

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

MORGANITE CRUCIBLE (INDIA) LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[AMENDED UPTO FEBRUARY 14, 2022]

- **Approved by Board of Directors in its meeting held on 22nd May, 2014**
- **First amendment as approved in the Board of Directors meeting held on 25th May, 2015**

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TERMS OF REFERENCE FOR THE **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Introduction

The Corporate Social Responsibility ("CSR") Committee of the Company is constituted under provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Board of Directors of the Company in their meeting held on May 22, 2014 has unanimously given the consent for the constitution of the CSR Committee.

Objective

- The objectives of the CSR policy is to promote socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good.
- Contribution to the prime Ministers National relief fund or any other fund set up by Central Govt. or State Govt. for social economic development, relief and rehabilitation of persons effected by natural calamities, funds for the welfare of schedule Caste and Schedule Tribes and other backward classes, minority and women.
- Promotion and financing to eligible Trusts and Societies and to promote any other activities to be advised by the Govt. or approved by the Board from time to time.

A. Composition of CSR Committee

1. The CSR committee comprises of minimum three Directors as members out of which at least one director shall be independent director and such other employees or officers of the company as may be delegated by the Board of Directors from time to time.

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The CSR committee consists of the following:

- | | | |
|------------------------|---|------------------------|
| a. Mr. Mukund Bhogale | - | Chairman |
| b. Mr. Aniruddha Karve | - | Non-Executive Director |
| c. Mr. Martin Coll | - | Director |

Mr. Rupesh Khokle shall act as Company Secretary of the Committee.

B. Eligibility for spending on CSR Activity

As per the section 135 (1) of the Companies Act, 2013, every company having:

- Net worth of rupees five hundred crore or more, or
- Turnover of rupees one thousand crore or more or
- A net profit of rupees five crore or more

during any financial year shall spend, in every financial year, at least two per cent of average net profits of the company made during the three immediately preceding financial years.

C. Funding

- The Board of Directors of the Company upon completion of every financial year and after approval and adoption of annual accounts in the Board meeting, shall calculate the average net profits of last three financial years in accordance with the provisions of Section 198 of the Companies Act, 2013.
- If the Board is satisfied that the Company falls under the eligibility criteria as specified under Section 135 of the Companies Act, 2013 for spending surplus amount on CSR activities, the Board shall make a CSR provision of 2 per cent of its average net profit of the last three financial years.
- The CSR Budget will be fixed for each financial year and this funding will not lapse. The unutilized amount will be carried forward to the next years' Annual CSR Fund, which will be accumulated over the period of time.

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- iv. The CSR activities are always at sole discretion of the Board and the Board may not recommend to spend such percentage of profit on CSR activities on ahead of major modernisation of plant activities, expansions, restructuring, major capital purchase or otherwise.
- v. The CSR committee shall endeavour to spend the stipulated funds for the prescribed activities within time limit.

D. CSR Activity

The CSR committee may include the following activities:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

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- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- viii. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- x. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- xi. rural development projects
- xii. slum area development

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Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

xiii. disaster management, including relief, rehabilitation and reconstruction activities.

E. Guidelines for CSR Activities

- i. The CSR activities shall be undertaken by the company as per its stated CSR policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- ii. The Board of a company may decide to undertake its CSR activities approved by the CSR committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or otherwise:

Provided that –

- (a) If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - (b) The company has specified the project or programs to be undertaken through these entities, the modalities of utilisation of funds on such projects and programs and the monitoring and reporting mechanism.
- iii. A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR rules, 2014.

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- iv. Subject to provisions of sub-section (5) of section 135 of the Companies Act, 2013, the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- v. The CSR projects or programs or activities that benefit only the employee of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Companies Act, 2013.
- vi. The contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013 shall not be considered as CSR activity.

F. CSR Expenditure and Surplus

- i. The CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- ii. The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of a company.

G. Annual Action Plan on CSR Activities

As prescribed under CSR Rules, at the beginning of every financial year, CSR Committee shall prepare a detailed Annual Action Plan on CSR activities, for the financial year, for approval of Board. On approval of the Board of Directors, the CSR Committee and the management shall to implement the CSR activity for the given financial year. It shall contain detailed information on the following:

- List of CSR projects that are to be undertaken for the financial year
- Manner of execution of these CSR projects
- Modalities of utilisation of funds

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- Implementation Schedules for all CSR projects
- Monitoring and reporting mechanism for all CSR projects

H. Meeting of CSR Committee

- i. The CSR Committee may meet at least two times in a year and not more than six months shall elapse between two meetings.
- ii. The quorum shall be either two members or one third of the members of the CSR committee whichever is greater, but there should be a minimum of one independent member present.

I. Role and Function of CSR Committee

The role and function of CSR committee shall include the following:

- i. The Committee shall be 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;
- ii. To consider and recommend various Schemes/Projects for financial assistance for approval of Board of Directors of the Company;
- iii. 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;
- iv. 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; &
- v. To ensure receipt of statement of expenditure duly certified by an authorized auditor of such organizations/institutions to whom CSR Fund is allocated.

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J. Monitoring

- i. The Committee shall monitor the CSR program, scheme, activities at such periodical intervals and may call for such periodical reports from such institutions/organisations to whom CSR fund is allocated.
- ii. The CSR Committee shall ensure that the required fund is spent on desired project within time bound, in case failure in spending the required fund, the committee may take appropriate steps as it may deem fit.
- iii. The Board of Directors shall appraise the implementation of CSR activities and progress in its meetings.
