Modi Illva India Pvt. Ltd.

UMESH MODI
GROUP
MODINAGAR

MODI ILLVA INDIA PRIVATE LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

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CIN:U15400DL2009PTC191424

1. Preface

Modi Illva India Pvt. Ltd. (Modi Illva) is a responsible corporate citizen and has a legacy of being in the service of nation. The Company endeavours to make CSR a key business process of sustainable development. The objective of this policy is to articulate the Company's philosophy of social responsibility, to define the area chosen by the Company to impact the society with its efforts towards Corporate Social Responsibility and to define the governance & monitoring framework for ensuring effectiveness of the policy.

The policy has been prepared in consonance with Section 135 of the Companies Act, 2013 ("Act"), Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") and schedule VII of the Act, as amended from time to time. This policy shall be applicable to all the activities to be undertaken by the Company in pursuance of its Corporate Social Responsibility ("CSR") obligations.

2. Our CSR Vision

Through sustainable measures, actively contribute to the social development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

3. Our CSR Mission

Ensuring social development of the community by educating, to spark the desire for learning and knowledge at every stage through formal schools, quality primary education, girl child education and adult education programmes.

4. Definitions

a) Act means the Companies Act, 2013, as amended & modified from time to time;

b) Areas of Interest means the areas of interest as identified by the Company for implementing CSR goals and shall include the areas specified in this CSR policy and shall include all CSR activities as defined under the Act and CSR rules from time to time;

c) Board of Director or Board as per Section 2(10) of "The Companies Act, 2013", in relation to a Company, means the collective body of Directors of the Company;

d) Company means **MODI ILLVA INDIA PRIVATE LIMITED**;

e) Corporate Social Responsibility (CSR) means and includes but is not limited to:

i. Projects or programs relating to activities in areas as specified in Schedule VII of the Companies Act, 2013;

ii. Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.

f) Corporate Social responsibility Committee or Committee means CSR Committee constituted by the Company, from time to time in accordance with the provisions of Section 135 of the Act;

g) CSR Commitment shall mean at least 2% of the average net profits of the Company made during the three immediately preceding Financial Years;

h) CSR Policy shall mean CSR policy of the Company;

i) CSR Programmes means Programmes, projects and activities carried out in this regard are the subject matter of this policy;

j) CSR Rules means the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time;

k) Employees means employees of the Company;

l) Funding shall mean the disbursements that are to be made to an Organization pursuant to this CSR Policy, with the prior approval of the CSR Committee and the Board in accordance with the Act and Rules;

m) Organizations means such organizations including NGOs as are permitted to receive funding in accordance with the Act and CSR Rules.

n) Net Profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely:

i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and
ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

e) Policy means Corporate Social Responsibility Policy.

Words and expressions used in this policy and not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4. Our CSR Activities

The CSR activities the Company would pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The focus area is as follows:

1. Promote education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled persons and livelihood enhancement projects.

2. Promote education and research by setting and running educational and vocational institutions or by taking over existing institutions.

3. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, and making available safe drinking water.

4. Make endowments and/or donations to universities, schools, college and other educational institutions at present existing or which may hereinafter come into existence in India for the purpose of encouraging or spreading general, medical or technical education including free or subsidized student's boarding houses.

5. 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 specified contributions towards the Clean Ganga Fund.

6. Scholarships to deserving students to encourage education. Provision of uniforms, books, stationery, computer and lab equipment's and other infrastructural facilities to schools, colleges etc.

7. Set up, establish or make endowments and/or donations to hospitals, asylums, maternity homes, sanatoriums, charitable gymnasiums, dispensaries, aushdhalayas, nature cure clinics and other institutions intended to provide medical relief and promote physical health and hygienic conditions of the people through prevention and/or cure of human diseases.

8. Provide training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

9. Provide financial assistance by way of scholarships, fellowships, readerships and travel and other grants in respect of research and academic matters.

