

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 COMMITTEE

**APPROVED OF BOARD OF DIRECTORS IN ITS MEETING HELD ON
22ND MAY, 2014**

**FIRST AMENDMENT AS APPROVED IN THE BOARD 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.

A. Composition of CSR Committee

1. The CSR committee shall have 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. The CSR committee consists of the following:
 - a. Mr. Sadananad V Shabde - Chairman
 - b. Mr. Aniruddha Karve - Managing Director*
 - c. Mr. Ian Arber - Director**
 - d. Mr. Rupesh Khokle - Secretary

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.

** The existing directors Mr. Hitesh Saiwal and Mr. Stuart Cox are replaced with Mr. Aniruddha Karve, Managing Director and Mr. Ian Arber, Director respectively.*

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C. Funding

- i. 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.
- ii. 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.
- iii. 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.
- 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:

- a. Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

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- c. 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;
- d. 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;
- e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting public libraries, promotion and development of traditional arts and handicrafts;
- f. Measures for the benefit of armed forces veterans, war widows and their dependents;
- g. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- h. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- i. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects; &
- k. Such other matters as may be prescribed.

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.

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- 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.
- 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.

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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. 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.

H. 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;

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- 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.

I. 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.
