

## Morganite Crucible (India) Limited

Annual Report 2018-19



## IMPROVING QUALITY OF LIFE

Through Efficient use of World's Resources  
Using Advanced Material Science and Engineering

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Through Efficient use of  
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Using Advanced Material  
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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 as a result of new information, future events or otherwise.



Climate change is one of the biggest threats to life on Earth. Given the growing urgency of tackling issues such as resource scarcity and climate change, conscious interaction with the environment is a fundamental part of responsible business practice.

Morgan Group recognises the impact its operations may have on the surrounding environment. For us, sustainability is far more than just an essential part of corporate responsibility; it's about improving people's living conditions and providing solutions to major environmental challenges. Therefore, we focus more on ethical conduct of our operations and limit waste of resources to enhance quality of life.

We see innovation as an outstanding opportunity to reinvent our products and solutions, which is buttressed by our technology capability and engineered crucible expertise. Our unique business proposition of advanced materials science and engineering emboldens us to make efficient use of natural resources and reduce our environmental footprint. And, that is how we contribute towards building a more sustainable and environment-friendly world.

***All the while...***

*... our commitment to working ethically and safely acts as constant, underpinning everything we do.*

# Company at a Glance

Morganite Crucible (India) Limited is a part of Molten Metal Systems (MMS) Division and manufactures an extensive range of high-performance crucibles and foundry consumables for non-ferrous metal melting applications. We provide melting facilities working with zinc, precious metals, aluminium, copper, brass and other non-ferrous metals. With our extensive applications, experience and process knowledge, Molten Metal Systems helps customers put together the optimal system for their needs. The global business unit works with customers in non-ferrous castings, refining and recycling of precious metals and production of pure aluminium for various industrial segments.

## What We Do

We produce world-class silicon carbide crucibles, clay graphite crucibles, foundry and allied products for ferrous and non-ferrous metal industries. Known for its extensive range of crucible shapes and sizes, we manufacture products that use carefully selected materials designed to precisely match the characteristics and operational performance to each customer's metal melting, holding or transfer application. Additionally, our Company specialises in providing melting solutions to foundries, die-casters and metal melting facilities.

## Where We Operate

The state-of-the-art manufacturing units of our Company are situated in Aurangabad and Mehsana, India. We have a well-entrenched sales and distribution network in India and around the world, enabling us to serve the customers worldwide efficiently and seamlessly.

### 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'll 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

In everything we do, we are guided by four core values –



#### Ambition

We aspire to build our business rapidly and sustainably



#### Integrity

We act with honesty at all times to safeguard the trust of those that rely on us



#### Innovation

We seek fresh ways of excelling in all that we do



#### Collaboration

We support one another actively and contribute to each other's growth

## Our Product Portfolio

Our product portfolio comprises a broad range of premium-quality crucibles and foundry products available in varied sizes and shapes. These products are designed leveraging advanced technologies and in-depth knowledge of customer requirements.

**Our products are widely recognised for:**

- ✓ Reliability
- ✓ Energy Efficiency
- ✓ Consistency
- ✓ Performance
- ✓ Durability
- ✓ Quality

### CRUCIBLES



**Syncarb Z2e2**



**Suprex**



**Sigma**



**Excel & Himelt**



**Salamander**



**Ladle Liners**

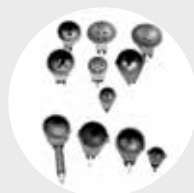
### FOUNDRY PRODUCTS



**Degassing Rotors**



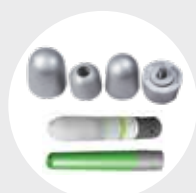
**Blue Lightning Thermocouple Sheaths**



**Skimmer Bowls**



**Nozzle**



**Stopper Rods and Head**



**Launders**

## What Differentiates Us

### ✓ Brand Image

Morgan has emerged as the most respected and preferred brand in the industry with rich business expertise and strong domain knowledge. Our Company has been able to garner over 35% of the market share due to its positive brand image.

### ✓ Huge Clientele

Our client base includes distinguished and reputed corporates such as Tata Group, Hindustan Pencil, Indian Railways, Jindal Saw, Titan Company Limited, Sundaram Clayton Group and Aurangabad Electricals, among others.

### ✓ Technical Expertise

Strong technological support from the parent company facilitates us to drive innovation and offer customised solutions that meet the challenges of the most complex and demanding applications. Our Company stays ahead of the curve by working in close collaboration with the customers to deliver most effective products and solutions.