10. Set up or help by endowments or donations orphanages and/or poor houses for the benefit of orphans and poor persons or otherwise helping the poor and the needy persons in indigent circumstances.

11. Construct and maintain reading rooms, community halls, dharamshalas, public rest houses, public ghats and public wells and to feed the poor and maimed persons.

12. Contribute or donate to other similar institutions or trusts engaged in the similar activities.

5. CSR Committee

a) Constitution

At Modi Illva our CSR will be headed by the board level CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors.

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 3 (three) Members of the Board.

The Board of Directors of Modi Illva has constituted a CSR committee consisting of following 3 members:

S. No.	Name	Designation in CSR Committee	Designation in Board
1.	Mr. Abhishek Modi	Member	Director
2.	Mr. Sanjay Kumar Garg	Member	Director
3.	Mr. Marco Giovanni Ferrari	Member	Director

Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a Board Resolution. Also, the Board of Directors may review the constitution of CSR committee from time to time and may make necessary changes therein.

b) Invitees to the CSR Committee

The CSR Committee may, at its discretion, invite employees of the Company or other experts, from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy. Invitees to the CSR Committee meetings shall be entitled to participate in the deliberations of the CSR Committee but will not be entitled to vote at the meetings of the CSR Committee.

c) Powers/ Responsibilities of committee

i. Formulate & update CSR Policy and recommend the same to the Board of Directors of the Company for approval;

ii. Recommend CSR activities as stated under Schedule VII of the Act;

iii. Recommend the CSR Budget;

iv. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;

v. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;

vi. Monitor CSR Policy from time to time.

d) Modalities of execution of the CSR projects

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs will be as decided by the CSR Committee.

e) Meetings of committee

- The meeting of the Committee shall be held at such regular intervals as may be required;
- CSR committee may invite members of senior management/ employees and other persons as it deems necessary to the committee meetings;
- CSR committee shall maintain minutes of each committee meeting;

- The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of funding in accordance with the CSR Committee charter;

- The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

6. Implementation of CSR Activities

CSR activities can be implemented in the following manner:

- 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;
- The Board shall ensure that the CSR activities are undertaken by the Company itself or through:
    - a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
    - a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
    - any entity established under an Act of Parliament or a State legislature; or
    - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect;
- In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three

financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year.

- Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

7. CSR Commitment

The CSR Commitment shall comprise of the following:

- The Board shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years;

- That the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities;

- If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year;

- For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198;

- Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year;

8. Monitoring and review mechanism

A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs are duly implemented as per the CSR Policy. The Company's CSR Committee shall monitor the approved projects. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

9. Governance

- Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary;

- The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit;

- The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the Committee within the specified budgets and timeframes and report back to the Committee on the progress thereon at such frequency as the Committee or committee member/s may direct;

- The Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy;

- At the end of every financial year, the CSR Committee will submit its report to the Board;

- Modi Illva will give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

10. Expenditure

- CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan;

- The Board of Modi Illva India Pvt. Ltd. to ensure that at least 2% of the average net profits of the company made during the three immediately preceding financial years is spent on CSR initiatives undertaken by Modi Illva India Pvt. Ltd.;

- All expenditure towards the programs will be diligently documented;

- In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in Board report and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- Where a company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

    - the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

    - the Board of the company shall pass a resolution to that effect.

11. Location

All CSR projects/ programs under this policy shall be undertaken in India. The CSR Committee shall decide on locations for implementation of the CSR projects/ programs.

12. Treatment of surplus from CSR projects

The surplus, if any, generated out of the CSR projects or programmes or activities undertaken by us will be tracked & channelized into our CSR activities and shall not form part of the business profit of the Company.

13. Impact Assessment

Mandatory impact assessment will be undertaken as per the criteria specified under applicable law, and that the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

14. CSR Reporting and Display

The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

15. Policy Review

The policy will be reviewed by the CSR Committee to check the effectiveness and impact of the Policy as and when required. The CSR Committee has the right to amend or modify this policy in whole or in part, at any time, as deemed necessary.