

PATELS AIRTEMP (INDIA) LIMITED
(CIN No. L29190GJ1992PLC017801)

CORPORATE SOCIAL RESPONSIBILITY POLICY
(CSR POLICY REVISED W.E.F. 19TH JUNE, 2021)

1 SCOPE AND APPLICABILITY:

This policy is applicable across **Patels Airtemp (India) Limited** (“the Company”)

2 CSR PHILOSOPHY

“Corporate Social Responsibility” (CSR) is a continuing commitment by Business community to contribute to the Socio-economic development of a Country. The concept of CSR has gained prominence from all avenues. As a responsible Corporate Citizen, the believes that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, customers and society in which it operates and accordingly the Company has formulated this CSR Policy.

For the Company in the present context, CSR means not only investment of funds for social activities but also integration of business processes with Social processes.

3 OBJECTIVE OF CSR POLICY

- a. To lay down guidelines for proper functioning of CSR & Sustainability activities to attain sustainable development of the nearby society.
- b. To directly or indirectly take up programmes that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- c. To extend the humanitarian services in the community to further enhance the quality of life like education facilities, health facilities, basic infrastructure facilities to area that have so far been not attended to or if attended not properly and regularly attended to.
- d. To generate through its CSR initiatives, a community goodwill for the Company and help to reinforce positively and socially responsible image of the Company as a Corporate Entity.

4 BOARD-LEVEL CSR COMMITTEE AND TERMS OF REFERENCE

The Company follow structured governance procedures to monitor CSR activities. CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee of minimum three Directors comprising an Independent Chair and a majority of Independent Directors to monitor the Policy and the programmes from time to time.

The Board level CSR Committee of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors. The terms of reference are as under :

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of framework of CSR Policy.
4. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

5 AREAS/ACTIVITIES TO BE UNDERTAKEN UNDER CSR

The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of (i) promotion of **health** care, including preventive health care, sanitation and **disaster management** situation like Covid-19 (ii) promoting **rural development**, (iii) promoting **education** and education related activities for bright & poor students, Social Development/Services, Environment, etc., (iv) contribution to Educational Trust & **Skill Development** Program, (v) **employment** enhancing vocation skills among children, woman, elderly and differently abled persons, (vi) eradicating **hunger, poverty and malnutrition** and (vii) promoting **sports** related activities such as Rural Sports, National Sports, Paralympics Sports and Olympic Sports.

The above list is illustrative and not exhaustive. The CSR committee of Board of Directors is authorized to consider also other CSR activities which are not included in the above list.

All CSR activities will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013 and any amendments thereon. CSR activities will be undertaken in India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level. It will not include the activities undertaken in pursuance of normal course of business of the Company, activities benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time) or contributions of any amount directly or indirectly to any political party.

CSR activities will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

6 TOTAL OUTLAY AND ANNUAL ACTION PLAN

Considering the requirements of the Companies Act, 2013, Rules and Schedule made thereunder, the Board of Directors of the Company in its meeting held on 27th May, 2014 constituted the Corporate Social Responsibility Committee (CSR Committee).

CSR Committee at its meeting held on 9th August, 2014 formulated a CSR Policy to spend by the Company in every Financial Year average 2 % of the net profit of the Company for preceding three Financial Years in various activities as mentioned above and covered in Schedule VII of the Companies Act, 2013. The said CSR Policy has been duly approved by the Board of Directors at its meeting held on 9th August, 2014. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

At the end of the financial year, the Annual Report on CSR activities will be included in the Board's Report and a Certificate of Chief Financial Officer (CFO) shall be taken for utilisation of fund for CSR activities by the Company as specified in Schedule VII of the Companies Act, 2013 during every financial year as approved by the Board of Directors and CSR Committee.

7 IMPLEMENTATION

CSR initiatives will be implemented either –

- (i) directly by the Company, or
- (ii) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961

(43 of 1961), established by the company, either singly or along with any other company, or

- (iii) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (iv) any entity established under an Act of Parliament or a State legislature; or
- (v) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The above entities shall register with the Central Government (MCA) by filing the form CSR-1 electronically with the Registrar of Companies, with effect from 1st April 2021 and shall get the CSR Regn. No.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

8 MONITORING

CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR policy of the company from time to time.

CSR Committee shall carry out the following, for identification and implementation of activities.

1. The committee will decide the priority of activities to be undertaken under the CSR by grant of donation /financial assistance/sponsorship etc.
2. The committee may also interact with the CSR implementing agencies for determining the activities to be undertaken.
3. Based on the total activities to be undertaken, the committee will recommend to the Board the quantum of Budget for the year.
4. The committee will monitor and review the progress of activities undertaken/completed.

The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.
