



PNC INFRATECH LIMITED

PNC CSR POLICY

TABLE OF CONTENTS

CHAPTER – I
CSR OVERVIEW AND ITS CONTEXT
CHAPTER- II
CSR FRAME WORK
CHAPTER- III
FUNDING FOR CSR ACTIVITIES
CHAPTER- IV
OPERATIONAL FRAMEWORK
CHAPTER- V
MONITORING MECHANISM & REPORTING
CHAPTER- VI
MISCELLANEOUS

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, it is 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 organization’s 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 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.

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
- ii) To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013
- 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.

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;
- (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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (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) Such other activity as 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 but such expenditure, including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the Company in one financial year.

Note:

1. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Activity/Expenditure.
2. CSR Activities undertaken in pursuance of the normal course of business of the Company and CSR Activities, which benefit only the employees of the company and their family shall not be considered as CSR Activity.

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

1. 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 at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

Since this is the first year of implementation, the net profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31st March, 2014.

2. Total CSR expenditure shall be approved by the Board upon recommendation by the CSR committee.
3. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company.
4. 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.

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR projects/activities undertaken. Moreover, any surplus arising from any CSR projects/activities shall be used for CSR. Accordingly any income arising from CSR projects/activities will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

CHPATER- 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 through a registered trust or a registered society or a company established under Sec. 8 of the Act, by the Company, either singly or along with its Holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate company of such other Company or otherwise.

Provided that:

- i. If such trust, society or company is not established by the Company, either singly or along with its Holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate company of such other Company, it shall have an established track record of three years in undertaking similar programs or projects;
 - ii. The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
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/activities 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. CSR committee to take such endeavors, after appropriate and adequate majors to ascertain the proper utilization of contribution.
4. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
5. 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 there under, Accounting Standards or any other relevant legislation/law applicable to the Company.