### ✓ Quality-Focussed

Quality excellence and highest customer satisfaction form the core of our corporate philosophy. We maintain a comprehensive and thorough quality management system based on ISO 9001:2015. We are steadfast on our commitment to deliver highest-quality products and services through meticulous quality planning.



# Message to Shareholders

## *Dear Shareholders,*

It is with immense pride and pleasure that I present to you the annual report of Morganite Crucible (India) Limited for FY 2018-19. I am delighted to report another year of good performance with growth in sales and profitability, introduction of new products, efficiency improvements and steady returns to our shareholders. During the year, our Company embarked on multiple strategic initiatives including capacity expansion and business extension aimed at achieving sustainable profitable growth.

The Molten Metal Systems business delivered organic revenue growth of 7.3% globally in CY 2018 and our Company continues to remain an important contributor to the Molten Metal Systems' growth. Against a favourable market backdrop coupled with the growth strategy, our Company has delivered organic growth in sales and profitability during the year. We are happy to declare a final dividend of ₹ 12/- per equity share for the financial year ended March 31, 2019 in addition to the interim dividend of ₹ 4/- per share paid during the financial year.

Most significantly, Mr Vikas Kadlag joined our Company as Managing Director to lead the MMS business in India. Mr Kadlag is exceptionally qualified with the right skills and expertise to take on the role. I believe the business will continue to be in excellent hands under his guidance and leadership. Going forward, our Company's focus continues to remain on increasing technical differentiation in our products, driving sales effectiveness and improving operational execution in our quest to remain the global business leader in our markets.

I would like to thank all our employees and partners for their continued hard work and our customers and shareholders for their continued support. I look forward to another successful year ahead.

Sincerely,

**Dr Aniruddha Karve**

Managing Director  
Molten Metal Systems (MMS)

“Against a favourable market backdrop coupled with the growth strategy, our Company has delivered organic growth in sales and profitability during the year.”



# Managing Director's Message

## *Dear Shareholders,*

I'm elated to be presenting MCIL's annual report; my first as Managing Director. FY 2018-19 was another good year for MCIL. We reported strong growth in revenue and profit and continued to provide enhanced value for our shareholders.

India is on the cusp of tremendous opportunity for economic progress on the back of solid fundamentals such as Goods and Services Tax (GST), insolvency reform, moderate inflation, real estate regulations, emphasis on infrastructure creation and income support package for farmers. We are attractively placed to capitalise on the emerging growth opportunities led by its consistent focus on growing the product basket and scaling business. Underpinning everything we do is our technical expertise, our strong management team and our unwavering focus on sustainability and quality.

Our Company witnessed a number of important developments during the period under review, the most significant being the proposed brownfield expansion of clay graphite products at the Aurangabad site. We announced plans to invest approximately ₹ 177 million over a two-year period to implement the second phase of Project Avatar. The project envisions capacity extension, internal re-arrangement for improved plant layout, procurement and installation of higher capacity ISO press line and other plant and machinery at the site. Through the brownfield expansion, we aim to generate greater revenue from our product mix, optimise our operations with reduced manual intervention and offer better quality ISO pressed products to meet the evolving customer needs in the domestic and overseas markets.

Looking ahead, our incessant efforts to enhance operational performance and diversify our product portfolio are expected to yield strong profitability and growth in the coming year.

Finally, I would like to take this opportunity to extend my gratitude to all our stakeholders for their faith in MCIL. I would also like to thank each and every member of our team for their commendable work and look forward to working with them in the years to come.

Thank you,

### **Mr Vikas Kadlag**

Managing Director  
Morganite Crucible (India) Limited

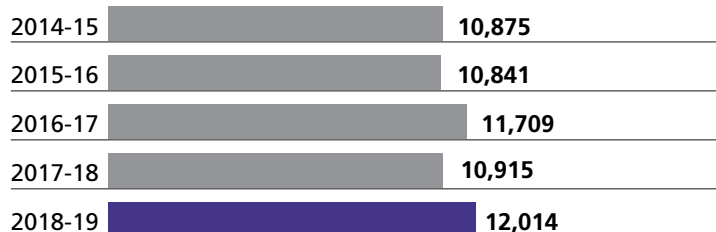
“ We aim to generate greater revenue and offer better quality products to meet evolving customer needs.”



