

Part 1 : Statement of audited financial results for the quarter and year ended 31 March 2020

| Particulars | (Rs. in lakhs) | | | | |
|---|---------------------------|----------------|---------------------------|------------|------------|
| | 3 months ended | 3 months ended | 3 months ended | Year ended | Year ended |
| | 31-03-2020 | 31-12-2019 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| | Audited (Refer Note 8) | Unaudited | Audited (Refer Note 8) | Audited | Audited |
| 1. Revenue from operations | 3,052.36 | 3,585.72 | 2,700.72 | 12,855.36 | 12,013.66 |
| 2. Other income | 171.73 | 215.08 | 141.00 | 664.30 | 595.12 |
| 3. Total income (1+2) | 3,224.09 | 3,800.80 | 2,841.72 | 13,519.66 | 12,608.78 |
| 4. Expenses | | | | | |
| (a) Cost of materials consumed | 1,269.32 | 1,010.27 | 1,048.48 | 4,615.88 | 4,928.89 |
| (b) Purchases of stock-in-trade | 84.62 | 108.73 | - | 379.01 | - |
| (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | (128.38) | 277.36 | 114.63 | 187.50 | (180.46) |
| (d) Employee benefits expense | 412.58 | 477.10 | 463.18 | 1,823.13 | 1,826.03 |
| (e) Finance cost | 0.14 | 0.17 | - | 0.74 | - |
| (f) Depreciation and amortisation expense | 134.92 | 141.57 | 120.91 | 534.43 | 431.42 |
| (g) Other expenses | 773.16 | 997.58 | 747.07 | 3,532.29 | 3,416.91 |
| (h) Closure and Relocation expenses relating to Mehsana Plant (Refer note 7) | 26.49 | 579.09 | - | 605.58 | - |
| Total expenses | 2,572.85 | 3,591.87 | 2,494.27 | 11,678.56 | 10,422.79 |
| 5. Profit before tax (3 - 4) | 651.24 | 208.93 | 347.45 | 1,841.10 | 2,185.99 |
| 6. Tax expense (Refer note 6) | | | | | |
| - Current tax | 195.95 | 83.61 | 78.56 | 550.79 | 614.85 |
| - Deferred tax | 29.28 | (68.93) | 21.39 | (21.42) | 34.38 |
| Total Tax Expense | 225.23 | 14.68 | 99.95 | 529.37 | 649.23 |
| 7. Profit for the period (5-6) | 426.01 | 194.25 | 247.50 | 1,311.73 | 1,536.76 |
| 8. Other comprehensive income for the period - Items that will not be reclassified subsequently to profit or loss (net of tax) | 25.02 | 4.77 | 12.60 | 44.23 | 34.01 |
| 9. Total comprehensive income for the period (7-8) | 400.99 | 189.48 | 234.90 | 1,267.50 | 1,502.75 |
| 10. Paid-up equity share capital (Face value per share Rs.10) | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 |
| 11. Earnings Per Share (EPS) (Rs.) (not annualised) | | | | | |
| (a) Basic EPS | 15.21 | 6.94 | 8.83 | 46.85 | 54.88 |
| (b) Diluted EPS | 15.21 | 6.94 | 8.83 | 46.85 | 54.88 |

