MODERN INSULATORS LIMITED

CIN: L31300RJ1982PLC002460
Regd. Office: Talheti, Village: Karoli, Tehsil: Abu Road, Dist.: Sirohi – 307510 (Rajasthan)
Phone: 02974 - 228044, 228045

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Amended and effective from 29th May, 2026)

1. CONTEXT

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Modern Insulators Limited is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and related Rules made thereunder.

This CSR policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time.

Modern Insulators Limited commits itself to contribute to the society in ways possible for the organization and has set up its committed core CSR team, as a means for fulfilling this commitment.

2. Objectives of the Policy

The main objective of the CSR policy is to act as a guideline to the Company to carry out efficiently the Corporate Social Responsibility by engaging in social activities, programs or initiatives on its own or through accepted channels as specified in Schedule VII to the Companies Act, 2013 (as amended from time to time).

3. Definitions

"Act" means the Companies Act, 2013

"Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

"Board" means Board of Directors of the Company.

Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules,2014, but shall not include the following, namely**:-**

i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

"**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

"**Net profit**" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, 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 Act:

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 or rules made there under as amended from time to time shall have the same meanings respectively assigned to them.

4. Applicability

This policy shall be applicable to all CSR activities of the Company, whether carried out by itself or through any implementation agency.

5. CSR Activities

The Company has undertaken to support the various CSR activities as outlined below:

Health & Sanitation: 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.

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

Equality: Promoting gender equality, empowering women, setting up homes and hostels for women and orphans and measures for reducing inequalities faced by socially and economically backward groups.

Senior Citizens: Setting up old age homes, day care centers and such other facilities for senior citizens.

Environment: 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 contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

Heritage & Culture: Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art.

Public Facilities: Setting up public libraries; promotion and development of traditional arts and handicrafts.

Armed Forces: Measures for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.

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

Government Fund: Contribution to the Prime Minister’s National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities and women.

Research & Development: Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT);

Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

Development Projects: Rural development projects, slum area development, and disaster management, including relief, rehabilitation and reconstruction activities.

6. Geographic reach

The Act provides 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. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

7. Annual spends/Allocation of Funds

The Company shall allocate, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years toward CSR activities.

Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

8. Composition of CSR Committee and disclosures

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law. This Policy along with the details of the composition of the CSR Committee and projects approved by the Board will be available on the Company's website at www.moderninsulators.com.

9. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy, which shall include following, namely:

a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

b) the manner of execution of such projects or programmes as per rule 4 of the Rules;

c) the modalities of utilization of funds and implementation schedules for the projects or programmes;

d) monitoring and reporting mechanism for the projects or programmes; and

e) details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

10. Procedures

i. The Company shall allocate every year, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

ii. All the expenditure relating to CSR shall be pre-approved by the CSR Committee.

iii. **Treatment of Unspent Amount:**

If the Company fails to spend 2% of the Average net profit, then the following shall be the treatment of the unspent amount.

a) If Unspent Amount Not Relating to an Ongoing Project:

The Board shall, in its report, specify the reasons for not spending the amount; and unless the unspent amount relates to any ongoing project then, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

b) If Unspent Amount Relating to an Ongoing Project:

The amount be transferred 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.

c) If Fails to Spend on the Ongoing Project:

If Company fails to spend in 3 years, 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

iv. In case of excess amount spent by the Company, such excess amount may be set off against the requirement to spend the amount in pursuance of CSR policy 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; and
- ✓ the Board resolution shall be passed to that effect.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall additionally, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

v. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:

   a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or

   b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

   c. a public authority.

vi. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

11. Planning and Implementation

a) The planning and implementation of the CSR projects/programmes shall be in accordance with the annual action plan as specified in this CSR Policy.

b) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and Chief Financial Officer or the person responsible for financial management shall certify to the Board about utilization of funds disbursed for the purposes and manner approved by the Board.

12. Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide an update to the Board of Directors at such other intervals as deemed fit.

The Company will report, in the prescribed format as set out in the Rules, the details of CSR initiatives and activities of the Company in the Board's Report and on the website of the Company, as required under the Act read with Rules.

An impact assessment shall be undertaken by the Company, in case its average CSR obligation is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed five percent (5%) of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is higher.

13. Website Display

The Company shall display on its website the contents of its CSR Policy and other information as may be required to be displayed as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

14. Amendments to the Policy

In the event of any conflict between the provisions of this Policy and of the Applicable Law, the provisions of the Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

The CSR Committee may review this Policy periodically and recommend amendments for the Board's approval from time to time, as may be deemed necessary.

***