# Growth Story in Numbers

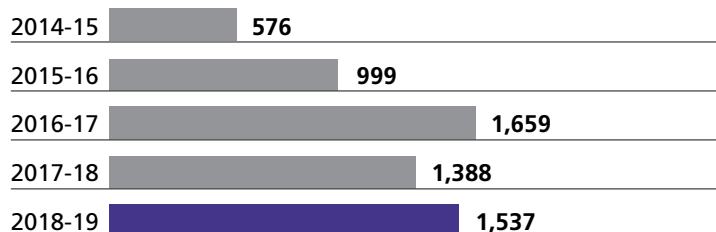
## CONSOLIDATED TURNOVER

(₹ in Lakhs)



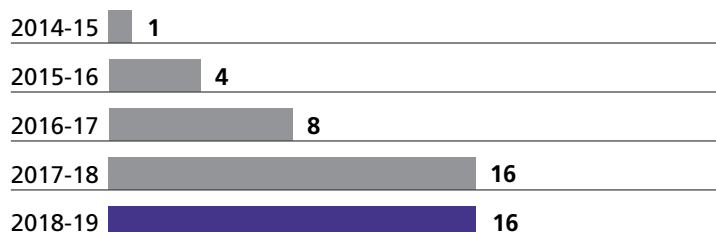
## PROFIT AFTER TAX

(₹ in Lakhs)



## DIVIDEND PER SHARE

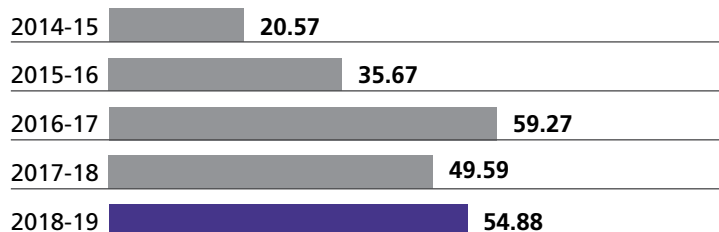
(₹)





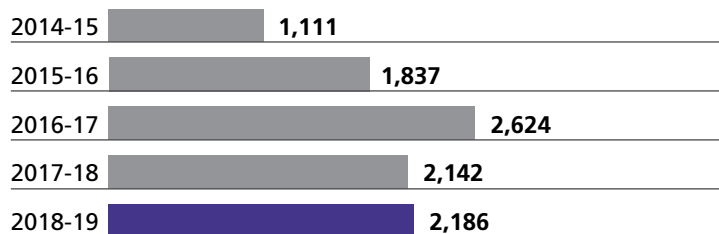
## EARNINGS PER SHARE

(₹)



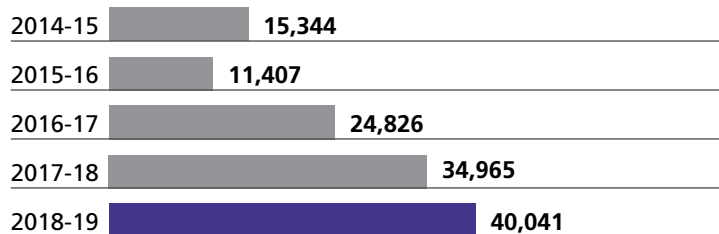
## OPERATING PROFIT

(₹ in Lakhs)



## MARKET CAPITALISATION

(₹ in Lakhs)



# Corporate Information

## Board of Directors

**Aniruddha Karve**  
Director

**Vikas Kadlag**  
Managing Director

**Pauline Tan**  
Director

**Martin Coll**  
Director

**Mukund Bhogale**  
Independent Director

**Subhash Kolapkar**  
Independent Director

**Maithilee Tambolkar**  
Independent Director

## Key Managerial Personnel

**Meereshwar Reddy**  
Manager  
(Up to December 31, 2018)

**Vikas Kadlag**  
Managing Director  
(From January 1, 2019)

**Atithi Majumdar**  
Chief Financial Officer

**Rupesh Khokle**  
Company Secretary

## Auditors

**B S R & Associates LLP**  
Chartered Accountants

8<sup>th</sup> Floor, Business Plaza,  
Westin Hotel Campus  
36/3-B Koregaon Park Annex,  
Mundhwa Road,  
Pune - 411 001  
Firm Registration No.: 116231W/W-100024

## 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**  
**UCO Bank Limited**  
**HSBC Bank**

## Registrar & Share Transfer Agent

**Link Intime India Private Limited**

CIN: U67190MH1999PTC118368  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai - 400 083  
Tel.: +91 22 49186000  
Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## Registered Office and Plant Location

**Morganite Crucible (India) Limited**

**Unit: Aurangabad**

B-11, MIDC Waluj,  
Aurangabad - 431 136, Maharashtra

**Morganite Crucible (India) Limited**

**Unit: Mehsana**

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

**Corporate Identity Number (CIN) of the Company**

L26920MH1986PLC038607