of 3 years until December 31, 2023.

## **AUDITORS:**

### **Statutory Auditors**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Pune (Registration No. 117366WW-100018) were appointed as statutory auditor of the Company for a further period of five years - from conclusion of 35<sup>th</sup> Annual General Meeting until conclusion of 40<sup>th</sup> Annual General Meeting - as per approval of the members in the 35<sup>th</sup> 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 2021-22. The Secretarial Audit Report for financial year 2021-22 forms part of the Board's Report as **Annexure - IV**. The Board has continued appointment of M/s KMP & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2022-23.

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

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board has overall responsibility for establishing and maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing the effectiveness of this system. Your Company has a well-established framework of internal controls in operation, supported by Morgan Group's policies and guidelines, including periodic monitoring, assessment and internal audit. M/s R D Jaiswal & Co., Chartered Accountants, internal auditors of the Company have conducted internal audit on half yearly basis and detailed report was submitted to Audit Committee on half yearly 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 2021-22 however have made certain recommendation for continuous improvement of the process.

#### **ANNUAL RETURN:**

In accordance with Section 92 and Section 134 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website -

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (i) In the preparation of the annual accounts for the financials year ended March 31, 2022, 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 2013-14 of ₹ 46,102/- to IEPF Authority.

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

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

#### **ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board,

**Mukund Bhogale**  
(Chairman)  
DIN: 05122774

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

Place: Aurangabad  
Date: May 25, 2022

# Annexure – I

## FORM NO. AOC-2

April 1, 2021 to March 31, 2022

Particulars of contracts/arrangements made with related parties

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2022, which are not at arm's length basis.

### 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 of the related party	Nature of Relationship	Duration of Contract	Nature of Transactions	Amount (₹ in Lakhs)
Morgan Advanced Materials plc.	Ultimate Holding Company	Not applicable	Management Charges and Trademark charges	680.00
Morgan Advanced Materials plc.	Ultimate Holding Company	Not applicable	Reimbursement of Expenses	1,506.43
Morganite Crucible Limited	Significant Influence – Holding Company	Not applicable	Payment of Dividend	905.52
Morgan Terreassen BV	Significant Influence – Holding Company	Not applicable	Payment of Dividend	858.48
Morganite Crucible Inc.	Fellow Subsidiary	Not applicable	Sale of finished goods	1,524.65
Mkgs. Morgan Karbon Grafit	Fellow Subsidiary	Not applicable	Sale of finished goods	10.93
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Sale of finished goods, raw materials	73.50
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	231.73
Morgan Molten Metal System (Suzhou) Company Limited	Fellow Subsidiary	Not applicable	Reimbursement of expenses - Service income	--
Morgan Molten Metal System GmbH	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	1,035.28
Morgan Molten Metal System GmbH	Fellow Subsidiary	Not applicable	Purchases of spares / consumables	(0.11)
Morganite Brasil Ltda.	Fellow Subsidiary	Not applicable	Sale of finished goods	4.53
Grupo Industrial Morgan, S.A. De C.	Fellow Subsidiary	Not applicable	Sale of finished goods	7.45
Morganite Carbon Kabushiki Kaisha	Fellow Subsidiary	Not applicable	Sale of finished goods	118.50
Dalian Morgan Refractories Ltd	Fellow Subsidiary	Not applicable	Sale of finished goods	--

Name of the related party	Nature of Relationship	Duration of Contract	Nature of Transactions	Amount (₹ in Lakhs)
Morgan Advanced Materials (Taiwan) Co.	Fellow Subsidiary	Not applicable	Sale of finished goods	--
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Purchase of raw material and consumables	1.15
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Purchase of capital goods	15.28
Murgappa Morgan Thermal Ceramics Limited	Fellow Subsidiary	Not applicable	Purchase of spares / consumables	8.52
Thermal Ceramics Limited (UK)	Fellow Subsidiary	Not applicable	Purchase of raw material	4.26
Thermal Ceramics Limited (UK)	Fellow Subsidiary	Not applicable	Management charge	(0.43)
Morgan Advanced Materials India Pvt Ltd	Fellow Subsidiary	Not applicable	Reimbursement of expenses	10.80
Morgan Advanced Materials India Pvt Ltd	Fellow Subsidiary	Not applicable	Other Support Expenses	174.21
Mr. Vikas Kadlag (Upto February-2022)	Managing Director	Not applicable	Remuneration	86.25
Mr. Atithi Majumdar (Up to May 31, 2021)	Chief Financial Officer	Not applicable	Remuneration	15.05
Mr. Rupesh Khokle	Company Secretary	Not applicable	Remuneration	16.87
Mr. Martin Coll	Non-Executive Director	Not applicable	Sitting Fees	-
Mr. Aniruddha Karve	Non-Executive Director	Not applicable	Sitting Fees	-
Mr. Mukund Bhogale	Non-Executive Independent Director	Not applicable	Sitting Fees	1.00
Mr. Subhash Kolakpar	Non-Executive Independent Director	Not applicable	Sitting Fees	1.00
Ms. Maithilee Tambolkar	Non-Executive Independent Director	Not applicable	Sitting Fees	0.40



# Annexure – II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

1	Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web link to CSR policy and projects or programmes	Morgan's CSR policy focuses on better society development, and aims to create self-empowered communities, and reach out to the destitute population to upbringing their lives. Morgan continue to focus on child's education and continuously supporting local schools and orphanage to enable them to get quality of education, facilities to build the better future of the country.  Morgan's CSR policy is available on Company's website <a href="http://www.morganmms.com/en-gb/investors/">http://www.morganmms.com/en-gb/investors/</a>
2	Composition of CSR Committee	<ol style="list-style-type: none"> <li>Mr. Mukund Bhogale (Chairman and Independent Director)</li> <li>Mr. Aniruddha Karve (Non-Executive Director)</li> <li>Mr. Martin Coll (Non-Executive Director)</li> </ol>
3	Average net profit of the Company for last 3 financial years	₹ 1,537 lakhs
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 30.69/- lakhs
5	Details of CSR spent during the financial year	
(a)	Total amount to be spent for the financial year;	₹ 41.78/- lakhs
(b)	Amount unspent, if any;	Nil
(c)	Manner in which the amount spent during the financial year is detailed below.	

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency*
1	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water	Maintaining quality of soil, air & water. MIDC Green Belt Development The Company has completed tree plantation in Maharashtra Industrial Development Corporation (MIDC) open plot in the previous year and this year focused towards their maintenance like regular fertilisers, periodical watering etc.	Local Area	02.00	02.36	-	Direct

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In Lakhs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency*
2	Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;	Preventive health care and sanitation  We have organised COVID-19 vaccination camp for third parties and their family members.  We had also supported to local hospitals to set-up Oxygen plant to fight against infection of COVID-19.	Local Area	11.00	14.80	-	Direct
3	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	employment enhancing vocation skills  We have supported vocation skill development and helped to increase livelihood enhancement projects	Local area	11.00	16.93	-	Direct
4	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;	Livelihood enhancement projects & promoting education  The Company is constructing a Kitchen for the students for preparing the food in hygienic manner.	Local area	07.00	07.69	-	Direct
<b>TOTAL</b>				<b>31.00</b>	<b>41.78</b>		

## 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 2021-22

Name of Director	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
Vikas Kadlag	Managing Director	7.60	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 2021-22 -

Name	Designation	Percentage increase in Remuneration
Mr Atithi Majumdar (Upto May 31, 2021)	Chief Financial Officer	--
Mr Hanumant Mandale (From November 12, 2021)	Chief Financial Officer	--
Rupesh Khokle	Company Secretary	11.55%

**Note:**

- For calculating percentage increase in remuneration salary as per form 16 has been considered.
- iii. The percentage increase in the median remuneration of Employee for the financial year was 8.10 per cent.
- iv. There were 76 staff and 68 workers on rolls of the Company as on March 31, 2022.
- v. **Average percentile 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 8.10 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 31.03.2022

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

### SECRETARIAL AUDIT REPORT OF M/S. MORGANITE CRUCIBLE (INDIA) LIMITED

For the Financial Year ended 31<sup>st</sup> March, 2022

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 31<sup>st</sup> March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 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 received a whistle blower complaint during the period, the Company had appointed M/s V.D. Abhayankar & Associates, Chartered Accountants as an investigator, upon receipt of the investigation report Company has terminated alleged employee.
- (iii) The Company has fully spent amount required to be spent towards Corporate Social Responsibility as per the applicable provisions of section and rules, however the Company has not transferred unspent amount of Rs 25,20,000/- in respect of ongoing projects to a special account within 30 days of closure of financial year 31" March 2021.

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: F0097100000381829

Date: 25/05/2022  
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: F0097100000381829

Date: 25/05/2022

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 –
  - o Installed test foundry for dynamic corrosion testing
  - o Initiated pilot scale set-up to speed-up the development
  - o Installation of Hot Modulus of Rupture (HMOR) machine for material characterisation mainly to measured 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 coating 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 from last three years nor during the financial year ending 2021-22 for reporting purpose.

**Foreign Exchange Earnings and Outgo:**

	(₹ in Lakhs)
Foreign Exchange Earnings	10,386.29
Foreign Exchange Outgo	1,908.00

For and on behalf of the Board,

**Mukund Bhogale**  
(Chairman)  
DIN: 05122774

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

Place: Aurangabad  
Date: May 25, 2022

# 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, 2022 the Board had 6 Directors consisting of three Non-executive Directors and remaining three are Non-executive Independent Director including one woman Independent 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 fifty percent of Board comprises of Independent Director. During the year, the Board of Directors met on 5 (five) 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 Vikas Kadlag*	Executive	January 01, 2019	-	-	-
Mr Aniruddha Karve	Non-Executive	July 01, 2015	-	-	-
Mr Subhash Kolapkar	Non-Executive Independent	August 14, 2013	September 25, 2019	-	-
Ms Maithilee Tambolkar	Non-Executive Independent	March 28, 2015	September 20, 2020	-	-
Mr Martin Coll	Non-Executive	May 21, 2019	-	-	-





































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

\* Mr Vikas Kadlag, Managing Director of the Company resigned from the Company effective from February 12, 2022

- 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. Vikas Kadlag, Managing Director of the Company was not serving as Independent Director in more than 3 listed entities.
- None of the Director occupies any position in other listed entities.
- During the previous year, due to COVID-19 pandemic, the Board of Directors Meetings and 36<sup>th</sup> Annual General Meeting were conducted through other audio-visual means.

## b. Board Meetings

During the year five Board meetings were held –

Name	Category	Attendance					AGM
		May 31, 2021	August 05, 2021	November 12, 2021	February 11, 2022	February 14, 2022	August 05, 2021
Mr Mukund Bhogale	Chairman & Non-Executive Independent						
Mr Vikas Kadlag	Executive						
Mr Aniruddha Karve	Non-Executive						
Mr Subhash Kolapkar	Non-Executive Independent						
Ms Maithilee Tambolkar	Non-Executive Independent						
Mr Martin Coll	Non-Executive						



- Attended



- Leave of absence

## 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 have 3 independent directors on Board as on March 31, 2022 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 36<sup>th</sup> 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.

During the year the Board of Directors in their meeting held on February 14, 2022 had revised the Terms of Reference of the Audit Committee which 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	Audit Committee				AGM
		May 31, 2021	August 05, 2021	November 12, 2021	February 14, 2022	August 05, 2021
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



- Leave of absence

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 3 (three) times during the year under review. The details of attendance of the meeting are as follows:

Name	Category	Nomination and Remuneration Committee			AGM
		May 31, 2021	November 12, 2021	February 11, 2022	August 05, 2021
Mr Subhash Kolapkar	Chairman & Non-Executive Independent				
Mr Mukund Bhogale	Non-Executive Independent				
Mr Aniruddha Karve	Non-Executive				



- Attended



- Leave of absence

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, 2022 –

Mr Vikas Kadlag - Managing Director  
(From April 1, 2021 to February 28, 2022)

Particulars	Amount in ₹ in Lakhs
Salary & Allowances	82.21
Performance Bonus	04.04
<b>Total</b>	<b>86.25</b>

Notes:

- The Company does not have a Stock Options scheme for the Directors or its senior management.
- Non-Executive Director are not holding any shares of the Company.
- The performance bonus payable to the

Managing Director is based on revenue & EBIT target, cash generation and personal objective achieved during the financial year.

Sitting fees paid to Independent Directors during the financial year 2021-22 are given below:

Particulars	Amount in ₹ in Lakhs
Mr. Mukund Bhogale	1.00
Mr. Subhash Kolapkar	1.00
Ms. Maithilee Tambolkar	0.40
<b>Total</b>	<b>2.40</b>

Independent directors receive twenty thousand as sitting fee for each board meeting attended. Apart from the above, the Company is not paying any sitting fees or commission to other Non-executive Directors of the Company and they have waived their right of getting sitting fees for attending the Board and Committee meeting.













