

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. TITLE AND APPLICABILITY

The Document describes the Corporate Social Responsibility Policy (“CSR Policy”) of M/s. Modi Builders and Realtors Private Limited (“the Company”), which has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the relevant amendments, notifications and circulars for the time being in force.

2. SCOPE AND OBJECTIVE OF CSR POLICY

The purpose of this Policy Document is to make the Stakeholders aware about CSR and the manner in which the CSR activities are undertaken by the Company and Focus areas of CSR.

3. PURPOSE

The Companies Act, 2013 has brought greater emphasis on CSR that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the Shareholders of the Company. Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR provisions are prescribed to stipulate greater responsibility by Companies towards the Society. As the Company meets the eligibility criteria stipulated in Section 135 of the Companies Act, 2013, the provisions related to CSR are applicable to the Company.

4. CSR COMMITTEE

4.1. CONSTITUTION OF CSR COMMITTEE

As per requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors comprising of three directors to oversee the CSR agenda of the Company. The CSR Committee Chairman shall be appointed by the Board. The Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee as and when required.

4.2. RESPONSIBILITIES OF THE CSR COMMITTEE

- a) To formulate and recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) The following activities shall be included as part of the CSR activities:
 - Promotion of Education;
 - Promoting gender equality and empowering women;
 - Reducing child mortality and improving maternal health;
 - Ensuring environmental sustainability;

- Employment enhancing vocational skills;
 - Social business projects;
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
 - Such other matters as may be prescribed.
- c) To recommend the amount of expenditure to be incurred on the activities specified.
- d) To establish a monitoring mechanism so as to monitor the progress of the CSR activities. This will include recording the various details of the CSR activities and preparation of a report on the same.
- e) To ensure that the Company's Website displays the approved CSR Policy of the Company.

4.3. MEETINGS OF CSR COMMITTEE

The CSR Committee shall meet at least once a year. The Meeting shall be held either at the Registered Office of the Company or any other place, as may be decided by the members. Physical presence of a minimum of two members of the Committee shall constitute the quorum.

4.4. NOTICE OF MEETING

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened at shorter notice.

5. CSR ACTIVITIES

- a) The Company shall undertake the activities as recommended by the CSR Committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are mentioned below:
- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
 - ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- iv. 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 undertaking and promoting renewable energy projects, contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. 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. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - j. Rural development projects;
 - k. Slum area development.
- b) The CSR activities shall be undertaken by the Company in accordance with this Policy and shall exclude activities undertaken in pursuance of its normal course of business.
- c) Subject to the provisions of Section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.
- d) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.
- e) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act shall not be considered as CSR activity.

6. OPERATIONAL FRAMEWORK

The Board of Directors are empowered to decide and to undertake CSR activities approved by the CSR Committee, by itself or through a registered trust or a registered society or a Company established by the Company or its Holding Company or Subsidiary Company or Associate Company.

7. FUNDING AND IMPLEMENTATION

- a) As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- b) The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and to the extent possible, shall give priority to the local areas wherever the Company has its operations.
- c) CSR Committee shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.
- d) 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 Act.

8. MONITORING AND REPORTING

- a) The CSR Committee shall prepare an annual report on CSR which shall include the following particulars and such report shall be included in the Board's report annexed to the financial statements:
 - i. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs;
 - ii. The composition of the CSR Committee;
 - iii. Average net profits of the Company for last three financial years;
 - iv. Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
 - v. Details of CSR spent during the financial year;
 - vi. In case the Company has failed to spend 2% of the average net profits of the last three financial years, reasons thereof;
 - vii. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.
- b) The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with. All projects undertaken by the Company shall be monitored on a regular basis.
- c) The CSR Committee shall maintain proper minutes of all its meetings.

9. PROJECTS, PROGRAMS AND ACTIVITIES

As a part of rendering its Corporate Social Responsibility, the Company is helping Government Schools and Anganwadis (child care centres) so as to provide much needed basic infrastructure and facilities. These Schools are located in the vicinity of the construction projects being carried out by the Company. They cater mostly to children from underprivileged backgrounds situated in and around Hyderabad. The Schools are in dire need of basic facilities and need urgent attention. Presently the Company is supporting about 25,000 students in more than 100 Government Schools across Hyderabad and other parts in the State of Telangana. The Company is aiming at help about 1,00,000 students in about 400 Schools by 2020.

The work being done at each School is as follows:

- a) Providing basic infrastructure facilities like:
 - Power connection, electrification, fans, lights
 - Drainage and bathrooms, water connection
 - Drinking water works
 - Civil repairs, water proofing, construction of classrooms
 - Carpentry and other miscellaneous works.
- b) Providing essential supplies like:
 - Benches
 - Teachers desks
 - Blackboards
 - Other essentials.
- c) Providing recreation facilities like:
 - Playgrounds for Primary Schools
 - Volley Ball, Badminton, Hockey for High Schools
 - Play and Sports materials such as Skipping ropes, Chess, Carroms, etc.

10. GENERAL

- a) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.
- b) All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds.
- c) If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.
- d) The CSR Committee shall have the power to clarify any doubts or rectify any issues that may exist in connection with the effective execution of this CSR Policy.

11. AMENDMENTS TO THE CSR POLICY

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.