



PATEL ENGINEERING LIMITED

Corporate Social Responsibility Policy

Approved by	Board of Directors
Date approved	June 11, 2021

Corporate Social Responsibility Policy

1. CORPORATE SOCIAL RESPONSIBILITY POLICY OF PATEL ENGINEERING LIMITED

Patel Engineering Limited (PEL) as a company strives to be a responsible organization that has minimal negative impact on the global or local environment, community, society, or economy - a business that strives to meet the triple bottom line. To carry forward this endeavour, the Company has framed a CSR (Corporate Social Responsibility) policy and frame work, which elaborates its intent, mechanism and monitoring methodology towards CSR.

CSR is a way of conducting business, by which corporate entities contribute to the social good of its stakeholders and beyond. The essence of CSR is to integrate economic, environmental and social objectives with the company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrate its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

For young India , Company's CSR efforts shall focus on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban , semi urban and rural India

The corpus to be spent by Patel Engineering Limited on CSR shall include at least 2% of the average net profits of its India Operations for preceding three financial years. Any surplus arising out of the CSR projects or programs or activities shall not form part of business profits of the Company. CSR Policy implementation shall be periodically reviewed and monitored by a two tiered Governance Structure comprising of Board and CSR Committee of the Board, and CSR Team comprising of Corporate Office, Project Sites.

We shall continue to nurture a vibrant culture of volunteering in our aspiration to leverage our core competencies and managerial, technological capabilities for CSR. We shall strive to bring innovation to our CSR initiatives and optimize their effectiveness while seeking to create a measurable impact of our CSR activities.

SD/-
Chairman/Managing Director
Patel Engineering Limited

Corporate Social Responsibility Policy

2. Objectives of the policy:

- a. To lay down the guidelines for the company to enhance its relationship with society by way of Environmental, social and economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.
- b. To fulfill the directive of the Companies Act, 2013 enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company.
- c. To prepare list of activities, programmes and projects to be undertaken during the implementation year, specifying modalities of execution and implementation schedules for the same.

3. CSR Activities:

Patel Engineering Limited (PEL) gives utmost priority to CSR and the main focus of the Company has been into areas such as education, support for the woman, elderly people, children and social inclusion. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

- 1) To direct CSR Programmes, inter alia, towards achieving one or more of the following –
 - a. enhancing environmental and natural capital;
 - b. supporting rural development;
 - c. promoting education;
 - d. providing preventive healthcare,
 - e. providing sanitation and drinking water;
 - f. creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India;
 - g. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water
 - h. Promoting gender equality, empowering women, setting up homes and hostels for women & orphans; setting up old age homes, day care centres, and such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
 - i. preserving and promoting sports;
 - j. To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
 - k. To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
 - l. To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;

Corporate Social Responsibility Policy

The list is an illustrative list and not exhaustive. The CSR Committee of the company may on the recommendation and feedback from the internal and external stakeholders of the Company undertake any CSR activity apart from the list but within the scope of the activities mentioned in Schedule VII of the Act, along with applicable MCA circulars issued from time to time.

4. Implementation

The Patel Group intends to implement the CSR Programmes through Company personnel or through external implementing agencies established in compliance with Rule 4 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 or through 'The Patel Engineering Company Charity Trust' (and other Trusts, Foundations and Section 8 companies that may be established by the Company from time to time). In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/ Memorandum and Articles of Association.

5. Compliance

Compliance with this policy will be continuously monitored by the CSR Committee at its meeting(s), subject to annual review by the Board of Directors.

6. Reporting

The Board's Report of a company shall include an annual report on CSR containing particulars as prescribed.

If company fails to spend such amount on CSR Activities as specified, the Board shall, in its Board report specify the reasons for not spending the amount.

7. Monitoring

The Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.

8. Governance Structure

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

9. Role of the Board

- a. The Board shall take the recommendations made by the Corporate Social Responsibility Committee and approve the Corporate Social Responsibility Policy or any amendment thereof.
- b. The Board shall ensure that the CSR activities as are included in Corporate Social Responsibility Policy of the company as are undertaken by the company.
- c. 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.

Corporate Social Responsibility Policy

- d. 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.
- e. Ensure implementation of the activities under CSR
- f. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- g. The Board shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on website.
- h. Approve transfer of unspent CSR Amount in accordance with the law.

Our CSR governance structure 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. A working committee may be formed to implement the proposal as and when approved by the CSR Committee.

10. Responsibilities of CSR Committee

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII
- b) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
 - (ii) recommend the amount of expenditure to be incurred such project and programmes.
 - (iii) the manner of execution of such projects or programmes
 - (iv) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (v) monitoring and reporting mechanism for the projects or programmes; and
 - (vi) details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect..

- c) monitor the Corporate Social Responsibility Policy from time to time.
- d) Such other functions as delegated by the Board .
- e) Meeting to held at such periodic Intervals as may be required.
- f) Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

11. CSR Budget

Mandatory annual spending on CSR Activities in any particular financial year shall be "2% of the average of the annual net profit of the preceding three financial years."

The total budget for the CSR projects, for a financial year will be recommended by the CSR Committee and approved by Board of Directors.

Corporate Social Responsibility Policy