



**PNC INFRATECH LIMITED**

# **PNC CSR POLICY**



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## **CHAPTER-I: CSR OVERVIEW AND ITS CONTEXT**

### **Preamble**

This Policy encompasses commitment of PNC Infratech Limited (**PNC**) towards Society as a Corporate Citizen and lays down the guidelines and mechanism for undertaking various social activities for the development and welfare of the society as a whole, not restricting itself towards charity and donations but taking the community as a whole and is titled as “**PNC CSR POLICY**”.

### **Philosophy**

PNC Infratech Limited recognizes that as an Infrastructure Development Company, operations have an impact on society and on the environment. PNC promotes its CSR activities based on the conviction that all business activities must take CSR into consideration. PNC strongly believes that the road infrastructure, its building and financing today will shape the communities of tomorrow.

PNC believes that CSR is a concept whereby an organization serves the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

CSR is therefore, the organizations commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interest of its stakeholders.

### **Vision**

Our vision is “To actively contribute to the social and economic development of the community in which, we operate”. In doing so, we build a better, sustainable way of life for the weaker sections of society and raise the country’s human development Index. As a corporate entity, the Company is committed towards sustainability.

In alignment with vision of the company, PNC, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth & economic development for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

Our Board of Directors, Senior Management and all employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR Policy.

### **Scope and Objectives of this Policy**

The PNC Group have an intention to actively participate in the development of the communities where projects are located, which contributes to social and political stability in the areas where it operates.

The purpose of this policy document is to make the stakeholders aware about:

- CSR and how such activities are conducted in PNC
- Associated practices of CSR.
- Focus areas of CSR.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a CSR Policy which encompassed its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

Pursuant to Section 135 of the Companies Act, 2013, CSR provisions are prescribed to stipulate greater responsibility by companies towards the society. As of date, PNC meets the eligibility criteria stipulated in Section 135 (and the Rules framed under the Act) and hence the provisions of the Act, in so far as CSR is concerned, are applicable to PNC.

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of any eligible company (i.e. companies meeting the requirements of Section 135 of the Act) shall, after taking into account the recommendations of the CSR Committee, approve the CSR Policy for the company and disclose the composition of the CSR Committee, contents of such policy and Projects approved by the Board in its Report and also disclose the same on the website of the Company, for public access.

### **Limitations**

In accordance with Section 135 of the Companies Act, 2013 and as per the provisions of the Companies (Corporate Social Responsibility Policy) Amendments Rules, 2021, the following activities would not qualify as CSR activities:

- i) activities undertaken in pursuance of normal course of business of PNC;
- ii) any activity undertaken outside India except for training of India 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 PNC, as defined in clause (k) of Section 2 of the Code of Wages, 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.

## **CHAPTER-II: CSR FRAME WORK**

PNC has constituted a CSR Committee comprising of three Directors, one of whom is an Independent Director.

The terms of reference of the CSR Committee includes the following:

- i) To formulate the Corporate Social Responsibility Policy and recommend to the Board an annual action plan in pursuance of its CSR policy.
- ii) To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013; as and when amended from time to time.

- iii) To recommend the amount of expenditure.
- iv) To Monitor the Corporate Social Responsibility Policy and the expenditure.
- v) To take steps for formation of any Trust/Society/Company for charitable purpose and get the same registered for the purpose of complying CSR provisions.
- vi) Any other matter/things as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

For avoidance of doubt, the CSR committee may adopt this policy document *mutatis mutandis*, or with such modifications, alterations or revision as it may deem fit, as the CSR POLICY for its purpose.

### **CSR Activity**

The Company will select one or more of the following CSR activities for implementation in the area of its operation, namely:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting educating, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuing 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;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) 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 socio-economic development and relief and welfare of the Schedule Caste, Tribes, other backward classes, minorities and women;
- (ix) a) Contributions 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

- b) 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).
- (x) Rural development projects;
- (xi) Slum area development;  
Explanation- slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.
- (xiii) Such other activity has may be notified by Govt. from time to time.

CSR committee shall identify 'Thrust Area' to undertake CSR projects/activities.

A time period of every project shall be dependent upon its nature, the extent of work undertaken and circumstances surrounding.

Company may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years.

### **The Geographical Reach**

The Companies Act, 2013 provides that the Company shall give the preference to the local area or areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. The CSR activities shall be limited to the territorial borders of India.

## **CHPATER- III: FUNDING FOR CSR ACTIVITIES**

### **Fund Allocation**

- a) The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be atleast 2% of average Net profits of the Company made during the three immediately preceding Financial Years.
- b) The Company may spend upto 5 percent of its total CSR expenditure towards administrative overheads for the financial year for the purpose of CSR functions in the Company.
- c) Total CSR expenditure shall be approved by the Board upon recommendation by the CSR committee.

For avoidance of doubt, CSR committee is authorized to ascertain and allocate expenditure earmarked for CSR.

- d) Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be treated as follows:
- i) Ploughed back into the same project; or
  - ii) Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or
  - iii) Transferred to a fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.
- e) In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and shall be transferred by the Company to any fund included in Schedule VII of the Act.

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR projects/activities undertaken. Moreover, Company spend any amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off up to immediate succeeding three financial years in accordance with the Companies Act, 2013.

#### **CHAPTER-IV: OPERATIONAL FRAMEWORK**

The Company shall implement CSR activities by following means:

1. Company may itself implement the CSR activities within the scope and ambit of the CSR activities defined in this policy.
2. Company may implement the CSR activities by itself or through:-
  - a) a registered public trust or a registered society or a company established under Sec. 8 of the Act, registered under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other Company;
  - b) a Company established under Section 8 of the Act or a registered trust or registered society, established by the Central or State Government;
  - c) any entity established under an Act of Parliament or a State legislature;
  - d) a Company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12 A and 80 G of the Income tax Act, 1961, and having an established track record of three years in undertaking similar programs or projects.
3. Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.

CSR Committee shall undertake project for CSR during the implementation year, specify modalities of execution in the areas chosen, implementation schedules for the same.

#### **CHAPTER- V: MONITORING MECHANISM& REPORTING**

1. Monitoring of CSR projects are absolutely essential.
2. For all CSR projects/activities close supervision and monitoring have to be done by the CSR Committee. The management should therefore provide MIS and place before the committee for review. For this purpose, the CSR Committee shall meet at such intervals as it may deem fit.

3. The Board of a Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for the financial management shall certify to the effect.
4. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any for smooth implementation of the project within the overall permissible time period.
5. CSR committee to take such endeavors, after appropriate and adequate majors to ascertain the proper utilization of contribution.
6. A Company may engage international organization for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
7. The Company having an average CSR obligation of ten crore or more in the three immediately preceding financial years shall undertake impact assessment through an independent agency of its CSR project having outlays of one crore rupees or more and completed not less than one year before undertaking the impact study as per the Companies Act, 2013 and the rules made thereunder.
8. CSR particulars shall form an integral part of the Annual Report of the Company.
9. CSR Committee shall ensure that the CSR Policy is displayed on the Company's website

## **CHAPTER- VI: MISCELLANEOUS**

### **Amendment:**

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision /amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

### **Interpretation**

Any word used in this policy shall have the same meaning ascribed to it in the Companies Act, 2013 or Rule made thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company.

**\*Note: In pursuance to the Board resolution passed in the Board Meeting held on 25.06.2021, this policy has been modified due to the applicability of Companies (Corporate Social Responsibility Policy) Amendment Rule, 2021 w.e.f. 22<sup>nd</sup> January, 2021. The policy was originally made on 09.02.2015 and the same also displayed on the website of the Company.**

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