#### c. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

The Committee met 3 times during the year i.e on June 16, 2020, August 7, 2020, and February 10, 2021. During the year, the Company has received "One" complaint from the shareholder of the Company. As on financial year ending March 31,

2022, no complaints were pending with the Company. Further, the company has successfully addressed the queries raised by shareholders regarding financial performance of the company during 36<sup>th</sup> Annual General Meeting of the Company and any other requests from time to time. The details of attendance of meeting are as per below –

Name	Category	Stakeholders Relationship Committee			AGM
		May 31, 2021	August 05, 2021	February 14, 2022	August 05, 2021
Mr Mukund Bhogale	Chairman & Non-Executive Independent				
Mr Subhash Kolapkar	Non-Executive Independent				
Mr Aniruddha Karve	Non-Executive				



- Attended



- Leave of absence

#### Compliance Officer

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







#### d. RISK MANAGEMENT COMMITTEE

The Committee is constituted and functions as per Regulation 21 of the Listing Regulations 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	Risk Management Committee	
		November 12, 2021	February 14, 2022
Mr Mukund Bhogale	Chairman & Non-Executive Independent		
Mr Aniruddha Karve	Non-Executive		
Mr Martin Coll	Non-Executive		



- Attended



- Leave of absence

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 awareness of the IT function's 'thinkSECURE' approach, including a cyber security month;
- Increased focus on Trade Compliance with screening of restricted countries and parties through the system;
- Promotion 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 31, 2021	February 14, 2022
Mr Mukund Bhogale	Chairman & Non-Executive Independent		
Mr Aniruddha Karve	Non-Executive		
Mr Martin Coll	Non-Executive		



- Attended



- Leave of absence



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

Summary of CSR Spent in 2021-22		
	Particulars	Amt in ₹
1	Contribution towards flood affected peoples in Konkan, Maharashtra region. Payment made to SANJAYKUMAR & CO, procured grocery items and supplied directly.	1,90,000
2	Development of School Kitchen (P. V. MORE)	5,78,971
3	Development of green belt area (Dipak Gokul Bhadke)	2,20,820
4	Development of green belt area (Wanashree Garden)	5,440
5	Skill development activity from (Yashaswi Academy for Skills)	16,93,015
7	Development of green belt area (Sai Engineering and Multi Services)	10,173
8	PAID TO CMIA for setting up Oxygen Plant toward fight against COVID-19	5,00,000
9	Charges of COVID-19 1st Vaccination Drive (Kamalnayan Bajaj Hospital)	6,30,000
10	Charges of COVID-19 2nd Vaccination Drive (Kamalnayan Bajaj Hospital)	3,50,000
	<b>TOTAL</b>	<b>41,78,419</b>

#### 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	<b>Registered Office of the Company:</b> B-11, MIDC Industrial Area, Waluj, Aurangabad – 431136, Maharashtra, India	AGM	November 2, 2017	11.00 AM	Yes
March 31, 2018		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

#### 5. DISCLOSURES:

a. Related Party Transactions

In Compliance with Regulation 23 of Listing Regulations, during the year, the Company has reviewed the policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions and taken omnibus approval from the Audit Committee in their meeting held on February 10, 2021 for the transactions entered with the related parties during the year. All contracts/ arrangements/ transactions entered by the Company during the FY 2021-22 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 2021-22.

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

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

**b. 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 2021-22. 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 21 days from the close of every quarter. The Audit Committee and the Board of Directors have reviewed quarterly compliance reports pertaining to all laws applicable of the Company. There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years

and no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI. The Company complies with all the mandatory requirements of 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 the Annual Report.

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

**f. Succession Planning**

The 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 Martin Coll, Non-executive Director of the Company was proposed to be re-appointed in the ensuing 37<sup>th</sup> Annual General Meeting (AGM) of the Company.

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

A certificate has been received from KMP & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

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

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

(Amt in ₹ Lakhs)

Type of Service	Financial	Financial
	Year	Year
	2021-22	2020-21
Statutory Audit	24.00	20.00
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	4.00	4.00
Reimbursement of expenses	1.76	0.21
<b>Total</b>	<b>43.76</b>	<b>38.21</b>

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

As required under Regulation 17(8) of the Listing Regulations, Chairman and Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2022.

**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:**

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

**q. Dividend Distribution Policy**

Pursuant of Regulation 43A of 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, 2022 given as below:

Year	Dividend per share	Date of Declaration	Due Date	Unclaimed Amount in ₹ Lakhs
2021-22 (Interim)	₹ 42	12/11/2021	24/12/2021	17.73
2019-20	₹ 16	06/08/2020	05/09/2021	3.80
2018-19 (Final)	₹ 12	07/08/2019	06/09/2019	5.11
2018-19 (Interim)	₹ 4	13/11/2018	12/12/2018	1.77
2017-18	₹ 16	08/08/2018	07/09/2018	6.37
2016-17	₹ 8	09/08/2017	08/09/2017	3.88
2015-16	₹ 4	10/08/2016	09/09/2016	3.88
2014-15	₹ 1	22/09/2015	21/10/2015	0.52

**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, 2014 in the 29<sup>th</sup> Annual General Meeting of members held on September 25, 2014 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, 2021, the unpaid dividend amount of ₹ 46,102/- 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 37<sup>th</sup> Annual General Meeting:

Date & Time: Tuesday, September 27, 2022 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 2022-23:

Financial year: April 1, 2022 to March 31, 2023

First Quarter results: Second week of August, 2022

Half Yearly results: Second week of November, 2022

Third Quarter results: Second week of February, 2023

Results for year-end: Third week of May, 2023

### c. Date of Book Closure:

September 21, 2022, Wednesday to September 27, 2022, Tuesday (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

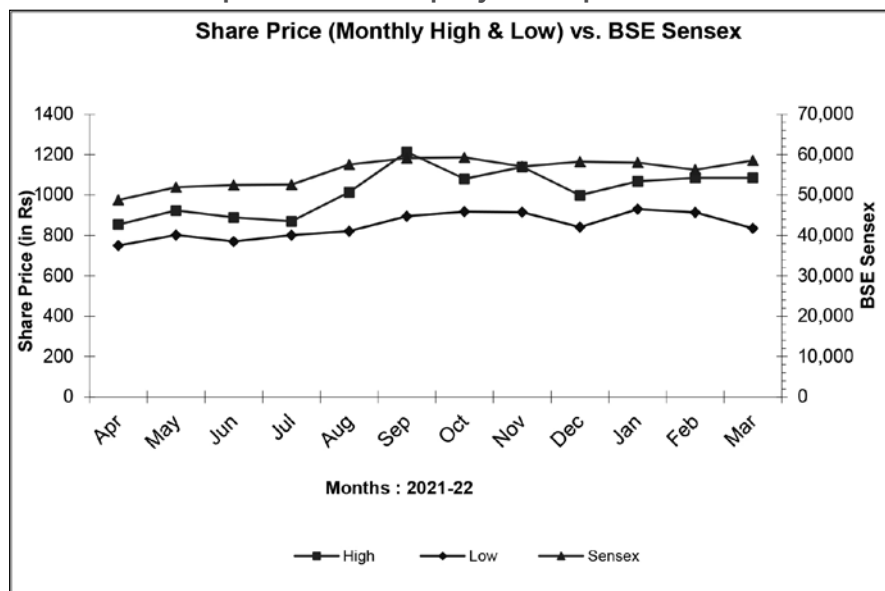
The annual listing fee for the financial year 2022-23 has been duly paid to the above stock exchange.

#### h. Market Price Data:

High, Low and number of equity shares traded during each month in the year 2021-22 on BSE :

Month	High	Low	Volume	BSE Sensex
Apr-21	854.00	750.00	9,752	48,782.36
May-21	923.80	802.00	20,920	51,937.44
Jun-21	889.00	770.00	27,596	52,482.71
Jul-21	870.00	801.20	22,183	52,586.84
Aug-21	1,014.00	821.00	95,397	57,552.39
Sep-21	1,213.00	895.00	76,786	59,126.36
Oct-21	1,080.00	918.00	18,704	59,306.96
Nov-21	1,139.00	915.00	54,086	57,064.87
Dec-21	999.00	841.00	15,572	58,253.82
Jan-22	1,067.80	930.05	26,084	58,014.17
Feb-22	1,085.05	914.00	25,561	56,247.28
Mar-22	1,085.00	835.00	20,108	58,568.51

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



#### i. Distribution of Shareholding as at March 31, 2022:

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	1,227,448	4,556	23.11
3	Nationalised Bank	1,200	2	0.02
4	HUF	72,924	197	1.30
5	NRI / Non-NRI	28,083	86	0.50
6	FPI	12,162	1	00.22
7	Clearing Members	1,470	16	00.03
8	Bodies Corporate	29,633	43	00.53
9	IEPF	27,080	1	0.48
	<b>TOTAL</b>	<b>56,00,000</b>	<b>4,904</b>	<b>100.00</b>

**j. Dematerialization of securities:**

The Equity shares of the Company are traded compulsorily in the dematerialized segment of Bombay Stock Exchange (BSE) and are under rolling settlement. Presently, 5,481,122 Equity Shares representing 98% of the total Equity Capital of the Company were held in dematerialized as on March 31, 2022.

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

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

**l. Share transfer system:**

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

**m. Registered Office and Plant Locations:**

Registered Office and plant location :

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

**Other Plant Location :** Morganite Crucible (India)  
Limited Unit: Mehsana

212/C, GIDC Estate, Mehsana – 384 002, Gujarat

(The plant was closed down effective from December 31, 2021)

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

Mr. Rupesh Khokle

Company Secretary & Compliance officer

E-mail: [rupesh.khokle@morganplc.com](mailto:rupesh.khokle@morganplc.com)

Regd. Office: B-11, MIDC Waluj,

Aurangabad – 431 136 (MS)

**o. Investor services**

E-mail: [rupesh.khokle@morganplc.com](mailto:rupesh.khokle@morganplc.com)

**p. Registrars & Transfer Agents**

Link Intime India Private Limited

C 101, 247 Park, L B S Marg, Vikhroli West,

Mumbai – 400 083

Tel No: +91 22 49186000 Fax: +91 22 49186060

**Investor contact details will be as follows :**

Share / Bond Registry	<a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	+91 22 49186270
	<a href="mailto:bonds.helpdesk@linkintime.co.in">bonds.helpdesk@linkintime.co.in</a>	

For and on behalf of the Board,

**Mukund Bhogale**

(Chairman & Independent Director)

DIN: 00072564

Place: Aurangabad

Date: May 25, 2022

**Aniruddha Karve**

(Director)

DIN: 07180005

# Chairman declaration for compliance of the Company's Code of Conduct

I hereby affirm that all the Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct & Ethics Policy of Morganite Crucible (India) Limited as applicable to them for the year ended March 31, 2022.

**Mukund Bhogale**

Chairman

Place: Aurangabad, MS

Date : May 21, 2022

# CEO(MD)/CFO Certification to the Board

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 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.

**Mukund Bhogale**  
(Chairman)

**Aniruddha Karve**  
(Director)

**Hanumant Mandale**  
(Chief Financial Officer)

Date: May 21, 2022  
Place: Aurangabad



# Independent Auditor's Certificate

## on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter reference no. JP/2021-22/11 dated August 05, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Morganite Crucible (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### MANAGEMENTS' RESPONSIBILITY

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

### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued

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

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

### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DELOITTE HASKINS & SELLS LLP**

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

**Jayesh Parmar**

Partner

Aurangabad  
May 25, 2022

(Membership No. 106388)  
UDIN: 22106388AJOLHT9717

# Certificate of Non-Disqualification of Directors

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

To,

The Members of

**MORGANITE CRUCIBLE (INDIA) LIMITED**

B-11 MIDC INDUSTRIAL AREA, WALUJ, AURANGABAD MH 431136 IN

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mukund Nilkanth Bhogale	00072564	30/10/2015
2.	Maithilee Sakharam Tambolkar	00694128	28/03/2015
3.	Subhash Bappaji Kolapkar	06666368	14/08/2013
4.	Aniruddha Ajit Karve	07180005	01/07/2015
5.	Martin John Coll	08399389	21/05/2019

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

## FOR KMP & ASSOCIATES

Company Secretaries

### Mandar Ganesh Takalkar

Partner

FCS No. 9710

CP. No. 11947

UDIN: F009710D000864850

Date: 29/08/2022

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 March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board'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 Management's Responsibility for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

### 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its 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 its 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 or entity, 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 its knowledge and belief, no funds have been received by the Company from any person or entity, 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) (a) The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
- (b) As stated in note 18 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.
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 25, 2022 UDIN: 22106388AJORT4391



# ANNEXURE "A"

## to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Morganite Crucible (India) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

#### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Jayesh Parmar**

Partner

(Membership No. 106388)

UDIN: 22106388AJORT4391

Aurangabad, May 25, 2022

# 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 and relevant details of right-of-use assets).
  - B. The Company has maintained proper records showing full particulars of intangible assets.
- (a) The Company has a program of verification of Property, Plant and Equipment (Capital work-in-progress and relevant details of right-of-use assets) 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.
- (b) 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 and investment property and non-current assets held for sale) are held in the name of the Company as at the balance sheet date.
- (c) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (d) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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, 2022 for a period of more than six months from the date they became payable.

- (b) Details 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, 2022 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	26.04	-
Gujrat Value Added Tax Act, 2003	Value Added Tax	Assistant Commissioner of Sales Tax	2001-02 to 2005-06	84.98	-

(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) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(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) There has been instance of fraud on the Company by its employee amounting to ₹ 42.44 Lakhs as indicated in Note 45 to the financial statements. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such case by the Management.