Part 2: Statement of audited assets and liabilities

| Particulars | (Rs. In lakhs) | |
|---|----------------------------------|----------------------------------|
| | As At 31-03-2020 (Audited) | As At 31-03-2019 (Audited) |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 3,018.15 | 2,913.65 |
| Capital work-in-progress | 1,904.29 | 359.97 |
| Right to use asset | 16.15 | - |
| Goodwill | 137.81 | 137.81 |
| Other intangible assets | 20.70 | 21.06 |
| Financial assets | | |
| a) Other financial assets | 97.06 | 46.36 |
| Deferred tax asset (net) | 70.75 | 34.44 |
| Income tax assets (net) | 454.22 | 412.20 |
| Other non-current assets | 37.08 | 74.77 |
| Total Non-current assets (A) | 5,756.21 | 4,000.26 |
| Current assets | | |
| Inventories | 2,155.77 | 2,062.90 |
| Financial assets | | |
| a) Trade receivables | 2,319.18 | 1,703.74 |
| b) Cash and cash equivalents | 2,821.60 | 2,088.03 |
| c) Other balances with banks | 22.28 | 2,389.01 |
| d) Loans | 14.71 | 12.39 |
| e) Other financial assets | 12.23 | 24.75 |
| Other current assets | 741.35 | 434.27 |
| Non current assets held for sale (Refer Note 7) | 101.32 | - |
| Total Current assets (B) | 8,188.44 | 8,715.09 |
| Total assets (A+B) | 13,944.65 | 12,715.35 |
| Equity and liabilities | | |
| Equity | | |
| Equity share capital | 280.00 | 280.00 |
| Other equity | 10,502.41 | 9,639.98 |
| Total equity (C) | 10,782.41 | 9,919.98 |
| Non-current liabilities | | |
| Provisions | - | 17.15 |
| Total Non-current liabilities (D) | - | 17.15 |
| Current liabilities | | |
| Financial liabilities | | |
| a) Trade payables | | |
| (i) dues of micro enterprises and small enterprises | 293.52 | 272.52 |
| (ii) dues of creditors other than micro enterprises and small enterprises | 1,691.73 | 1,822.09 |
| b) Other financial liabilities | 491.17 | 415.69 |
| Other current liabilities | 270.79 | 39.50 |
| Provisions | 234.79 | 129.79 |
| Income tax liabilities (net) | 180.24 | 98.63 |
| Total Current liabilities (E) | 3,162.24 | 2,778.22 |
| Total liabilities (D+E) | 3,162.24 | 2,795.37 |
| Total - equity and liabilities (C+D+E) | 13,944.65 | 12,715.35 |

Part 3: Audited cashflow statement

| Particulars | (Rs. In lakhs) | |
|---|-------------------------|-------------------------|
| | Year ended | |
| | 31-03-2020 (Audited) | 31-03-2019 (Audited) |
| A) Cash flow from operating activities | | |
| Profit before tax | 1,841.10 | 2,185.99 |
| Adjustments for : | | |
| Interest income | (110.66) | (106.90) |
| Finance cost | 0.74 | - |
| (Gain)/ Loss on account of foreign currency transactions and translation | (6.56) | 32.42 |
| Depreciation and amortization expense | 534.43 | 431.42 |
| Property, plant and equipment written off | 86.94 | - |
| Gain on sale of property, plant and equipment | (3.23) | (3.36) |
| Provision for/ (reversal of) inventory obsolescence | 15.25 | (27.08) |
| Provision for doubtful receivables | 29.61 | 3.91 |
| | 546.52 | 330.41 |
| Changes in working capital : | | |
| Inventories | (108.12) | (251.87) |
| Trade receivables | (623.02) | (35.89) |
| Loans, other financial assets and other assets | (279.17) | 250.13 |
| Trade payables, other financial liabilities ,other liabilities and provisions | 226.61 | 354.56 |
| Cash generated from operating activities | 1,603.92 | 2,833.33 |
| Income taxes paid (net) | (511.20) | (781.45) |
| Net cash flows generated from operating activities (A) | 1,092.72 | 2,051.88 |
| B) Cash flows from investing activities | | |
| Purchase of property, plant and equipment and intangible assets (including movement in capital work in progress and capital advances) | (2,412.01) | (1,057.59) |
| Proceeds from sale of property, plant and equipment | 6.33 | 6.39 |
| Investment in bank deposits | (763.41) | (3,437.43) |
| Maturity of bank deposits | 3,079.41 | 1,516.06 |
| Interest received | 133.71 | 82.15 |
| Net cash generated from / (used in) investing activities (B) | 44.03 | (2,890.42) |
| C) Cash flows from financing activities | | |
| Repayment of Lease Liability including interest | (5.76) | - |
| Payment of dividend (including Dividend Distribution Tax thereon) | (405.07) | (666.39) |
| Net cash (used in) financing activities (C) | (410.83) | (666.39) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 725.92 | (1,504.93) |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | 7.65 | (7.25) |
| Cash and cash equivalents at the beginning of the year | 2,088.03 | 3,600.21 |
| Cash and cash equivalents at the end of the year | 2,821.60 | 2,088.03 |
| Components of cash and cash equivalents | | |
| Cash and cash equivalents comprises of: | | |
| Cash on hand | 0.35 | 0.27 |
| Bank balances | | |
| - in current accounts | 1,823.16 | 1,639.38 |
| - Export Earner's Foreign Currency account | 291.60 | 392.54 |
| - in deposits accounts (with original maturity of 3 months or less) | 706.49 | 55.84 |
| Total cash and cash equivalents at the end of the year | 2,821.60 | 2,088.03 |

