

WE SHAPE THE WORLD

Through efficient melting solutions
using advanced material science and
engineering

MORGANITE CRUCIBLE (INDIA) LIMITED

Annual Report 2020-21

FORWARD-LOOKING STATEMENTS

In this annual report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future

performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

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

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

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

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

WE SHAPE THE WORLD

Through efficient melting solutions using advanced material science and engineering.

Introducing

Morganite Crucible (India) Limited

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

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

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

GROUP LEGACY

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

OUR OFFERINGS

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

MANUFACTURING PROWESS

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

Our Vision

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



Materials Science

- Leading Technologists
- Extensive Institutional Knowledge



Application Engineering

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



Customer Focus

- Customer Fascination
- Deep Market Insight

Our Core Values

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



Ambition

We aim to build our business promptly and sustainably.



Innovation

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



Integrity

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



Collaboration

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

Diversified Product Mix

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

Our products are extensively acclaimed for:

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

MORGANITE ACE
Engineering Superior Performance

Crucibles



Syncarb Z2e2



Suprex



Sigma



Excel & Himelt



Salamander



Ladle Liners

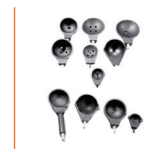
Foundry Products



Degassing Rotors and Mobile Degassing Unit



Blue Lightning Thermocouple Sheaths



Skimmer Bowls



Nozzle



Stopper Rods and Heads



Launders & Liners



Morcem Cement



Tubes & Plunger Mix



Transfer Ladle

Key Strengths

Brand Recall

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

Technology Competence

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

Highest Quality Standards

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

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

Strong Clientele

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

Safety Standards

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

Ethics

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

Message to Shareholders

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



Dear Shareholders,

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

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

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

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

INDUSTRY SCENARIO

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

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

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

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

OUTLOOK

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

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

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

Managing Director's Review

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



Dear Shareholders,

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

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

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

FINANCIAL RESULTS

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

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

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

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

OUTLOOK

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

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

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

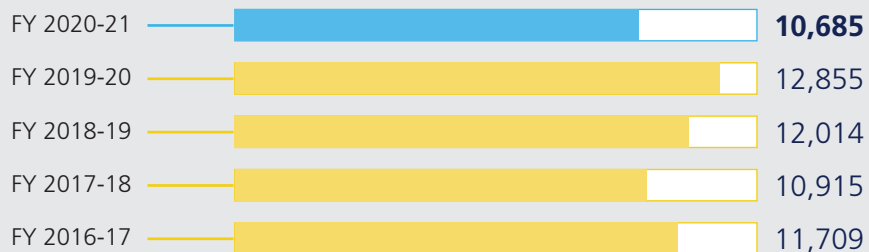
Vikas Kadlag

Managing Director

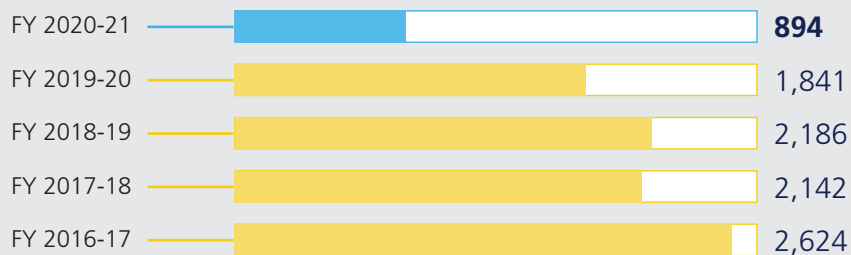
Morganite Crucible (India) Limited

Our Financial Metrics

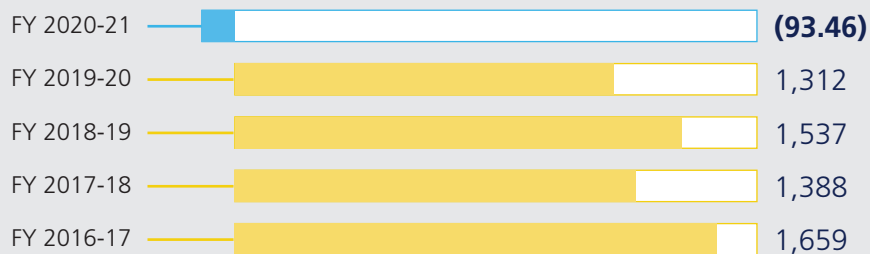
Revenue (₹ in Lakhs)



