



Corporate Social Responsibility (CSR) Policy Framework



MODICARE LIMITED

CSR Philosophy

Modicare Limited (*The Company*) fosters a culture of caring, trust and continuous learning while meeting the expectations of all the stakeholders and society at large. As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

The Company has always endeavored to conduct its business responsibility, mindful of its social responsibility, respecting applicable laws and with regard for human dignity. The Company's long-term CSR objective is "to improve the quality of life of the communities we serve globally through long - term value creation for all stakeholders", which is in alignment with the Modicare's core purpose.

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with Section 135 of the Companies Act, 2013 for the benefit of the Community.

Measures

In the aforesaid backdrop, policy on CSR of Modicare Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by Modicare Limited through collaboration with Modicare Foundation (A Society registered under the Societies Registration Act) which is engaged in multifarious activities in the field of social development, Health, Education, Empowerment of women groups etc.

The CSR activities which are exclusively for the benefit of Modicare Limited's employees or their family members shall not be considered as CSR activity for the purpose of compliance of provisions of Companies Act, 2013.

The Board of Modicare Limited may decide to undertake its CSR activities as recommended by the CSR Committee, through other registered society pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

Guiding Principles

- We will take our stakeholder/community interests into account in our decision making in the short and long-term.
- We will leverage our resources, expertise, services, relationships and influence for the benefit of our communities and our community partners.
- We will be responsible for the development of our co-communities, would not only reduce the negative impact if any, but work towards improvement of their quality of lives.
- We will actively work towards the welfare of society by promoting education, providing solutions to better and sustained livelihood, infrastructure development, healthcare, sanitation and hygiene and limiting/eradicating prevalent social issues in our community.
- We will regularly monitor implementation of this policy, outcomes of our initiatives and publicly report on our progress in a transparent and effective manner.
- We will continually review our CSR policy, business practices and governance to encourage evolution.

Areas of CSR Activities

The Company will primarily focus on “Building India’s Social Infrastructure” as a part of its CSR Programme which will include, amongst others, the following verticals, -

Environment: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and for water preservation it may include but not limited to programmes making clean drinking water available, conservation and purification of water.

Education - may include but not limited to education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.

Health - may include but not limited to community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.

Skill Development - may include but not limited to vocational training such as skill building, computer training, women empowerment, support to ITI’s, support to specially abled (infrastructure support & vocational training), CSTI’s, providing employability skills at project sites, creating training centres.

Governance & Technology would be the Key drivers across all these verticals.

The CSR Committee

As per the Companies Act 2013, the Company has to set up a Corporate Social Responsibility Committee with representation by a minimum of three Directors of the Board, with at least one of them being an Independent Director. The CSR Committee will be responsible for formulation of the company's CSR Policy and the activities to be undertaken, recommending the expenditure to be incurred on each of these activities and monitoring the CSR Policy from time to time.

Accordingly, company has constituted CSR committee in compliance with the relevant provisions of The Companies Act, 2013.

Budgets:

The Act lays down mandatory requirements with regard to CSR for larger companies (those with at least Rs. 5Cr net profit/Rs. 500 Cr net worth/Rs. 1,000 Cr turnover), which includes a requirement to spend at least 2% of the average annual net profit (average of three preceding years) on CSR activities.

Therefore, as a minimum requirement, 2% of the average annual net profit of Modicare Limited shall be spent on CSR activities. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Implementation Process:

The projects identified and covered under the areas of CSR activities shall be implemented by the Company itself through its employees or through any implementing agency. The CSR projects undertaken by the Company will be monitored from time to time by way of progress reports received in respect of various projects undertaken by the Company.