Notes

- The above results for the quarter and year ended 31 March 2020 have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their respective meetings held on 16 June 2020. These financial results have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 specified under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
- The Statutory Auditors of the Company have conducted an audit of the financial results of the Company for the year ended 31 March 2020. An unqualified opinion has been issued by them thereon.
- The Company has considered the possible effects that may result from COVID-19, a global pandemic, on the carrying amount of receivables and other liquid assets. 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 internal and external sources of information including economic forecasts. The Company based on the current estimates, expects the carrying amount of the above assets will be recovered, net of provisions established.
- 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 108 "Operating Segments" the principle business of the Company constitute a single reportable segment.
- Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the practical expedient of showing Right to Use Asset equal to Lease Liability on April 1, 2019 on the date of initial application. Accordingly, comparatives information has not been restated. The effect of adoption of this standard is not significant on the profit for the year and earnings per share.
- The Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20 September 2019 (The Taxation Laws (Amendment) Act, 2019 of 11 December 2019) provides an option to domestic companies to pay income tax at reduced rate of 25.17% subject to certain conditions. The Management has elected to exercise this option and accordingly, provision for income tax and deferred tax as at 31 March 2020 are recognised at 25.17%. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended 31 March 2020.
- During the year, subsequent to the receipt of the approval from Board of Directors on 17 October 2019 and Share Holders on 2 December 2019, the Company has shut down and relocated the operations of Mehsana Plant w.e.f. 1 February 2020 to Aurangabad. The management has estimated and accounted for the total closure and relocation cost relating to Mehsana Plant of INR 605.58 lakhs. Out of the total expenses of INR 605.58 lakhs, an amount of INR 579.09 lakhs was shown as an exceptional item in the unaudited financial results for the quarter and nine months ended 31 December 2019. However, as per the reassessment of the Company based on the criteria specified in IND AS 1 "Presentation of Financial Statements", the Company believes that the amount should be disclosed as a separate line item in "Expenses" in the financial results and accordingly the management has shown the aforesaid cost as a separate line item as "Closure and Relocation expenses relating to Mehsana Plant" in the financial results.

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

Subsequent to the year end, the management intends to sell off the Land and Building of Mehsana Plant. The management has initiated the identification and evaluation of potential buyers for Land and Building of Mehsana Plant. The management anticipates the completion of the sale by March 2021 and accordingly, the Land and Building amounting to INR 101.32 lakhs have been reclassified under "Non current assets held for sale".
- The figures for the quarters ended 31 March 2020 and 2019 represent the difference between the audited figures in respect of full financial years and the published figures for the nine months ended 31 December 2019 and 2018, respectively.
- The Board of Directors has recommended a final dividend of Rs. 16/- per share on face value of Rs.10/- (160%), subject to approval of shareholders.
- Previous periods' figures have been regrouped wherever necessary.
- The Financial Results have been made available to the Stock Exchanges where the Company's securities are listed and are posted on the Company's website (www.morganmms.com).

For MORGANITE CRUCIBLE (INDIA) LIMITED



Vikas Kadlag
(Managing Director)
DIN: 05122774

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Morganite Crucible (India) Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Morganite Crucible (India) Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

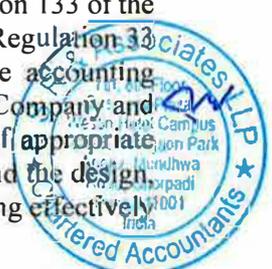
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management's and Board of Directors' Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Morganite Crucible (India) Limited

Report on the audit of the Annual Financial Results (continued) – 31 March 2020

Management's and Board of Directors' Responsibilities for the Annual Financial Results (continued)

for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 annual financial results.

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 annual financial results, 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 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Morganite Crucible (India) Limited

Report on the audit of the Annual Financial Results (continued) – 31 March 2020

Auditor's Responsibilities for the Audit of the Annual Financial Results (continued)

- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 annual financial results 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W-100024



Rajnish Desai

Partner

Membership No. 101190

UDIN: 20101190AAAAAT2998

Place: Pune

Date: 16 June 2020