Nature of fraud	By Whom	Amount (₹ in lakhs)
Alleged mis-direction by the Company's employee in respect of tooling purchase transactions during the period April 01, 2016 to October 15, 2021	Employee of the Company	42.44

(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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (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 (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 amount of Rs. 25.20 lakhs transferred after the due date i.e. 30 April 2021 for the financial year 2020-21.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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

**Jayesh Parmar**

Partner

(Membership No. 106388)

Aurangabad, May 25, 2022

UDIN: 22106388AJORT4391



# Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

Particulars	Note	31 March 2022	31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,622.47	2,856.72
Capital work-in-progress	5	1,470.86	2,153.19
Right-of-use asset	6	10.52	10.70
Goodwill	42	137.81	137.81
Other intangible assets	7	15.84	19.17
<b>Loans</b>			
Other financial assets	8	36.24	39.76
Deferred tax assets (net)	9	98.15	156.53
Income tax assets (net)		255.40	203.10
Other non-current assets	10	38.09	5.47
<b>Total non-current assets</b>		<b>5,685.38</b>	<b>5,582.45</b>
<b>Current assets</b>			
Inventories	11	2,270.89	1,771.80
Financial assets			
i. Trade receivables	12	3,126.32	2,229.13
ii. Cash and cash equivalents	13	3,582.09	3,564.08
iii. Other balances with banks	14	42.29	132.36
iv. Loans	15	4.35	10.12
v. Other financial assets	16	1.84	34.50
Other current assets	17	778.49	491.87
Non current assets held for sale	39	-	101.32
<b>Total current assets</b>		<b>9,806.27</b>	<b>8,335.18</b>
<b>Total assets</b>		<b>15,491.65</b>	<b>13,917.63</b>

# Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

Particulars	Note	31 March 2022	31 March 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18	280.00	280.00
Other equity	19	11,975.47	9,963.77
<b>Total equity</b>		<b>12,255.47</b>	<b>10,243.77</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables			
(a) dues of micro enterprises and small enterprises (refer note 33)	20	352.55	192.97
(b) dues of creditors other than micro enterprises and small enterprises	20	2,224.59	2,012.69
ii. Other financial liabilities	21	204.00	493.97
Other current liabilities	22	111.59	441.75
Provisions	23	335.92	281.77
Income tax liabilities (net)		7.53	250.71
<b>Total current liabilities</b>		<b>3,236.18</b>	<b>3,673.86</b>
<b>Total liabilities</b>		<b>3,236.18</b>	<b>3,673.86</b>
<b>Total equity and liabilities</b>		<b>15,491.65</b>	<b>13,917.63</b>
Significant accounting policies	3		
Notes to the financial statements	4-47		

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

**Jayesh Parmar**

Partner

Membership No : 106388

Place: Aurangabad

Date : 25 May 2022

For and on behalf of the Board of Directors of

**Morganite Crucible (India) Limited**

CIN: L26920MH1986PLC038607

**Mukund Bhogale**

Chairman & Director

DIN : 00072564

**Hanumant Mandale**

Chief Financial Officer

Place: Aurangabad

Date : 25 May 2022

**Aniruddha Karve**

Director

DIN : 07180005

**Rupesh Khokle**

Company Secretary

# Statement of Profit and Loss

for the Year Ended 31 March 2022

(₹ in Lakhs)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	24	15,235.25	10,685.52
Other income	25	2,896.33	408.79
<b>Total income</b>		<b>18,131.58</b>	<b>11,094.31</b>
<b>Expenses</b>			
Cost of materials consumed	26	6,094.03	3,931.90
Purchases of stock-in-trade		295.45	391.31
Changes in inventory of finished goods and work-in-progress	27	(296.93)	192.22
Employee benefit expenses	28	1,774.75	1,553.61
Depreciation and amortization expense	5,6 & 7	740.26	565.83
Other expenses	29	4,386.02	3,405.76
Closure and relocation expenses relating to Mehsana plant	39	-	160.04
<b>Total expenses</b>		<b>12,993.58</b>	<b>10,200.67</b>
<b>Profit before tax exceptional items</b>		<b>5,138.00</b>	<b>893.64</b>
Exceptional items	43	(310.00)	310.00
<b>Profit before tax</b>		<b>5,448.00</b>	<b>583.64</b>
<b>Tax expense</b>			
Current tax	9	1,049.33	763.83
Deferred tax	9	59.33	(86.73)
<b>Total tax expense</b>		<b>1,108.66</b>	<b>677.10</b>
<b>Profit/(Loss) for the year</b>		<b>4,339.34</b>	<b>(93.46)</b>
Item that will not be reclassified subsequently to profit or loss			
Remeasurements income/(losses) on defined benefit plans		29.29	3.77
Income tax relating to item that will not be reclassified to profit or loss		(5.89)	(0.95)
<b>Other comprehensive gains/(loss) for the year, net of tax</b>		<b>23.40</b>	<b>2.82</b>
<b>Total comprehensive income for the year</b>		<b>4,362.74</b>	<b>(90.64)</b>
<b>Earnings Per Share: (Face value of ₹ per share)</b>			
Basic (₹)		77.49	(1.67)
Diluted (₹)		77.49	(1.67)
Significant accounting policies	3		
Notes to the financial statements	4-47		

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

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

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Aurangabad  
Date : 25 May 2022

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

**Mukund Bhogale**  
Chairman & Director  
DIN : 00072564

**Hanumant Mandale**  
Chief Financial Officer

Place: Aurangabad  
Date : 25 May 2022

**Aniruddha Karve**  
Director  
DIN : 07180005

**Rupesh Khokle**  
Company Secretary

# Cashflow Statement

for the Year Ended 31 March 2022

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,448.00	583.64
<b>Adjustments for :</b>		
Interest income	(4.63)	(11.47)
(Gain)/ Loss on account of foreign currency transactions and translation	34.03	(25.71)
Depreciation and amortization expense	740.26	565.83
Gain on sale of property, plant and equipment	(811.18)	(3.13)
Provision/ reversal for doubtful receivables	(61.17)	24.61
	<b>(102.69)</b>	<b>550.13</b>
<b>Changes in working capital :</b>		
Inventories	(499.09)	383.97
Trade receivables	(979.05)	87.79
Loans, other financial assets and other assets (Current and Non current)	(259.35)	264.03
Trade payables, other financial liabilities ,other liabilities and provisions (Current and Non current)	287.18	494.26
<b>Cash generated from operating activities</b>	<b>3,895.00</b>	<b>2,363.82</b>
Income taxes paid (net)	(1,344.81)	(442.24)
<b>Net cash flows generated from operating activities (A)</b>	<b>2,550.19</b>	<b>1,921.58</b>
<b>B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including movement in capital work in progress and capital advances)	(1,010.06)	(690.11)
Proceeds from sale of property, plant and equipment	916.28	46.92
Investment in bank deposits	(144.05)	(1,029.01)
Maturity of bank deposits	58.98	913.93
Interest received	4.63	11.47
<b>Net cash generated / (used) in investing activities (B)</b>	<b>(174.22)</b>	<b>(746.80)</b>

# Cashflow Statement

for the Year Ended 31 March 2022

	(₹ in Lakhs)	
Particulars	31 March 2022	31 March 2021
<b>C) Cash flows from financing activities</b>		
Repayment of Lease Liability including interest	-	-
Payment of dividend	(2,368.91)	(444.57)
<b>Net cash used in financing activities (C)</b>	<b>(2,368.91)</b>	<b>(444.57)</b>
<b>Net (decrease) / increase in cash and cash equivalents ( A+B+C )</b>	<b>7.06</b>	<b>730.22</b>
<b>Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	10.95	12.27
<b>Cash and cash equivalents at the beginning of the year</b>	3,564.08	2,821.60
<b>Cash and cash equivalents at the end of the year</b>	<b>3,582.09</b>	<b>3,564.08</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents comprises of:		
Cash on hand	0.13	0.28
Bank balances		
- in current accounts	2,730.00	3,202.71
- Export Earner's Foreign Currency account	741.94	302.92
- in deposits accounts (with original maturity of 3 months or less)	110.02	58.17
<b>Total cash and cash equivalents (refer note 13)</b>	<b>3,582.09</b>	<b>3,564.08</b>
Significant accounting policies	3	
Notes to the financial statements	4-47	

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

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

**Jayesh Parmar**  
Partner  
Membership No : 106388

Place: Aurangabad  
Date : 25 May 2022

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

**Mukund Bhogale**  
Chairman & Director  
DIN : 00072564

**Hanumant Mandale**  
Chief Financial Officer

Place: Aurangabad  
Date : 25 May 2022

**Aniruddha Karve**  
Director  
DIN : 07180005

**Rupesh Khokle**  
Company Secretary



# Statement of changes in equity

for the Year Ended 31 March 2022

(₹ 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	Remeasurement losses on defined benefit plans		
<b>Balance as at 1 April 2020</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,634.50</b>	<b>(83.97)</b>	<b>10,782.41</b>
Profit for the year	-	-	-	-	-	-	(93.46)	-	(93.46)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	2.82	2.82
Dividend	-	-	-	-	-	-	(407.14)	-	(407.14)
Dividend distribution tax	-	-	-	-	-	-	(40.86)	-	(40.86)
<b>Balance as at 31 March 2021</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,093.04</b>	<b>(81.15)</b>	<b>10,243.77</b>
<b>Balance as at 1 April 2021</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>9,093.04</b>	<b>(81.15)</b>	<b>10,243.77</b>
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)
<b>Balance as at 31 March 2022</b>	<b>280.00</b>	<b>525.49</b>	<b>67.65</b>	<b>350.00</b>	<b>0.04</b>	<b>8.70</b>	<b>11,080.38</b>	<b>(56.79)</b>	<b>12,255.47</b>
Significant accounting policies	3								
Notes to the financial statements	4-47								

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

### For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No: 117366W/W-100018

### Jayesh Parmar

Partner

Membership No : 106388

Place: Aurangabad

Date : 25 May 2022

For and on behalf of the Board of Directors of

### Morganite Crucible (India) Limited

CIN: L26920MH1986PLC038607

### Mukund Bhogale

Chairman &amp; Director

DIN : 00072564

### Hanumant Mandale

Chief Financial Officer

Place: Aurangabad

Date : 25 May 2022

### Aniruddha Karve

Director

DIN : 07180005

### Rupesh Khokle

Company Secretary

# Notes to financial statements

## for the period ended 31 March 2022

### 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 2022 were approved by the Board of Directors and authorised for issue on 25 May 2022.

### 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.

# Notes to financial statements

## for the period ended 31 March 2022

### iv. Trade receivables

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

### v. Impairment testing

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

### vi. Non-current assets held for sale

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

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

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

### e. Current and Non-Current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- 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;

# Notes to financial statements

## for the period ended 31 March 2022

- 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.

## 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:

# Notes to financial statements

## for the period ended 31 March 2022

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.

# Notes to financial statements

## for the period ended 31 March 2022

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

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

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

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

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

### Measurement of expected credit losses

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

### Presentation of allowance for expected credit losses in balance sheet

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

### Write off

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

## ii. Impairment of non-financial assets

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

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

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

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

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss



# Notes to financial statements

## for the period ended 31 March 2022

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

# Notes to financial statements

## for the period ended 31 March 2022

exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

### **h. Leases**

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

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

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

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

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

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

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

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

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

# Notes to financial statements

## for the period ended 31 March 2022

### 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.

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

# Notes to financial statements

## for the period ended 31 March 2022

The Company has defined contribution plans for post-employment benefits namely Provident Fund and Superannuation Scheme which are recognised by the income tax authorities. The Company contributes to a Government administered provident fund and superannuation fund on behalf of its employees and has no further obligation beyond making its contribution. The Company makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to the Statement of Profit and Loss every year.

### Defined benefit plans

The Company's gratuity scheme with Life Insurance Corporation of India is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the Balance Sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.

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

### Compensated absences:

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.

# Notes to financial statements

## for the period ended 31 March 2022

### 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.

## I. Earnings per share

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

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

## m. Cash and cash equivalents

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

## n. Financial instruments

### 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.

# Notes to financial statements

## for the period ended 31 March 2022

### 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.

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.



# Notes to financial statements

## for the period ended 31 March 2022

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 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.