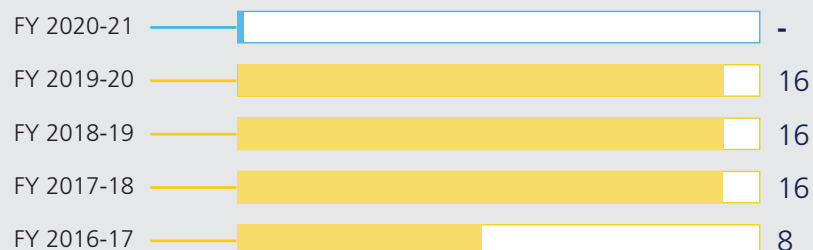
Operating Profit (₹ in Lakhs)



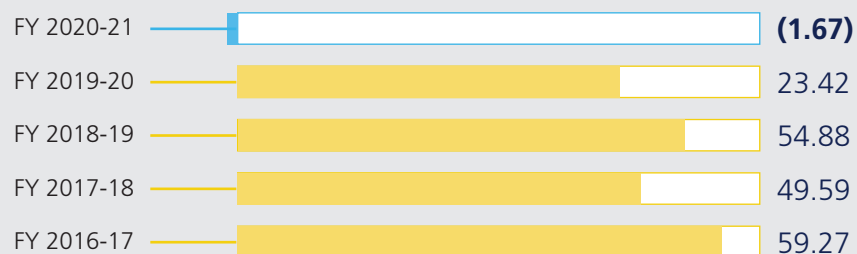
Profit After Tax (₹ in Lakhs)



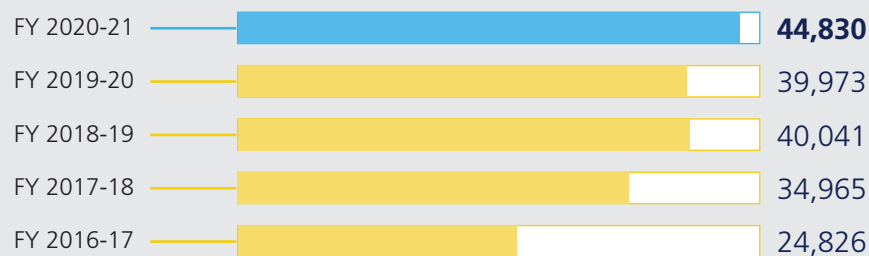
Dividend Per Share (₹)



Earnings Per Share (₹)



Market Capitalisation (₹ in Lakhs)



Corporate Information

BOARD OF DIRECTORS

Aniruddha Karve

Director

Vikas Kadlag

Managing Director

Martin Coll

Director

Mukund Bhogale

Chairman & Independent Director

Subhash Kolapkar

Independent Director

Maithilee Tambolkar

Independent Director

KEY MANAGERIAL PERSONNEL

Vikas Kadlag

Managing Director

Atithi Majumdar

Chief Financial Officer

Rupesh Khokle

Company Secretary

AUDITORS

Deloitte Haskins & Sells LLP

Chartered Accountant

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

Senapati Bapat Road,

Pune – 411 016

Firm Registration No:

117366W/W-100018

SECRETARIAL AUDITORS

KMP & Associates

Company Secretaries

7/8, Harnam Plaza, Opp.

IDBI Bank, Osmanpura,

Aurangabad – 431 005

BANKERS

Axis Bank Limited

State Bank of India

The Hongkong and Shanghai Banking Corporation Limited

IndusInd Bank Limited

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited

CIN: U67190MH1999PTC118368

C 101, 247 Park, L B S Marg,

Vikhroli West,

Mumbai – 400 083

Tel No: +91 22 49186000

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

REGISTERED OFFICE AND PLANT LOCATION

Morganite Crucible (India) Limited

Unit: Aurangabad

B-11, MIDC Waluj,

Aurangabad – 431 136, Maharashtra

Morganite Crucible (India) Limited

Unit: Mehsana

212/C, GIDC Estate,

Mehsana – 384 002, Gujarat

Corporate Identity Number (CIN) of the Company

L26920MH1986PLC038607