

PATEL INTEGRATED LOGISTICS LIMITED (PILL)

Corporate Social Responsibility Policy

Title :

This Policy shall be called 'PILL Corporate Social Responsibility Policy'

Background:

The Companies Act 2013 mandates for Corporate Social Responsibility (CSR) and has formally introduced CSR provisions under section 135 by providing sets of Rules in this connection to comply with by the Board of Directors of Company.

Objective:

The objective of the Corporate Social Responsibility (CSR) policy is to define the contribution which the Company can make towards its Corporate Social Responsibility, the geographical limits within which it envisages to make such contribution, the chosen activities, programs or projects for its CSR activities and the control and reporting mechanism which will ensure proper functioning of such CSR activities to the optimum results.

Commencement :

This Policy has come in to effect from 09th November 2015 i.e. the date on which it was approved by the Board of Directors of PATEL INTEGRATED LOGISTICS LIMITED.

What is Corporate Social Responsibility:

Corporate Social Responsibility (CSR) is the process by which an organization thinks about its commitment towards the society for common good by adoption of appropriate business processes and strategies. CSR is not charity or mere donations but it is an opportunity to return to the society and make a difference to the lives of people by sharing our business success with them.

PILL's CSR Vision:

PILL is a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment.

Constitution of Committee of Directors:

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted a Corporate Social Responsibility Committee (CSR Committee) to oversee the CSR activities of the Company.

Scope of Activities:

The Scope of Activities are taken into account as per the Schedule VII of the Companies Act, 2013. Preference to be given to the local areas of the offices of the Company. PILL will extend its CSR activities at all its locations. The PILL CSR programs and activities are broadly classified under:

CSR Programs	CSR Activities	Ref. Sr.No of Sch VII of Companies Act 2013
Health	All activities relating to Eradicating hunger, poverty and malnutrition, promoting 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.	(i)
Education	All activities relating to Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	(ii)
Environment	All activities relating to ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.	(iv)
Ethnicity	All activities relating to 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	(v)
Sports	All activities relating to training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports	(vii)
Support to Technology Incubators	All activities relating to contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government	(ix)

The CSR Committee could, from time to time, recommend donating or making grants to the PM's National Relief fund or funds set up by the Central Government for socio-economic development.

Prohibited Fields of Operation For CSR Activities:

The Company shall not make any allocations to or undertake any CSR activities, programs or projects which are :

- For the benefit of any particular political party, front or ideology.
- For the benefit of any particular religion, religious belief or religious sect.
- For the benefit of any particular caste or community.
- For the sole benefit of employees of the Company.

Also, the Company shall not make any allocations to or undertake any CSR activities which are outside the scope of the CSR provisions, especially schedule VII of the Companies Act, 2013.

The CSR activities does not include the activities undertaken in pursuance of normal course of business of the Company.

Budget Allocation

The total budget for the CSR projects approved by the Board of Directors will be allocated to the CSR Committee as per the applicable rules, regulations of the Act as may be amended from time to time, i.e. at least 2% of the average net profits of the Company made during the three immediately preceding financial years.

Treatment of Surpluses :

Any surplus generated from CSR projects undertaken by the Company will be tracked and channelized into the CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

Implementation of CSR Activities:

- The Board of Directors shall allocate amount for the CSR activities upon the approval of the annual accounts for the immediately preceding financial year, considering the profitability, liquidity and statutory and contractual commitments of the Company and upon total budget for the CSR projects recommended by the CSR Committee.

- The CSR Committee, based on the outlay, will decide upon the CSR activities / projects to be undertaken during the relevant financial year and allocation for each such activity / project.
- The CSR Committee will decide the mode of execution of such activities / projects i.e. whether such activities will be carried out through a registered trust /society/Company established under section 8 of the Companies Act, 2013 by the Company, either singly or alongwith its holding or subsidiary or associate company or alongwith any other Company or holding/subsidiary/associate company of such other company.
- If such trust /society/Company is not established by the Company either singly or alongwith its holding or subsidiary or associate company or alongwith any other Company or holding/subsidiary/associate company of such other company, such trust /society/Company shall have an established track record of three years in undertaking similar programs or projects.
- The CSR activities / projects mayl be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity / project. The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

Reporting and Monitoring of CSR Activities:

- In case of closed ended projects / activities, the CSR Committee will, in consultation with the trust / society / team carrying out the implementation of the CSR activity (the Implementing agency) decide about the time limit within which the CSR activity / project is to be completed.
- Depending upon the time period for completion of the activity / project, the CSR committee will decide upon the reporting frequency. For instance for shorter project / activity (say for one year or less) the reporting frequency may be quarterly or even monthly. For a project / activity of a medium duration (say for two to three years) the reporting frequency may be half yearly. The reporting frequency may be yearly for a project or activity of a longer duration (say three years or more). In case of a continuous CSR activity, the frequency of reporting shall be half yearly.
- In case of contribution to certain funds, it may not be possible to insist on segregated reporting. In such a case, the reason shall be recorded by the CSR Committee.

- Wherever feasible, the CSR Committee shall depute one of the senior employees of the Company to make site visits, check the records of the Implementing agency or undertake any other due diligence activity to ensure the veracity of the information reported by the Implementing agency and / or generally to verify the progress of the CSR activities.

The Board shall have power to amend / modify any of the clauses of the CSR Policy and they may do so either at a Board Meeting or by way of a Circular Resolution.