# Notes to financial statements

## for the period ended 31 March 2022

### **o. Measurement of fair value**

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

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

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

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

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

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

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

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

### **q. Dividend**

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

# Notes to financial statements

for the period ended 31 March 2022

## 5 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Building	Plant and equipment	Vehicles	Computers	Office equipment	Furniture and fixtures	Total
<b>Gross Block</b>							
<b>Balance as at 1 April 2020</b>	<b>654.35</b>	<b>3,771.61</b>	<b>0.90</b>	<b>132.02</b>	<b>51.13</b>	<b>73.28</b>	<b>4,683.29</b>
Additions during the year	-	397.90	-	16.42	16.67	11.75	442.74
Disposals during the year	(0.29)	(69.14)	-	(4.04)	(1.24)	(0.46)	(75.17)
<b>Balance as at 31 March 2021</b>	<b>654.06</b>	<b>4,100.37</b>	<b>0.90</b>	<b>144.40</b>	<b>66.56</b>	<b>84.57</b>	<b>5,050.86</b>
<b>Balance as at 1 April 2021</b>	<b>654.06</b>	<b>4,100.37</b>	<b>0.90</b>	<b>144.40</b>	<b>66.56</b>	<b>84.57</b>	<b>5,050.86</b>
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)
<b>Balance as at 31 March 2022</b>	<b>625.40</b>	<b>5,283.06</b>	<b>8.19</b>	<b>145.82</b>	<b>71.49</b>	<b>133.14</b>	<b>6,267.10</b>
<b>Accumulated depreciation</b>							
<b>Balance as at 1 April 2020</b>	<b>133.03</b>	<b>1,395.23</b>	<b>0.34</b>	<b>64.73</b>	<b>36.36</b>	<b>35.45</b>	<b>1,665.14</b>
Depreciation for the year	30.31	478.95	0.11	32.90	8.81	9.30	560.38
Assets written off (Refer Note 39)	(0.02)	(26.02)	-	(3.82)	(1.24)	(0.28)	(31.38)
<b>Balance as at 31 March 2021</b>	<b>163.32</b>	<b>1,848.16</b>	<b>0.45</b>	<b>93.81</b>	<b>43.93</b>	<b>44.47</b>	<b>2,194.14</b>
<b>Balance as at 1 April 2021</b>	<b>163.32</b>	<b>1,848.16</b>	<b>0.45</b>	<b>93.81</b>	<b>43.93</b>	<b>44.47</b>	<b>2,194.14</b>
Depreciation for the year	32.38	633.70	0.57	33.20	12.04	20.79	732.68
Depreciation on disposals during the year disposals	(83.91)	(195.26)	(0.03)	-	(1.00)	(1.99)	(282.19)
<b>Balance as at 31 March 2022</b>	<b>111.79</b>	<b>2,286.60</b>	<b>0.99</b>	<b>127.01</b>	<b>54.97</b>	<b>63.27</b>	<b>2,644.63</b>
<b>Carrying amounts (net)</b>							
<b>Balance as at 31 March 2021</b>	<b>490.74</b>	<b>2,252.21</b>	<b>0.45</b>	<b>50.59</b>	<b>22.63</b>	<b>40.10</b>	<b>2,856.72</b>
<b>Balance as at 31 March 2022</b>	<b>513.61</b>	<b>2,996.46</b>	<b>7.20</b>	<b>18.81</b>	<b>16.52</b>	<b>69.87</b>	<b>3,622.47</b>

Particulars	Capital work-in-progress
<b>Balance as at 1 April 2020</b>	1,904.29
Additions	322.10
Transferred to property, plant and equipment	73.20
<b>Balance as at 31st March 2021</b>	<b>2,153.19</b>
<b>Balance as at 1 April 2021</b>	<b>2,153.19</b>
Additions	271.45
Transferred to property, plant and equipment	953.78
<b>Balance as at 31 March 2022</b>	<b>1,470.86</b>

### CWIP ageing schedule

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	-	-	-	-	-
<b>Total</b>	<b>167.42</b>	<b>308.87</b>	<b>643.08</b>	<b>351.49</b>	<b>1,470.86</b>
As at 31 March 2021	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	908.61	351.49	893.09	-	2,153.19
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>908.61</b>	<b>351.49</b>	<b>893.09</b>	<b>-</b>	<b>2,153.19</b>

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
Fire Hydrant ETP/STP	291.44	-	-	-	291.44
Electrical installation	63.00	-	-	-	63.00
<b>Total</b>	<b>354.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354.44</b>

# Notes to financial statements

for the period ended 31 March 2022

## 6. RIGHT-OF-USE ASSETS

### Reconciliation of carrying amount

Particulars	(₹ in Lakhs)	
	Leasehold land	Total
<b>Balance as at 01 April 2020</b>	<b>11.55</b>	<b>11.55</b>
Additions during the year	-	-
Disposals during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>11.55</b>	<b>11.55</b>
<b>Balance as at 01 April 2021</b>	<b>11.55</b>	<b>11.55</b>
Additions during the year	-	-
Disposals during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>11.55</b>	<b>11.55</b>
<b>Accumulated Depreciation</b>		
<b>Balance as at 01 April 2020</b>	<b>0.68</b>	<b>0.68</b>
Additions during the year	0.17	0.17
Disposals during the year	-	-
<b>Balance as at 31 March 2021</b>	<b>0.85</b>	<b>0.85</b>
<b>Balance as at 01 April 2021</b>	<b>0.85</b>	<b>0.85</b>
Additions during the year	0.18	0.18
Disposals during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>1.03</b>	<b>1.03</b>
<b>Carrying amounts (net)</b>		
<b>Balance as at 31 March 2021</b>	<b>10.70</b>	<b>10.70</b>
<b>Balance as at 31 March 2022</b>	<b>10.52</b>	<b>10.52</b>

## 7. OTHER INTANGIBLE ASSETS

### Reconciliation of carrying amount

Particulars	(₹ in Lakhs)	
	Software	Total
<b>Gross Block</b>		
<b>Balance as at 1 April 2020</b>	<b>75.17</b>	<b>75.17</b>
Additions during the year	3.80	3.80
<b>Balance as at 31 March 2021</b>	<b>78.97</b>	<b>78.97</b>
<b>Balance as at 1 April 2021</b>	<b>78.97</b>	<b>78.97</b>
Additions during the year	3.90	3.90
<b>Balance as at 31 March 2022</b>	<b>82.87</b>	<b>82.87</b>
<b>Accumulated amortization</b>		
<b>Balance as at 1 April 2020</b>	<b>54.47</b>	<b>54.47</b>
Amortization for the year	5.33	5.33
<b>Balance as at 31 March 2021</b>	<b>59.80</b>	<b>59.80</b>

# Notes to financial statements

for the period ended 31 March 2022

Particulars	(₹ in Lakhs)	
	Software	Total
<b>Balance as at 1 April 2021</b>	<b>59.80</b>	<b>59.80</b>
Amortization for the year	7.23	7.23
<b>Balance as at 31 March 2022</b>	<b>67.03</b>	<b>67.03</b>
<b>Carrying amounts (net)</b>		
<b>Balance as at 31 March 2021</b>	<b>19.17</b>	<b>19.17</b>
<b>Balance as at 31 March 2022</b>	<b>15.84</b>	<b>15.84</b>

## 8. OTHER FINANCIAL ASSETS - NON CURRENT

Particulars	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Other financial assets (Unsecured, considered good)		
Security deposits	31.24	34.76
Bank deposits (due to mature after 12 months from reporting date)*	5.00	5.00
	<b>36.24</b>	<b>39.76</b>

[\* Includes ₹ 5 lakhs (2021 - ₹ 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

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March 2021
<b>(a) Income tax expense</b>		
Current tax		
Current tax on the profit for the year	902.40	310.91
Adjustment of current tax of prior periods	146.93	452.92
<b>Total current tax expense</b>	<b>1,049.33</b>	<b>763.83</b>
<b>(b) Deferred tax</b>		
Attributable to -		
Origination and reversal of temporary differences	59.33	(86.73)
	<b>59.33</b>	<b>(86.73)</b>
<b>Tax expense (a+b)</b>	<b>1,108.66</b>	<b>677.10</b>

### B. Amounts recognised in other comprehensive income

	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	29.29	(5.89)	23.40
(₹ Lakhs)			

# Notes to financial statements

for the period ended 31 March 2022

	For the year ended 31st March, 2021		
	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)	3.77	(0.95)	2.82

## C. Reconciliation of effective tax rate

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Profit before tax	5,138.00	583.64
Enacted tax rate	25.17%	25.17%
Income tax expense calculated at 25.17% (2021: 25.17%)	1,293.23	146.90
Effect of expenses allowed / disallowed for tax purpose and others	(331.51)	11.26
Permanent allowance on APA adjustment	(345.62)	-
CSR expenditure	12.67	10.34
Others	1.44	0.92
	<b>961.72</b>	<b>158.16</b>
Effect of income taxes related to earlier periods	146.93	452.92
Effect of differential tax rate	-	66.02
	<b>961.72</b>	<b>224.18</b>
<b>Income tax expense recognised in statement of profit and loss</b>	<b>1,108.66</b>	<b>677.10</b>

## D. Recognised deferred tax assets and liabilities

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets/(liabilities)</b>		
Provision for doubtful debts	2.50	20.46
Provision for employee benefits	37.95	26.31
Provision for others	12.18	65.34
Property, plant and equipment	45.52	44.42
	<b>98.15</b>	<b>156.53</b>

## E. Movement in deferred tax balances

(₹ in Lakhs)

	Net balance 1 April 2021	Recognised in profit or loss	Recognized in OCI	31 March 2022 Net
<b>Deferred tax assets / (liabilities)</b>				
Provision for doubtful debts	20.46	(17.96)	-	2.51
Provision for employee benefits	26.30	17.54	(5.89)	37.96
Provision for others - Disallowances under the Income Tax Act, 1961	65.34	(53.16)	-	12.18
Property, plant and equipment	44.42	1.10	-	45.51
<b>Net Deferred tax assets</b>	<b>156.52</b>	<b>(52.48)</b>	<b>(5.89)</b>	<b>98.15</b>



# Notes to financial statements

for the period ended 31 March 2022

	(₹ in Lakhs)			
	Net balance 1 April 2020	Recognized in profit or loss	Recognised in OCI	31 March 2021 Net
<b>Deferred tax assets / (liabilities)</b>				
Provision for doubtful debts	21.72	(1.26)	-	20.46
Provision for doubtful advances	20.94	(20.94)	-	0.00
Provision for employee benefits	23.91	3.35	(0.95)	26.30
Provision for others	-	65.34	-	65.34
Disallowances under the Income Tax Act, 1961	21.41	(21.41)	-	0.00
Property, plant and equipment	(17.23)	61.65	-	44.42
<b>Net Deferred tax assets</b>	<b>70.75</b>	<b>86.73</b>	<b>(0.95)</b>	<b>156.53</b>

## 10. OTHER NON CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Capital advances (Unsecured, Considered good)	18.94	1.00
Balances with Government Authorities#	-	4.47
Duty drawback receivable	19.15	-
	<b>38.09</b>	<b>5.47</b>

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

## 11. INVENTORIES

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Raw materials and packing materials [including goods in transit ₹ 110.79 lakhs (2021: ₹ 145.04 lakhs)]	753.34	584.45
Finished goods [including goods in transit ₹ 160.78 lakhs (2021: ₹ 118.13 lakhs)]	674.40	512.64
Work-in-progress	723.72	588.55
Stores and spares	109.72	86.16
Stock in trade	9.71	-
	<b>2,270.89</b>	<b>1,771.80</b>

The cost of inventories recognized as an expense includes ₹ 15.01 lakhs (2021: ₹ 5.00 lakhs) in respect of write-downs of inventory to net realizable value.

## 12. TRADE RECEIVABLES

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
(a) Trade receivables (unsecured)-considered good	3,126.32	2,264.36
Less: Allowances for expected credit loss	-	(35.23)
(b) Trade receivables (unsecured)-credit impaired	9.94	35.88
Less: Loss allowance for credit impaired	(9.94)	(35.88)
<b>Net trade receivables</b>	<b>3,126.32</b>	<b>2,229.13</b>

# Notes to financial statements

## for the period ended 31 March 2022

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

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.

### Movement in the allowance for expected credit loss/credit impaired

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Opening balance	71.11	86.31
Movement in the expected credit loss/ allowance for credit impaired	(35.23)	24.61
Amounts recovered during the year	(25.94)	(39.81)
<b>Balance at the end of the year</b>	<b>9.94</b>	<b>71.11</b>

### Ageing schedule for trade receivables

(₹ in Lakhs)

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
	<b>2,664.91</b>	<b>457.05</b>	<b>4.36</b>	<b>0.18</b>	<b>0.12</b>	<b>9.56</b>	<b>3,136.18</b>
Less : Allowances for credit impaired	-	-	-	0.18	0.12	9.56	9.86
	<b>2,664.91</b>	<b>457.05</b>	<b>4.36</b>	-	-	-	<b>3,126.32</b>

(₹ in Lakhs)

As at 31 March 2021	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	1,706.96	511.60	10.57	-	-	-	2,229.13
Credit impaired	-	-	-	19.73	26.91	24.47	71.11
	<b>1,706.96</b>	<b>511.60</b>	<b>10.57</b>	<b>19.73</b>	<b>26.91</b>	<b>24.47</b>	<b>2,300.24</b>
Less : Allowances for credit impaired	-	-	-	19.73	26.91	24.47	71.11
	<b>1,706.96</b>	<b>511.60</b>	<b>10.57</b>	-	-	-	<b>2,229.13</b>

# Notes to financial statements

for the period ended 31 March 2022

## Relationship with struck off companies

(₹ in Lakhs)

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-22	31-Mar-21	31-Mar-22	31-Mar-21	
Metso India Private Limited	Sales	0.98	0.46	0.98	0.46	External customer

## 13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.13	0.28
Bank balances		
- In current accounts	2,730.00	3,202.71
- Fixed deposits (up to 3 months original maturity from deposit date)	110.02	58.17
- Export Earner's Foreign Currency account (EEFC)	741.94	302.92
	<b>3,582.09</b>	<b>3,564.08</b>

## 14. OTHER BALANCES WITH BANKS

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unpaid dividend accounts	42.29	25.38
Fixed deposits with original maturity more than three months from deposit date but less than twelve months from the Balance Sheet date	-	106.98
	<b>42.29</b>	<b>132.36</b>

## 15. LOANS

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Loans to employees (Unsecured, considered good)	4.35	10.12
	<b>4.35</b>	<b>10.12</b>

## 16. OTHER FINANCIAL ASSETS - CURRENT

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Other financial assets (Unsecured, considered good)		
Security deposits	-	3.00
Other receivables*	0.14	29.80
Interest accrued on bank deposits	1.70	1.70
	<b>1.84</b>	<b>34.50</b>

[\*Includes ₹ 0.14 lakhs (2021 - ₹ 29.80 lakhs) as amount receivable from LIC for the amount paid to employees by the Company.]

