

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

MORGANITE CRUCIBLE (INDIA) LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

AND

DEALING WITH RELATED PARTY TRANSACTIONS

[AMENDED UPTO February 12, 2025]

I. Purpose:

This policy is framed pursuant to Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and also the Companies Act, 2013 (the "Act"), as amended from time to time ensuring the transactions are executed on an arm's length basis and in a transparent and fair manner.

II. Definition:

"Arm's length transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Associate Company", as per Section 2 (6) of the Companies Act, 2013 in relation to another company, means a Company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation – For the purpose of this definition, "significant influence" means control of at least twenty per cent of total share capital or of business decision under agreement.

"Audit Committee" means the audit committee constituted by the Board of Directors of the Company in accordance regulation 18 of listing regulations. and provisions of Companies Act, 2013.

"Board" means the Board of Directors of Morganite Crucible (India) Limited

"Company" means Morganite Crucible (India) Limited

"Group" the Morgan Advanced Material Plc

“Policy” means this Policy, as amended from time to time.

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 and Regulation 23 of listing regulations as amended from time to time.

III. Material Transaction Threshold:

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

IV. Identification and Evaluation of Related Party Transaction:

On the basis of declarations given and having associate/fellow subsidiary relationship with group, certain associate companies have been identified for the purpose of materiality and dealing as related party(ies).

As per provisions of Section 188 of the Companies Act, 2013 and other applicable regulations or law, the ‘arm’s length’ relationship is required to be established with related parties.

V. Procedure for Approval of Related Party Transactions:

a) Approval of the Audit Committee:

All Related Party Transactions are required prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

- (i) the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- (ii) the indicative base price / current contracted price and the formula for variation in the price, if any, and
- (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

All material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Provided Further that remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material.

The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Audit Committee or approval by a Board or in the general meeting and if it is not ratified by the Audit Committee or Board or, as the case may be in subsequent Committee or Board Meeting, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

The Audit Committee members, who are independent directors, may ratify related party transactions within three months of the transaction or at the next Audit Committee meeting, subject to the following conditions:

1. The total value of ratified transactions with related parties should not exceed one crore rupees in a financial year.

2. The transaction is not deemed material.
3. A rationale for the inability to seek prior approval must be presented.
4. Ratification details must be disclosed alongside related party transaction disclosures.
5. Additional conditions set by the Audit Committee must be met.

Failure to obtain ratification makes the transaction voidable by the Audit Committee, and the directors involved must indemnify the company for any losses incurred.

b) Approval of the Board of Directors:

In case Audit Committee determines that a particular Related Party Transactions are required to be brought before the Board, then the Board shall consider and approve the same upon recommendation of Audit Committee.

The agenda of the Board Meeting at which approval for Related Party Transactions is sought shall disclose the necessary details as required under the Act and the Listing Agreement. Any Director / KMP having potential interest in any Related Party Transaction shall not participate in discussions and voting.

c) Approval of the Shareholders of the Company:

- The approval of shareholders is required in case of any transactions with any related party exceeds the limit as mentioned above.
- All kinds of transactions specified under Section 188 of the Act, which (a) are not in the ordinary course of business and / or at arm's length basis; or (b) exceed the thresholds laid down under the Act and listing regulations, as amended from time to time, shall be placed before the shareholders for their approval by way of a Special Resolution.

VI. Disclosure Requirements:

- i) Every Related Party Transaction prescribed in Section 188(1) of the Act shall be disclosed in the Board's report along with the justification for entering into such transaction.
- ii) Details of all Related Party Transactions, the materiality threshold as given in the Policy shall be disclosed to the stock exchanges.
- iii) The Company shall disclose the Policy on its website and a web link shall be provided in the Annual Report.
