

MODICON PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)
(Persuant to Section 135 of the Companies Act, 2013)

The Board of directors (“the Board”) of MODICON PRIVATE LIMITED (“the company”) has adopted this CSR policy in accordance with Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

Key words & meanings:

Act - means the Companies Act, 2013 as amended from time to time.

CSR - means Corporate Social Responsibility

CSR Policy - means the policy approved by the board as the Corporate Social Responsibility policy of the company as amended from time to time.

CSR Rules – means Companies (Corporate Social Responsibility Policy) Rules 2014.

CSR Committee – CSR Committee means the committee of the boards constitutes in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules.

Objectives:

The objective of the CSR policy (“policy”) is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility (“CSR”) within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014 (“Rules”).

Companies Social Responsibility is strongly connected with the principles of Sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility to practice its corporate values through its commitment to grow in socially and environmentally responsible way, while meeting the interest of its stakeholders.

CSR Committee:

We have CSR Committee that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. Our CSR Committee comprises:

- 1) Sanwarmal Modi (Whole time Director)
- 2) Anandkumar Modi (Whole time Director)
- 3) Amitkumar Modi (Whole time Director)

Responsibility of the Board of Directors:

The Board is responsible for:

- 1) Approving the CSR policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- 2) * Ensuring that in each financial year the Company spend atleast 2% of the average Net Profits before taxation made during the three immediately preceding financial years in accordance with the provisions of Section 135 of the Act and rules notified thereunder.
- 3) Ensuring the every financial year funds committed by the Company for CSR activities are utilized effectively.
- 4) Disclosing in its annual report the names of CSR committee members, the consent of the CSR policy and ensure annual reporting of its CSR activities on the Company Website. Any other acts, deeds and things as may be required under law from time to time.

Role of the Committee Includes:

- 1) Draft the CSR policy and recommend the same to the Board for approval.
- 2) Review and recommend any new CSR initiatives to be taken up by the company including the selection / appointment of implementation agencies.
- 3) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
- 4) Review and recommend the CSR report to be included in the Board's Report.
- 5) Review and recommend any amendments to be made in the CSR policy of the Company.
- 6) To carry such other functions as may be selected to it by the board relating to CSR activities of the company
- 7) Monitoring CSR activities from time to time.

Project Identification and Selection criteria:

- 1) Project to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the rules made thereunder.
- 2) For selection of any project, the scope, vicinity of the Company operations/projects, environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors need to be evaluated.
- 3) CSR officer shall submit a detailed proposal before the CSR Committee for consideration regarding the projects and selection of partner agency/NGO's to implement the projects(s). The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc of implementing agency/NGO's will take the decision regarding the recommendation to be made to the Board.
- 4) The Company may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It can also acquire the services of experts in respective fields by appointing them as consultants in as particular program or project.

Focus Area:

Being the first year for implementation of CSR activity the committee recommends for focusing on areas which are socially important and relevant for the society. It want to think and plan activity which are not only restricted to Schedule VII.

- 1) Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- 2) Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects, monetary contribution to academic institutions for establishing endowment funds, chairs, laboratories etc. with the objective of assisting students in their studies.
- 3) Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power & livelihoods, thereby creating sustainable villages
- 4) Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such CSR Activities other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups
- 5) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- 6) Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- 7) Employee participation is an important part of developing responsible citizenship. Our Company will encourage and motivate employees to spend time volunteering on issues of social interest.
- 8) ** Measures for the benefit of armed forces veterans, war widows & their dependents;
- 9) ** Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio - economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;

Applicability:

The policy shall be applicable to all CSR activities of the Company whether carried by it or through any implementation agency.

Surplus Arising out CSR:

Surplus arising out of any CSR projects or program or activities shall not form part of the business profit of the Company.

Amendment of Policy:

The CSR policy of the Company may be amended at any time by the board of the Company on the recommendation of the CSR Committee



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*Amendments to the CSR Policy at the Board Meeting held on 11 January 2019 the word preceding financial year is being replaced with the words "Three immediate preceding financial years".

**Amendments to the CSR Policy at the Board Meeting held on 2019-2020, two additional activities are added in the focused area.

For MODICON PRIVATE LIMITED


DIRECTOR