# Notes to financial statements

for the period ended 31 March 2022

## 17. OTHER CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Advances to suppliers		
Considered good	189.79	148.80
Credit Impaired	-	10.20
	<b>189.79</b>	<b>159.00</b>
Allowance for credit impaired	-	(10.20)
	<b>189.79</b>	<b>148.80</b>
Prepayments	8.70	8.73
Balances with Government Authorities#	423.57	159.62
Export benefits receivable	156.43	174.72
	<b>588.70</b>	<b>343.07</b>
	<b>778.49</b>	<b>491.87</b>

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

## 18. EQUITY SHARE CAPITAL

	₹ in Lakhs, except share data	
	31 March 2022	31 March 2021
<b>Authorized capital :</b>		
10,900,000 equity shares of ₹ 5 each	545.00	545.00
<b>Issued, subscribed and paid-up</b>		
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 12 November 2021 approved dividend of ₹ 42 per equity share for interim period ended 30 September 2021 which was subsequently paid during the quarter ended 31 December 2021. The amount was recognized as distributions to equity shareholders during the year ended 31 March 2022 and the total appropriation was ₹ 2,352 lakhs.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

	As at 31 March 2022	As at 31 March 2021
Equity shares		
At the commencement and at the end of the year	56,00,000	56,00,000

# Notes to financial statements

for the period ended 31 March 2022

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

Name of the shareholder	As at	As at
	31 March 2022	31 March 2021
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 31 March 2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Fully paid-up equity shares</b>				
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)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>a. Retained earnings</b>		
Items of other comprehensive income		
At the commencement of the year	(81.15)	(83.97)
Remeasurement of employee benefit obligations during the period (net of tax)	24.36	2.82
<b>At the end of the year</b>	<b>(56.79)</b>	<b>(81.15)</b>
Items other than other comprehensive income		
At the commencement of the year	9,093.04	9,634.50
Profit attributable to shareholders	4,339.34	(93.46)
Dividend paid	(2,352.00)	(407.14)
Dividend distribution tax on above	-	(40.86)
At the end of the year	<b>11,080.37</b>	<b>9,093.04</b>
<b>Total retained earning at the end of the year</b>	<b>11,023.59</b>	<b>9,011.89</b>
<b>b. General reserve</b>		
At the commencement and end of the year	525.49	525.49
<b>c. Securities premium</b>		
At the commencement and end of the year	350.00	350.00
<b>d. Capital reserves</b>		
At the commencement and end of the year	67.65	67.65
<b>e. Capital profit on forfeited shares</b>		
At the commencement and end of the year	0.04	0.04
<b>f. Statutory reserve</b>		
At the commencement and end of the year	8.70	8.70
<b>Total other equity</b>	<b>11,975.47</b>	<b>9,963.77</b>

### 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.

# Notes to financial statements

## for the period ended 31 March 2022

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.

## 20. TRADE PAYABLES

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
- dues of micro enterprises and small enterprises (refer note 33)	352.55	192.97
- dues of creditors other than micro enterprises and small enterprises	2,224.59	2,012.69
	<b>2,577.14</b>	<b>2,205.66</b>

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

### Ageing schedule for trade payables

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
	<b>1,976.84</b>	<b>567.40</b>	<b>25.78</b>	<b>6.43</b>	<b>0.70</b>	<b>2,577.14</b>
As at 31 March 2021						
As at 31 March 2021	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	161.80	68.00	2.80	-	-	232.61
Due to other than micro enterprises and small enterprises	682.81	1,165.95	111.41	9.88	3.00	1,973.05
	<b>844.61</b>	<b>1,233.95</b>	<b>114.21</b>	<b>9.88</b>	<b>3.00</b>	<b>2,205.66</b>



# Notes to financial statements

for the period ended 31 March 2022

## 21. OTHER FINANCIAL LIABILITIES

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Capital creditors	131.29	40.40
Deposits from dealers	2.77	2.77
Unpaid dividend	42.29	25.38
Liabilities for Closure and Relocation expenses relating to Mehsana Plant	27.65	115.42
Liability for Voluntary Retirement Scheme	-	310.00
	<b>204.00</b>	<b>493.97</b>

## 22. OTHER CURRENT LIABILITIES

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Advances from customers	42.10	385.07
Statutory dues (includes payable on account of Provident Fund, TDS, ESIC etc.)	69.49	56.68
	<b>111.59</b>	<b>441.75</b>

## 23. CURRENT PROVISIONS

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences	76.70	31.96
Gratuity (refer note 37 )	42.94	36.61
<b>Total provisions for employee benefits (A)</b>	<b>119.64</b>	<b>68.57</b>
<b>Other provisions</b>		
Provision for warranties	207.69	177.40
Provision for corporate social responsibility	8.59	34.38
Provision for others	-	1.42
<b>Total other provisions (B)</b>	<b>216.28</b>	<b>213.20</b>
<b>Total provision (A+B)</b>	<b>335.92</b>	<b>281.77</b>

	(₹ in Lakhs)	
Movement in other provisions during the year	As at 31 March 2022	
	Provision for corporate social responsibility	Provision for warranties
<b>Balance at 1 April 2020</b>	-	179.12
Provisions made during the year	34.38	155.50
Provisions utilized during the year	-	(157.22)
Provisions reversed during the year	-	-
<b>Balance at 31 March 2021</b>	<b>34.38</b>	<b>177.40</b>
<b>Balance at 1 April 2021</b>	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	-	-
<b>Balance at 31 Mar 2022</b>	<b>8.59</b>	<b>207.69</b>

# Notes to financial statements

for the period ended 31 March 2022

## 24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Revenue from contract with customers	As at 31 March 2022	As at 31 March 2021
Sales of products*	15,179.40	10,666.52
<b>Total sale of products (A)</b>	<b>15,179.40</b>	<b>10,666.52</b>
Other operating revenue		
Sale of scrap	55.85	19.00
<b>Total other operating revenue (B)</b>	<b>55.85</b>	<b>19.00</b>
<b>Total revenue from operations (A+B)</b>	<b>15,235.25</b>	<b>10,685.52</b>

[\* Net of turnover discount ₹ 43.43 lakhs ( 2021: ₹ 34.08 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)

	As at 31 March 2022	As at 31 March 2021
Duty drawback on exports	130.55	79.45
Export benefits	85.39	118.28
Interest income on		
- deposits with bank	4.63	11.47
- overdue trade receivables	0.09	-
- VAT / Income tax refund	40.12	-
Gain on account of foreign currency transactions (net)	85.88	118.95
Gain on sale of property, plant and equipment	811.18	3.13
Liabilities written back to the extent no longer required	192.22	31.89
Other non-operating income*	1,546.27	45.62
	<b>2,896.33</b>	<b>408.79</b>

\*Other non operating income includes reimbursement of management charges and R&D charges from holding company Morgan Advanced Materials Plc. ₹ 1,506.43 lakhs (2021 : ₹ Nil)

## 26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Inventory of materials at the beginning of the year	584.45	768.39
Purchases	6,262.92	3,747.96
Inventory of materials at the end of the year	(753.34)	(584.45)
	<b>6,094.03</b>	<b>3,931.90</b>

# Notes to financial statements

for the period ended 31 March 2022

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

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>Inventory at the beginning of the year</b>		
Finished goods - Crucibles	512.64	682.29
Work-in-progress - Crucibles	588.55	611.12
<b>Inventory at the end of the year</b>		
Finished goods - Crucibles	674.40	512.64
Work-in-progress - Crucibles	723.72	588.55
<b>Decrease/(Increase) in Inventory</b>	<b>(296.93)</b>	<b>192.22</b>

## 28. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Salaries, wages and bonus	1,556.99	1,366.82
Contribution to provident and other funds	80.89	73.21
Staff welfare expenses	136.87	113.58
	<b>1,774.75</b>	<b>1,553.61</b>

## 29. OTHER EXPENSES

(₹ in Lakhs)

	As at 31 March 2022	As at 31 March 2021
Consumption of stores and spares	1,122.98	621.05
Power and fuel	201.03	173.80
Contract labour charges	657.26	512.94
Repairs to buildings	11.42	50.52
Repairs to machinery	295.58	296.93
Repairs others	37.02	32.24
Rent	20.41	6.53
Rates and taxes	3.07	6.17
Travelling and motor car expenses	35.43	30.08
Legal and professional fees	91.95	81.04
Insurance	53.17	39.13
Payment to auditors (refer note (i) below)	42.92	38.21
Sales commission	95.12	67.71
Trade Mark Charges	121.62	83.87
Management charges	553.65	587.43
Central Support Charges	152.52	-
Warranty Expense	8.50	-
Business development and promotional expenses	59.81	24.45
SAP training & maintenance expenses	14.76	79.71
Loss on sale / retirement of fixed assets	50.66	-
Freight outward	500.52	366.25
Security charges	58.25	58.14
Provision for doubtful receivables (net off bad debts written off)	-	24.61
Corporate Social Responsibility expenses (refer note (ii) below)	50.37	41.09
Miscellaneous expenses	148.00	183.86
	<b>4,386.02</b>	<b>3,405.76</b>

# Notes to financial statements

for the period ended 31 March 2022

## i) Payment to auditors (excluding taxes)

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>As auditor</b>		
Statutory Audit	24.00	20.00
Tax Audit	2.50	2.50
Limited review of quarterly results	10.50	10.50
Certification fees	1.00	1.00
<b>For other services</b>		
Audit of group reporting package	4.00	4.00
<b>Reimbursement of expenses</b>	<b>1.76</b>	<b>0.21</b>
	<b>43.76</b>	<b>38.21</b>

## 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, COVID-19 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 31 March 2022	For the year ended 31 March 2021
a) Construction / acquisition of any asset	10.79	-
b) On purposes other than (i) above	30.99	6.71
	<b>41.78</b>	<b>6.71</b>

	(₹ in Lakhs)	
Particulars	31 March 2022	31 March 2021
(i) amount required to be spent by the company during the year,	30.69	41.09
(ii) amount of expenditure incurred,	41.78	6.71
(iii) shortfall at the end of the year,	-	34.38
(iv) total of previous years shortfall,	8.59	-
(v) reason for shortfall,	Pertains to ongoing projects	Pertains to ongoing projects
(vi) nature of CSR activities,	Construction of assets & 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

# Notes to financial statements

for the period ended 31 March 2022

## 30. TAXATION

### (i) Contingent Liabilities:

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
- 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 ₹ 64.05 lakhs (2021 : ₹ 60.28 lakhs)]	43.66	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) During the financial year 2016-17, the management had applied for Advance Pricing Agreement ("APA") for the period of nine years i.e. From FY 2012-13 to FY 2020-21. Subsequently, the Management has submitted application to Principal Chief Commissioner of Income Tax (International taxation) on 31 July 2020 for withdrawal of APA for the rollback periods (i.e. from FY 2012-13 to FY 2015-16 (four years)) to avail the benefit of Vivad se Vishwas Scheme ("the VsV") which was announced by the Government of India in 2020 budget. During the previous year the Company has assessed and provided for additional tax liability of ₹ 452.92 lakhs based on the in-principle approval received from the APA commissioner.
- (iii) During the current year the Company has assessed and provided for additional tax liability of ₹ 125.02 lakhs for short provision in respect of earlier years based on the in-principle approval received from the APA commissioner. Current tax working is calculated on the APA agreement signed on 18 August 2021 for 5 years ended 31 March 2021.

## 31. COMMITMENTS:

	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	501.62	21.50

## 32. EARNINGS PER SHARE

	(₹ in Lakhs, except share data)	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	5,448.00	583.64
Less : Tax expenses	1,108.66	677.10
Profit after tax (a)	4,339.34	(93.46)
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)	77.49	(1.67)
Diluted (a/b)	77.49	(1.67)

# Notes to financial statements

for the period ended 31 March 2022

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

All amounts in ₹ Lakhs unless otherwise stated

Description	Year ended 31 March 2022	Year ended 31 March 2021
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	352.55	192.97
b) Interest due on above	5.44	0.12
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	1.30	3.22
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	36.53	29.80
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.

### 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.

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

(₹ in Lakhs)

# Notes to financial statements

for the period ended 31 March 2022

(₹ in Lakhs)

Particulars	India	31 March, 2021					Total
		Outside India					
		Asia and Far East	Europe	Africa and Middle East	North America	Others	
Revenue from external customers	5,024.04	1,346.75	1,294.31	1,668.14	895.91	437.37	10,666.52
Non current assets	5,582.45	-	-	-	-	-	5,582.45

## 35 RELATED PARTY DISCLOSURES

### A. Names of related parties

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

Morgan Advanced Materials Plc - Ultimate Holding Company

#### b. Enterprise exercising significant influence

Morganite Crucible Limited (holds 38.50% of issues, subscribed and paid up capital)

Morgan Terreassen BV (holds 36.50% of issues, subscribed and paid up capital)

#### c. Other related parties with whom transactions have taken place during the year

##### i Fellow subsidiary companies

Morganite Crucible Inc.

Mkgs. Morgan Karbon Grafit

Morgan Molten Metal System (Suzhou) Company Limited

Morgan Molten Metal System GmbH

Morganite Brazil Ltda.

Grupo industrial Morgan, S.A. de C.

Morganite Carbon Kabushiki Kaisha

Murugappa Morgan Thermal Ceramics Ltd

Morgan Advanced Materials India Pvt. Ltd.

Morgan AM & T B.V. Netherlands

Thermal Ceramics Limited, UK

Molten Ceramics Asia Pte Ltd.

Dalian Morgan Refractories Ltd

Morgan Advanced Materials (Taiwan) Co.

