

**MODENIK LIFESTYLE PRIVATE
LIMITED**

**CORPORATE SOCIAL
RESPONSIBILITY POLICY
("CSR")**

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1. PRELUDE AND LEGAL FRAMEWORK

At Modenik, Corporate Social Responsibility (CSR) is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

2. FOCUS AREAS OF CSR ACTIVITIES

In accordance with the requirements under Section 135 of the Companies Act, 2013 (“the Act”), Corporate Social Responsibility Rules, 2014 (“the Rules”) and any other applicable provisions of the Act, Modenik CSR Activities, amongst others will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:**

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set - up by the Central Government for the promotion of sanitation and making available safe drinking water.

- **EDUCATION:**

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

- **GENDER EQUALITY AND WOMEN EMPOWERMENT:**

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.

- **ENVIRONMENTAL SUSTAINABILITY:**

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 including contribution to Clean Ganga Fund set - up by the Central Government for rejuvenation of river Ganga.

- **PROTECTION OF NATIONAL HERITAGE:**

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 arts and handicrafts.

- **ARMED FORCES:**

Measures for benefit of armed forces veterans, war widows and their dependants.

- **PROMOTION OF SPORTS:**

Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports.

- **CONTRIBUTION TO GOVERNMENT FUNDS:**

Contribution to Prime Ministers National Relief Fund or any other fund set - up by the Central Government for socio - economic development and relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

- **TECHNOLOGY INCUBATORS:**

Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

- **RURAL DEVELOPMENT PROJECTS:**

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

3. UNDERTAKING CSR ACTIVITIES

Modenik shall undertake its CSR activities, approved by the CSR Committee, through any entity/organisation as approved by the CSR Committee.

The surplus, if any, arising out of the CSR activities, programs or projects shall not form part of the business profit of the Company.

4. LOCATION OF CSR ACTIVITIES

The CSR Committee will decide the on the locations for the CSR activities. However, the activities/programmes shall be undertaken in India only.

5. COMPOSITION OF CSR COMMITTEE

At Modenik the responsibility of CSR is at the level of the Board of Directors of the Company. The BOD shall constitute a CSR Committee consisting of the following Board Members:

1. Chairperson (*Chairman of the Board/Independent Director/ Executive Director/Non-Executive Director*)
2. Member (*Independent Director/Executive Director/Non-Executive Director*),
3. Member (*Independent Director/ Executive Director/Non-Executive Director*),

6. RESPONSIBILITIES OF THE CSR COMMITTEE

The CSR Committee constituted in compliance with the applicable provisions of the Companies Act, 2013, shall ensure:

- Formulation and recommendation to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- Reviewing and recommending the amount of expenditure to be incurred on the activities to be undertaken by the company under the CSR Policy;
- Monitoring the CSR policy of the Company from time to time;
- Adherence to the applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time;

7. GOVERNANCE

The Company may undertake, through a registered trust or a registered society, the CSR projects/programmes/activities as per the provisions of the Act and Rules, framed thereunder.

The Company may also collaborate with other companies for undertaking projects/programmes/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 the Act and Rules made thereunder.

Company may build CSR capacities of its own, i.e. of their own personnel, as well as those of their implementing agencies through institutions with a track record of at least three financial years, and any other criterions which the CSR committee, may deem fit.

8. FUNDING, SELECTION AND MONITORING PROCESS

The Board of Modenik to ensure that minimum a of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by Modenik.

All expenditure towards the programs to 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 the CSR report.

The surplus from the allocated CSR budget will not be utilized for business or form part of business profits.

Regular and transparent monitoring will be a key part of implementation to assess if the project progress is on expected lines in terms of timelines.

Budgetary expenditure and achievement of targets. Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a quarterly basis, along with submission of an annual consolidated utilisation which will be part of the company's Annual Report. This will include a rationale for shortfall or surplus of funds.

9. DISCLOSURES

Regular reporting and disclosure of all CSR and Sustainability activities will be a mandatory component as per the Act. Established reporting mechanisms will be put in place.

A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act.

10. CONDITIONS AND RESTRICTIONS

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- The CSR projects/programmes/activities shall be undertaken in India only.
- The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.

11. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.