Morgan Ceramics Middle East FZE

Thermal Ceramics USA

Ciria India Limited

##### ii Key Management Personnel

Mr. Aniruddha Karve - Non - Executive Director

Mr. Martin Coll - Non - Executive Director

Mr. Vikas Kadlag - Managing Director (upto 12 February 2022)

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 2022)

Mr. Hanumant Mandale - Chief Financial Officer (from 12 November 2021)

Mr. Rupesh Khokle - Company Secretary



# Notes to financial statements

for the period ended 31 March 2022

## Details of Remuneration paid and amount outstanding as at 31 March 2022 to above mentioned Key Managerial Personnel

(₹ in Lakhs)

Name of the person	Name of the person	
	31 March 2022	31 March 2021
Mr. Hanumant Mandale	17.12	-
Mr Atithi Majumdar	15.05	37.70
Mr. Vikas Kadlag	86.25	57.60
Mr. Rupesh Khokle	16.87	15.60

\*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 ₹ 2.40 lakhs (2021 : ₹ 3.00 lakhs) to non executive independent directors.

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# Notes to financial statements

for the period ended 31 March 2022

## 35 RELATED PARTY DISCLOSURES (Continued)

### Related party transactions for the year ended 31 March 2022

Particulars	Fellow Subsidiaries														
	Ultimate Holding Company	Enterprise exercising significant influence	Morganite Crucible Limited	Morgan Terrassen BV	Morganite Crucible Inc.	Morgan Molten Metal System GmbH	Morgan Molten Metal System Company Limited (Suzhou)	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	Morgan Advanced Materials India Private Limited	Morgan AM & T B.V. Netherlands
<b>Income</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure</b>															
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	-
<b>Other</b>															
Dividend paid	-	905.52	858.48	-	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding Balances:</b>															
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 period ended 31 March 2022

## 35 RELATED PARTY DISCLOSURES (Continued)

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

Particulars	Fellow Subsidiaries														
	Ultimate Holding Company	Enterprise exercising significant influence	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	Morgan Advanced Materials India Private Limited	Morgan AM & T B.V. Netherlands
<b>Income</b>															
Sale of finished goods, raw materials	-	-	790.61	-	558.22	40.56	62.68	8.09	-	20.56	0.03	86.08	-	0.47	
Reimbursement of expenses	81.93	-	-	-	14.01	12.96	-	-	-	-	-	-	-	-	
Sale of fixed asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Expenditure</b>															
Purchase of raw materials (including goods in transit)	-	-	-	-	16.65	362.48	-	-	0.78	-	-	-	-	-	
Purchases of stock in trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchases of spares / consumables	-	-	-	-	-	-	-	-	-	-	10.97	-	-	-	
Capital Goods purchase (including taxes)	-	-	-	-	-	-	-	-	-	-	21.01	-	-	-	
Management charges	550.71	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trademark Charges	77.36	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Other</b>															
Dividend paid	-	155.23	-	147.16	-	-	-	-	-	-	-	-	-	-	
<b>Outstanding Balances:</b>															
Receivables	81.93	-	206.62	-	253.26	34.64	43.48	-	-	2.36	-	-	-	-	
Payables	207.73	-	-	-	0.57	75.46	-	-	0.45	-	-	-	-	-	

# Notes to financial statements

for the period ended 31 March 2022

## 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 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
<b>Financial assets not measured at fair value*</b>						
Trade receivables	12	3,126.32	-	-	3,126.32	3,126.32
Cash and cash equivalents	13	3,582.09	-	-	3,582.09	3,582.09
Other bank balances	14	42.29	-	-	42.29	42.29
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
		<b>6,793.13</b>	-	-	<b>6,793.13</b>	<b>6,793.13</b>
<b>Financial liabilities not measured at fair value*</b>						
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

31 March 2021

(₹ 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
<b>Financial assets not measured at fair value*</b>						
Trade receivables	12	2,229.13	-	-	2,229.13	2,229.13
Cash and cash equivalents	13	3,564.08	-	-	3,564.08	3,564.08
Other bank balances	14	132.36	-	-	132.36	132.36
Loans	15	10.12	-	-	10.12	10.12
Other current financial assets	16	34.50	-	-	34.50	34.50
Other non current financial assets	8	39.76	-	-	39.76	39.76
		<b>6,009.95</b>	-	-	<b>6,009.95</b>	<b>6,009.95</b>
<b>Financial liabilities not measured at fair value*</b>						
Trade payables	20	2,205.66	-	-	2,205.66	2,205.66
Other current financial liabilities	21	493.97	-	-	493.97	493.97
		2,699.63	-	-	2,699.63	2,699.63

\*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 period ended 31 March 2022

### 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 period ended 31 March 2022

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2022	31 March 2021
Balances with banks in the form of-		
Current Accounts	2,730.00	3,202.71
EEFC Accounts	741.94	302.92
Fixed Deposits	115.02	170.15
<b>Total</b>	<b>3,586.96</b>	<b>3,675.78</b>

## (ii) Liquidity risk:

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

As on 31 March 2022, the Company had a working capital of ₹ 6,570.09 lakhs (as on 31 March 2021 ₹ 4661.32 lakhs) including cash and cash equivalents and other bank balance of ₹ 3,629.38 lakhs (as on 31 March 2021 ₹ 3,701.44 lakhs). The working capital of the Company for this purpose has been derived as follows:

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2022	31 March 2021
Total current assets (A)	<b>9,806.27</b>	<b>8,335.18</b>
Total current liabilities (B)	3,236.18	3,673.86
<b>Net working capital (A-B)</b>	<b>6,570.09</b>	<b>4,661.32</b>

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

(₹ in Lakhs)

	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

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021 -

(₹ in Lakhs)

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

## (iii) Market risk

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

Market risk comprises of:

- Interest rate risk
- Foreign currency risk

# Notes to financial statements

## for the period ended 31 March 2022

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 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)
<b>Net assets</b>	<b>578.17</b>	<b>734.66</b>	<b>901.69</b>	<b>(2.23)</b>	<b>2,212.29</b>

The following is the Company's exposure to currency risk from financial instruments as of 31 March 2021:

₹ in Lakhs (₹ equivalent of foreign currencies)

Particulars	EURO	GBP	US Dollars	AED	Total
Cash and cash equivalents	112.14	25.63	165.15	-	302.92
Trade receivables	374.17	425.84	677.18	-	1,477.19
Trade payables	(28.59)	(3.20)	(221.77)	-	(253.56)
Other current assets	2.97	4.32	11.96	-	19.25
Other current liabilities	(14.78)	(1.73)	(208.32)	(28.03)	(252.86)
<b>Net assets</b>	<b>445.90</b>	<b>450.86</b>	<b>424.20</b>	<b>(28.03)</b>	<b>1,292.94</b>

### Sensitivity Analysis

A reasonable possible strengthening / (weakening) of the major currencies US Dollar, EURO or GBP against all other currencies as at 31 March 2022 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 period ended 31 March 2022

Year ended on	Currency	Change in foreign exchange rate	Impact on profit before tax gain / (loss)
<b>31 March 2022</b>			
	EURO	+ 5%	28.91
		- 5%	(28.91)
	GBP	+ 5%	36.73
		- 5%	(36.73)
	USD	+ 5%	45.08
		- 5%	(45.08)
<b>31 March 2021</b>	EURO	+ 5%	22.29
		- 5%	(22.29)
	GBP	+ 5%	22.54
		- 5%	(22.54)
	USD	+ 5%	21.21
		- 5%	(21.21)

## Note 1

Financial assets carried at fair value as at 31 March 2022 is ₹ Nil and financial assets carried at amortized cost as at 31 March 2022 is ₹ 6,793.13 lakhs. The Company has assessed the counterparty credit risk in connection with Cash and cash equivalents, bank deposits and earmarked balances with banks amount to ₹ 3,586.96 lakhs as at 31 March 2022 where the Company has assessed the counterparty credit risk.

Trade receivables amounting to ₹ 3,126.32 lakhs as at 31 March 2022 is valued at considering provision for allowance under the expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case.

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

## 37. EMPLOYEE BENEFITS

### Defined contributions plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Labour Welfare Fund and Superannuation Scheme, which are the defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards defined contribution plans for the year for provident fund and superannuation scheme aggregated to ₹ 80.89 Lakhs (31 March 2021: ₹ 73.21 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 period ended 31 March 2022

## Assets and Liabilities related to employee benefits:

All amounts in ₹ Lakhs unless otherwise stated

	<b>Gratuity (Funded)</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	Defined benefit obligation	(416.96)
Fair value of Plan Assets	374.02	386.34
<b>Assets recognized in balance sheet</b>	<b>(42.94)</b>	<b>(36.62)</b>
Ind-AS adjustment - discontinued operations	-	-
<b>Ind-AS balance</b>	<b>(42.94)</b>	<b>(36.62)</b>
<b>Net employee benefit assets (non current)</b>		
Current	(42.94)	(36.62)
Non current	-	-
<b>Total employee benefit (liabilities)/ assets</b>	<b>(42.94)</b>	<b>(36.62)</b>

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.
- The discount rate is based on the prevailing market yields Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- The Company's gratuity fund is managed by Life Insurance Corporation of India, details of those funds invested by LIC are not available with the Company.

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

All amounts in ₹ Lakhs unless otherwise stated

	<b>Gratuity (Funded)</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	Opening defined benefit obligation	422.95
Adjustment for closure of Mehsana Plant	-	81.09
Interest cost	28.85	24.88
Current service cost	23.07	26.65
Benefits paid from plan	(61.29)	(67.03)
Remeasurements - Actuarial (Gains)/Losses on Obligations	0.02	-
Due to Change in Financial Assumptions	(12.96)	0.65
Due to Experience	33.96	(7.07)
Transfer out	(17.64)	-
<b>Closing defined benefit obligation</b>	<b>416.95</b>	<b>422.95</b>

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

All amounts in ₹ Lakhs unless otherwise stated

	<b>Gratuity (Funded)</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	Opening fair value of Plan Assets	386.34
Adjustment for closure of Mehsana Plant	-	-
Transfer in/(out) plan assets	-	-
Interest income	26.34	29.19
Employer's contribution	25.01	-
Benefits paid from plan assets	(61.29)	(67.03)
Return on plan assets (excluding interest income)	(2.40)	(2.65)
<b>Closing fair value of Plan Assets</b>	<b>374.02</b>	<b>386.34</b>

# Notes to financial statements

for the period ended 31 March 2022

## Net employee benefit expense recognized in employee cost

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2022	31 March 2021
	Current service cost	23.07
Interest cost on benefit obligation	28.85	24.88
Interest income on plan assets	(26.34)	(29.19)
<b>Total employee benefit expense recognized in profit and loss account</b>	<b>25.57</b>	<b>22.33</b>
Remeasurements -		
Actuarial (Gains)/Losses on Obligations -Due to Change in Financial Assumptions	(12.96)	0.65
Actuarial (Gains)/Losses on Obligations -Due to Experience	33.96	(7.07)
Return on plan assets (excluding interest income)	2.40	2.65
<b>Total remeasurements included in OCI</b>	<b>23.39</b>	<b>(3.77)</b>
<b>Net employee benefit expense</b>	<b>48.96</b>	<b>18.56</b>

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

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	31 March 2022	31 March 2021
	Expected cash flows for following year	
Expected total benefit payments		
Year 1	11.42	57.50
Year 2	10.82	9.46
Year 3	19.71	10.18
Year 4	54.87	26.69
Year 5	101.48	58.57
Next 5 years	176.05	201.92

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

All amounts in ₹ Lakhs unless otherwise stated

	Gratuity (Funded)	
	As at 31 March 2022	As at 31 March 2021
	Investment with insurer	100%

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

### (i) Actuarial assumptions

Particulars	As at	As at
	31 March 2022	31 March 2021
Expected rate of return on plan assets #	7.25%	6.82%
Discount rate current year	7.25%	6.82%
Discount rate previous year	6.82%	6.84%
Age of retirement	58-60 years	58-60 years
Attrition rate	2.00%	2.00%
Future salary increase #	7.00%	7.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

# The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Notes to financial statements

## for the period ended 31 March 2022

### (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:

	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Gratuity (funded):				
Discount rate (1% movement)	31.59	36.21	30.57	35.16
Future Salary growth (1% movement)	33.72	30.71	33.30	30.05
Attrition (1% movement)	0.34	0.43	0.53	0.57

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

### 38. DISCLOSURE FOR REVENUE FROM CONTRACTS WITH CUSTOMERS :

All amounts in ₹ Lakhs unless otherwise stated

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
Revenue recognized from contracts with customers		
Disaggregation of revenue		
Based on type of goods		
- Sale of crucible	15,179.40	10,666.52
- Sale of scrap	55.85	19.00
Based on market/type of customer		
- Domestic	6,602.86	3,574.16
- Export	8,632.39	7,111.36

#### 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.

# Notes to financial statements

## for the period ended 31 March 2022

### 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 has been recognized in Other Income.

### 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 ₹ 6.29 ( 2021 : ₹ 5.53 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 2021-22 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.

# Notes to financial statements

## for the period ended 31 March 2022

### 42. GOODWILL

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

Particulars	(₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	137.81	137.81
Impairment	-	-
<b>Balance at the end of the year</b>	<b>137.81</b>	<b>137.81</b>

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

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections are considered for next 5 years and consider past experience and represent management's best estimate about future developments. Cash flows beyond the five-year period are extrapolated using a 2% growth rate. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 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 previous financial year 2020-21, the Company had initiated the discussions with the workers for the voluntary retirement scheme (VRS) as per the approval of Board of Directors of the Company in their meeting held on 10 February 2021. The Company had considered a provision of ₹ 310 lakh as exceptional item in the financial results for the year ended 31 March 2021. The management had appealed the worker to avail the benefits of this scheme and had series of discussions with them. However, none of the worker accepted the VRS, hence the entire provision of ₹ 310 lakh has been reversed and disclosed as an exceptional item in the quarter ended 30 June 2021.
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. During the year, the Company had received a whistle-blower complaint from one of their tooling vendors for alleged misdirection by the Company's employee in tooling purchase transactions. The Company had appointment an independent consultant to investigate the complaint. The consultant had submitted the report describing detailed investigation methodology of the audit, cross verification of evidences and alleged misappropriation of funds of the Company estimated aggregating to ₹ 42.44 lakhs (out of which ₹ 10.86 lakhs recovered) in respect of current and prior periods. The management has terminated the services of suspected employee of Tooling Section and the appropriate legal proceeding against the suspected employee has been initiated. The management is of the view that the misappropriation is not material and doesn't have any significant impact on financial statements and balance sheet of the Company. The remedial action plan to strengthen the controls around purchases and repairs and maintenance of tools was approved by the Audit Committee of directors during the year and accordingly, the controls were strengthened in respected of tools purchases before the end of the year.

# Notes to financial statements

for the period ended 31 March 2022

## 46. RATIOS AND ITS ELEMENTS

Ratios	31 March 2022	31 March 2021	31 March 2020
<b>Current ratio<sup>^</sup></b>			
Current assets/ Current liabilities	3.03	2.27	33.36
<b>Debt - Equity ratio</b>			
Total debt/ Shareholders equity	Not applicable	Not applicable	--
<b>Debt service coverage ratio</b>			
EBITDA (excluding non-cash expenses)/ Interest + principal repayments	Not applicable	Not applicable	--
<b>Return on Equity ratio @</b>			
Net profit after tax - Preference dividend (if any)/ Equity shareholder's funds * 100	0.35	(0.01)	(4,101.61)
<b>Inventory turnover ratio<sup>^</sup></b>			
Cost of goods sold/ average inventory	3.01	2.30	31.09
<b>Trade receivables turnover ratio*</b>			
Sales/ average receivables	5.69	4.70	21.09
<b>Trade payable turnover ratio<sup>^</sup></b>			
Net credit purchases/ average payables	2.74	1.98	38.83
<b>Net capital turnover ratio *</b>			
Sales (includes only revenue from operation)/ Capital employed = total assets - current liabilities	1.24	1.04	19.17
<b>Net profit ratio @</b>			
Net profit / Sales	0.29	(0.01)	(3,475.87)
<b>Return on capital employed (%)<sup>^</sup></b>			
Earnings before interest and tax (EBIT)/ Capital employed = total assets - current liabilities	0.44	0.06	680.23
<b>Return on investment (%)</b>			
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.

<sup>^</sup> Revenue growth along with improved liquidity and efficiency in working capital has resulted in improvement of ratio.

@ Revenue growth along with improvement in margin and exceptional other income has resulted in improvement of ratio.

47. The appearance of the Coronavirus (COVID-19) in January 2020 and its recent global expansion to a large number of countries caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March 2020. The cases are again increasing since March 2021. The COVID-19 pandemic and the measures to combat it adopted by the authorities have had a significant effect on the Company's activity and results of 2021. Plant closures and/or reduced operation hours, limitations on capacity and restrictions of movements have led to a decrease in the Company's earnings and profitability. The Directors of the Company have assessed the current situation based on the best available information at the date of preparation of the financial statements. In this regard, although the Company has closed for a week its plant in April 2021 following the restrictions imposed by the authorities, these restrictions will foreseeably be lifted in the short term, and, therefore, the Company would be able to continue its operations normally.

The Company has considered the possible effects of the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, obsolescence of inventories and recoverability of security deposits. In assessing these assumptions / estimates relating to the possible future uncertainties because of this pandemic and impact of the same on future performance, the Company has used available information from internal and external sources to assess the impact of COVID-19 on the



# Notes to financial statements

## for the period ended 31 March 2022

financial statements. However, given the undetermined circumstances due to the pandemic the actual outcome may differ from what has been estimated. The Company will continue to monitor the future developments and updates its assessment. Further, there is no change in the internal controls during the lockdown period.

As at 31 March 2022, the Company has a cash and bank balance of ₹ 3,582.09 Lakhs (including other bank balances ₹ 47.29 lakhs) , the Company believes it will able to operate uninterruptedly and realize its assets and meet its financial obligation for the next 12 months from the approval of the financial statements. Our cash and bank balances as of the date of authorization of these financial statements ensure we can continue to meet our financial obligations.

For and on behalf of the Board of Directors of

**Morganite Crucible (India) Limited**

CIN: L26920MH1986PLC038607

**Mukund Bhogale**

Chairman & Director

DIN : 00072564

**Hanumant Mandale**

Chief Financial Officer

Place: Aurangabad

Date : 25 May 2022

**Aniruddha Karve**

Director

DIN : 07180005

**Rupesh Khokle**

Company Secretary

# Notice

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of Morganite Crucible (India) Limited will be held on Tuesday, September 27, 2022 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, 2022, including Audited Balance Sheet as at March 31, 2022, 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 special interim dividend paid during the financial year ended March 31, 2022 and to declare final dividend for the financial year ended March 31, 2022.
3. To re-appoint Mr Martin Coll 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 AN ORDINARY RESOLUTION:**

### **4. Appointment of Mr Jonathan Percival (DIN: 09701284) as Director of the Company**

**"RESOLVED** THAT Mr Jonathan Percival (DIN: 09701284), who was appointed as an Additional Director effective from August 12, 2022 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature to the office of Director, under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr Aniruddha Karve, Director and Mr Rupesh Khokle, Company Secretary of the Company be and is hereby severally authorised to intimate to the Registrar of Companies, Stock Exchanges or to any other Govt. bodies as may be required to give effect to this resolution and to sign and file necessary forms and returns with Registrar of the Companies."

### **5. Appointment of Mr Nitin Sonawane (DIN: 09701207) as Director of the Company**

**"RESOLVED** THAT Mr Nitin Sonawane (DIN: 09701207), who was appointed as an Additional Director (Executive) effective from August 12, 2022 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting, proposing his candidature to the office of Director (Executive), under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** Mr Aniruddha Karve, Director and Mr Rupesh Khokle, Company Secretary of the Company be and is hereby severally authorised to intimate to the Registrar of Companies, Stock Exchanges or to any other Govt. bodies as may be required to give effect to this resolution and to sign and file necessary forms and returns with Registrar of the Companies."

**TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

### **6. Appointment of Mr Nitin Sonawane as Manager & Director (DIN: 09701207) of the Company**

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and upon recommendation of Nomination and remuneration Committee and Board of Directors of the Company, the approval of members of the Company be and is hereby accorded for the appointment of Mr Nitin Sonawane as 'Manager & Director' (DIN: 09701207) 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, with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Manager & Director:

## I. NATURE OF DUTIES:

The Manager & Director shall, devote his whole time and carry out such duties as may be entrusted to him by the Board of Directors from time to time and as separately communicated to him subject to superintendence, control and directions of the Board of Directors in connection with and in the best interests of the business of the Company including performing other functional duties as assigned to the Manager from time to time.

## II. REMUNERATION:

1. **Basic Salary:** The basic salary in the range of ₹ 105,000/- per month upto maximum of ₹ 130,000/- per month.

The annual increment which will be effective 1<sup>st</sup> April each year, will be decided by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee ('NRC') in consonance with individual performance and the performance of the Company, within the aforementioned maximum basic salary limit and subject to changes in the applicable law from time to time for payment of remuneration to the Manager.

2. **Benefits, Perquisites and Allowances:** Details of Benefits, Perquisites and Allowances are as per the rules of the Company, as follows:

- House Rent and Maintenance Allowance of 50% of Basic Salary;
- Medical insurance cover for self and family
- Telecommunication facility;
- Car and driver reimbursements
- Professional development allowance
- Leave Travel Concession/Allowance
- Retirement benefits: Contribution to Provident Fund, life term insurance coverage and Gratuity Fund as per the rules of the Company.
- Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.

3. **Performance Linked Bonus:** The target performance linked bonus will be 10% of annual remuneration would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered

appropriate from time to time by the Board.

An indicative list of factors that may be considered for determining the extent of performance linked bonus, by the Board (recommended by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board of Directors from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

## III. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, where in any financial year during the period of 3 years in the currency of the tenure of the Manager & Director, the Company has no profits or its profits are inadequate, the Company will pay to the Manager & Director abovementioned remuneration by way of basic salary, benefits, perquisites, allowances and performance bonus as minimum remuneration towards performing his duties.

## IV. OTHER TERMS OF APPOINTMENT:

- a) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Manager, subject to such approvals as may be required.
- b) The Manager & Director shall not become interested or otherwise concerned, directly or through his spouse, children and/or relative, in the affairs of the Company.
- c) This appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration.
- d) The employment of the Manager & Director, may be terminated by the Company without notice or payment in lieu of notice:
  - if the Manager & Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business

- of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
- in the event the Manager & Director is not in a position to discharge his official duties due to any physical or mental incapacity or for any other reason beyond control, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
- e) Upon the termination by whatever means of employment of the Manager & Director:
- shall immediately cease to hold offices held by him without claim for compensation for loss of office under the provisions of the Companies Act, 2013
  - shall not without consent of the Board at any time thereafter represent himself as connected with the Company or any of its associate companies.
  - will cease to be the Manager & Director and other functional position of the Company.
- f) The Manager & Director shall adhere Morgan Code, conflict of interest policy, protection and use of intellectual properties, non-solicitation post termination of agreement and maintenance of confidentiality etc.

**RESOLVED FURTHER** that the Board of Directors or a Committee thereof, be and is hereby, authorized to take all such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things that may be necessary, proper, expedient or incidental for giving effect to this Resolution."

## 7. Approval of Material Related Party Transactions for the year 2022-23

**"RESOLVED THAT** pursuant to the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 as applicable and any amendments

thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors to ratify/ approve all existing contracts / arrangements/ agreements entered with related parties i.e. Morganite Crucible Inc. (USA), Morgan Molten Metal Systems GmbH and The Morgan Advanced Materials PLC during the financial year 2022-23, as the value of which either singly or all taken together during the current financial year may exceed ten per cent of the annual consolidated turnover of the Company as per audited financial statements of financial year 2021-22 and to enter into contract(s)/transaction(s) with above related parties for the financial year 2022-23 as per the below transaction limit –

Description of Transaction	Period of Transaction	Related Party	Total cumulative value (in ₹)
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, availing / rendering of marketing and other services or any other transactions as may deem fit by the Board of Directors of the Company	April 01, 2022 to March 31, 2023	Morganite Crucible Inc (USA)	20,00,00,000/-
Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, availing / rendering of marketing and other services or any other transactions as may deem fit by the Board of Directors of the Company	April 01, 2022 to March 31, 2023	Morgan Molten Metal Systems GmbH	20,00,00,000/-
Management Services, Trademark charges	April 01, 2022 to March 31, 2023	The Morgan Advanced Materials Plc	10,00,00,000/-

### Registered Office:

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

By Order of the Board,

**Rupesh Khokle**

(Company Secretary)

Date: August 12, 2022

### NOTES:

1. With reference to Ministry of Corporate ("MCA") general circular no.s 20/2020 dated 05.05.2020 General Circular No. 02/2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021, 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 provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
  3. The Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company Secretary or authorised representative of the Company at e-mail ID [Rupesh.Khokle@morganplc.com](mailto:Rupesh.Khokle@morganplc.com).
  4. **Registration of email ID and Bank Account details:**

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/Depositories, log in details for e-voting are being sent on the registered email address.

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

    - (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. OR
    - (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
  5. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 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 2021-22 will also be available on the Company’s website [www.morganmms.com](http://www.morganmms.com) and websites of the Stock Exchange i.e. Bombay Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
  6. The Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
  7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2022 to Tuesday, September 27, 2022 (both days inclusive).
  8. The Final Dividend for the financial year ended March 31, 2022, 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 October 27, 2022.
  9. The balance lying in the unpaid dividend account of the Company in the respect of the dividend declared for the financial year 2014-15 will be transferred to Investor Education and Protection Fund of the Central Government by October, 2022. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its RTA i.e. Link Intime India Private Limited for obtaining the payment thereof by end of September, 2022.
  10. 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.
  11. 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.

12. 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, September 20, 2022, 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.
13. The voting period begins on September 24, 2022 at 09.00 am and ends on September 26, 2022 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 Tuesday, September 20, 2022, may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.
14. 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.
15. 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.
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
- Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).
- Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

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

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

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

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

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - Select the "Company" and 'Event Date' and register with your following details: -
    - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**



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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

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

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

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

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

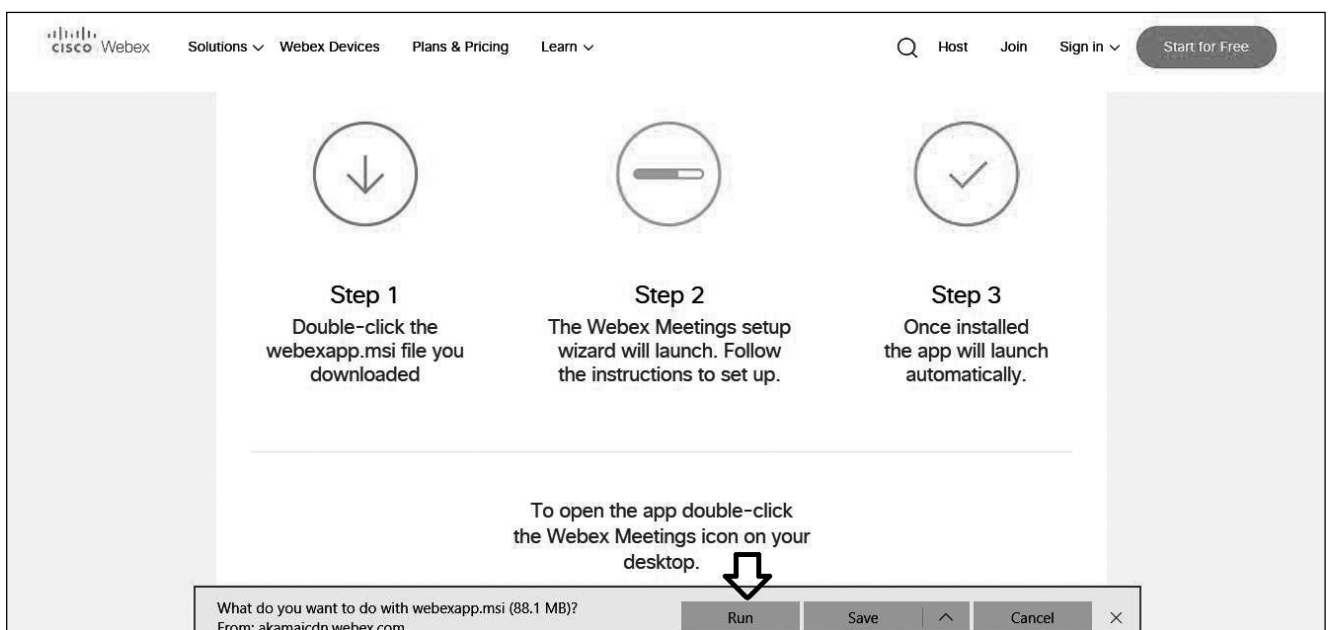
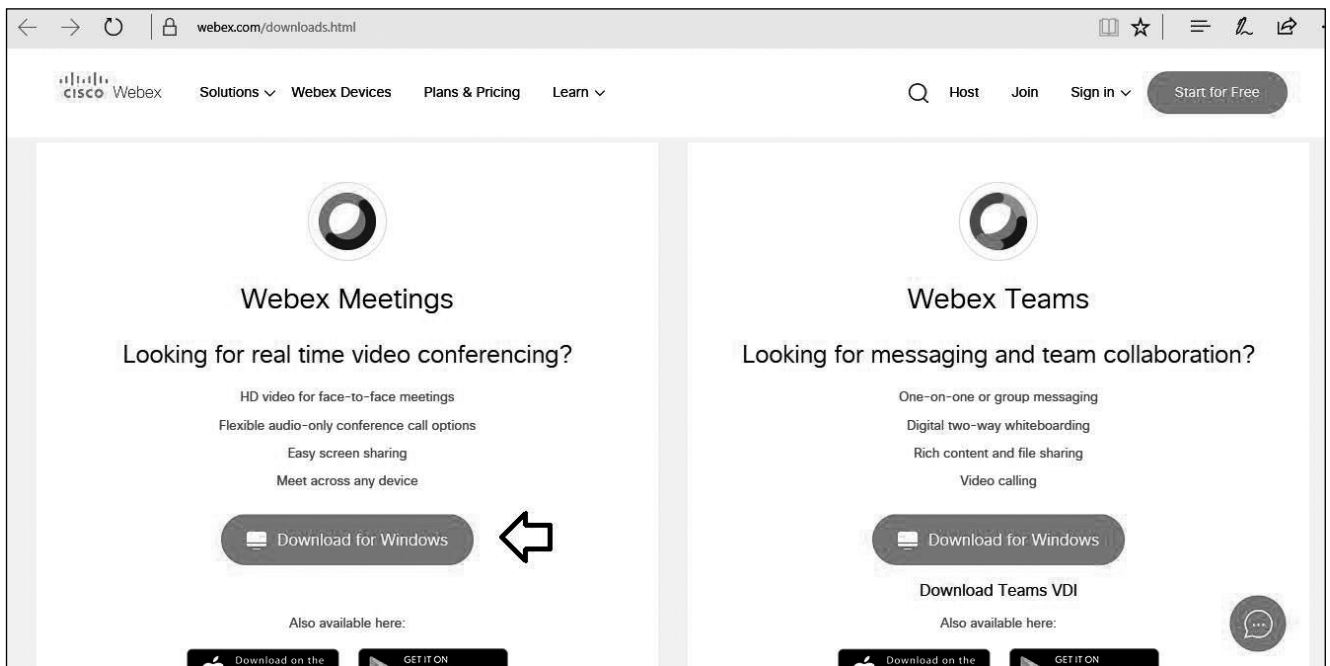
InstaMeet Support Desk  
**Link Intime India Private Limited**



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

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

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



Step 1  
Double-click the webexapp.msi file downloaded

Step 3  
Once installed app will launch automatically.

To open the app double-click the Webex Meetings icon on your

Step 1  
Double-click the webexapp.msi file downloaded

Step 3  
Once installed app will launch automatically.

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Double-click the webexapp.msi file downloaded

Step 3  
Once installed app will launch automatically.

OR

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

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

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

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

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

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

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>➤ Click on "<b>Sign Up</b>" under '<b>SHARE HOLDER</b>' tab and register with your following details:-           <ol style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> </li> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> </ol>

Type of shareholders	Login Method
	<ul style="list-style-type: none"> <li>➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>➤ Click "confirm" (Your password is now generated).</li> </ul> <ol style="list-style-type: none"> <li>2. Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on '<b>No</b>' and accordingly modify your vote.</li> </ol>

#### Institutional shareholders:

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

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

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

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

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

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

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

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

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

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

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

## EXPLANATORY STATEMENT

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

#### ITEM No. 4

The Company has received from Mr Jonathan Percival, 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 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. The Board of Directors in their meeting held on August 12, 2022 has appointed Mr Jonathan Percival as an Additional Director of the Company who holds office until ensuing annual general meeting. He has proposed candidature as a Director of the Company and has also given deposit of rupees one lakh to the Company until gets elected in ensuing annual general meeting.

Mr Jonathan Percival holds a bachelor's degree in Mechanical Engineering from Loughborough University, United Kingdom. He is also a recognized Chartered Engineer and joins us with many years' experience in operations, most recently with Houghton as Supply Chain and Operations Director for EMEA. He has experience in most operations functions including Engineering, Quality, Continuous Improvement, Manufacturing, Operations, EHS and Supply Chain. His experience and focus on driving results through KPIs will prove advantageous as we functionalise the MMS business and execute on the strategic priorities. Considering his experience and expertise in earlier organisation, his guidance will assist the management for future growth and improving in operational efficiency.

Your Directors recommend Resolution at Item No. 4 as an Ordinary Resolution for approval of the members.

#### ITEM No. 5

The Company has received from Mr Nitin Sonawane, 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 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013. The Board of Directors in their meeting held on August 12, 2022 has appointed Mr Nitin Sonawane as an Additional Director (Executive) of the Company who holds office until ensuing annual general meeting. He has proposed candidature as a Director (Executive) of the Company and has also given deposit of rupees one lakh to the Company until gets elected in ensuing annual general meeting.

Mr Nitin Sonawane is qualified Diploma holder in mechanical engineering from Pune university. He was associated with many reputed organisations like Kirloskar, Cummins, Corona Bus Ltd., Jackson Ltd. & with his last employment as General Manager in Vasumati Industries. During his association in various industries he handled various function like plant operation and production, safety, quality, maintenance and new product development. Further, he has also special skills in six sigma, ISO and lean manufacturing. Considering his experience and expertise in earlier organisation, his guidance will assist the management for future growth and improving in operational efficiency.

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

Your Directors recommend Resolution at Item No. 5 as an Ordinary Resolution for approval of the members.

#### ITEM No. 6

The Board of Directors based upon recommendations of the Nomination and Remuneration Committee, at its meeting held on August 12, 2022, appointed Mr Nitin Sonawane, as Manager & Director of the Company effective from August 12, 2022 to August 11, 2025.

Mr Nitin Sonawane is qualified Diploma holder in mechanical engineering from Pune university. He was associated with many reputed organisations like Kirloskar, Cummins, Corona Bus Ltd., Jackson Ltd. & with his last employment as General Manager in Vasumati Industries. During his association in various industries he handled various function like plant operation and production, safety, quality, maintenance and new product development. Further, he has also special skills in six sigma, ISO and lean manufacturing.

Considering qualification and experience of Mr Nitin Sonawane, the Board proposed to appoint him as Manager & Director (Executive) of the Company effective from August 12, 2022 until August 11, 2025 on such remuneration and other terms and conditions as per the separate agreement executed between the Company and Mr Nitin Sonawane subject to approval of members in general meeting and/or any other Statutory Body/Agency/Board, if any.

The Company has received from Mr Nitin Sonawane (i) consent in writing to act as 'Manager & Director' of the Company (ii) intimation in Form DIR-8, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and not convicted or detained under any of the Acts mentioned in Part I of Schedule V of the Companies Act, 2013 and (iii) Notice of interest in Form MBP-1 in terms of section



184 (1), and other applicable provisions of the Companies Act, 2013.

As per provisions of Section 197 read with Schedule V Section II of the Companies Act, 2013, the required information is given as below –

#### I. General Information:

(1) Nature of industry:

The Company is engaged in manufacturing and selling of crucibles, foundry products and its accessories.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on January 13, 1986 and received Certificate for Commencement of Business on May 21, 1986.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

(4) Financial performance based on given indicators as per audited financial results for the year ended March 31, 2022:

Particulars	₹ in Lakhs
Turnover & Other Income	15,235.25
Net Profit as per Statement of Profit and Loss (after tax)	4,339.34
Profit as computed under Section 198 of the Companies Act, 2013	171.25
Net worth	12,179.08

(5) Foreign investments or collaborations, if any.

The Company has neither made any foreign investment nor entered for any collaborations agreement.

#### II. Information about the appointee:

(1) Background details:

Mr Nitin Sonawane is associated as AGM-Operations from Sept-2021, who comes with over period of 17 years experience in the field of production, operational excellence, safety, new product development and quality in various reputed organisations. He worked with Kirloskar, Cummins, Corona Bus Ltd., Jackson Ltd. & with his

last employment as General Manager in Vasumati Industries.

(2) Past remuneration:

Mr Nitin Sonawane has not drawn any remuneration from the Company.

(3) Recognition or awards:

Not Applicable

(4) Job profile and his suitability:

Mr Nitin Sonawane has rich experience of more than 17 years in of production, operational excellence, safety, new product development and quality with various multinational companies.

(5) Remuneration proposed:

Proposed remuneration ₹ 2,387,673/- from August 12, 2022 to March 31, 2023 for the financial year 2022-23.

For the financial year 2023-24 ₹ 3,807,276/- for the financial year 2023-24.

For the financial year 2024-25 ₹ 4,188,004/- for the financial year 2024-25.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

In view of vast experience of Mr Nitin Sonawane and experience and future growth plans of the Company, the proposed remuneration from August 12, 2022 until August 11, 2025 are commensurate with respect to same industry size, profile, position and person.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr Nitin Sonawane does not have any pecuniary relationship directly or indirectly with the Company.

#### III. Other information:

(1) Reasons of loss or inadequate profits:

Due to increase in raw material costs every year, increase in employee benefit expenses and other overheads were reason of having inadequate profitability which may carry the same impact in the coming financial years.

(2) Steps taken or proposed to be taken for improvement:

The Company plans to diversify its product base

by introducing new products, optimum utilisation of its internal resources, developing new markets having focus on increase in sales which may help the Company to improve its sales and profitability for the coming financial years.

(3) **Expected increase in productivity and profits in measurable terms:**

In view of the present market scenario and Govt. policies, the sale of Company's product is expected to increase by 5 to 7 per cent as compared to previous year.

#### IV. Disclosures:

The disclosures relating to remuneration package of managerial person has been mentioned in 37<sup>th</sup> Annual Report of the Company for the financial year 2021-22 under Corporate Governance Report section and will continue to disclose the same in subsequent years.

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

Your Directors recommend Resolution as a Special Resolution for approval of the members.

#### ITEM No. 7

Pursuant to Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution in case certain Related Party Transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business on an arm's length basis.

However, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), approval of the shareholders through Special Resolution is required for all 'material' related party transactions (RPT) even if they are entered into in the ordinary course of business on an arm's length basis.

A transaction with a related party shall be considered material under the Listing Regulations, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

However, a transaction pertaining to payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

The following transactions to be entered into by the Company, together with transactions already entered into by the Company with Morganite Crucible Inc. (USA), Morgan Molten Metal Systems GmbH and The Morgan Advanced Materials Plc. being a related party, during the current financial year, even though are in the ordinary course of business and on an arm's length basis, may exceed 10% of the annual consolidated turnover of the Company as per the audited financial statements of the Company for the year ended March 31, 2022.

Accordingly, as per Regulation 23 of the Listing Regulations, approval and/or ratification of the Members is sought for the arrangements/ transactions undertaken whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions/to be undertaken by the Company.

The transactions are approved by the Audit Committee as per the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Accordingly, the Company proposes to obtain approval of its Members for ratifying as also for giving further approval to the Board for carrying out and/or continuing with the following arrangements and transactions with Morganite Crucible Inc. (USA), Morgan Molten Metal Systems GmbH and The Morgan Advanced Materials Plc.

None of the Directors, Key Managerial Personnel or their relatives is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his/her respective shareholding, if any, in the Company.

Your Directors recommend the resolution set-out in Item No. 7 for approval of members by way of Special Resolution.

#### Registered Office:

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

By Order of the Board,

**Rupesh Khokle**

(Company Secretary)

Date: August 12, 2022











**MORGANITE CRUCIBLE (INDIA) LIMITED**

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