

## **PFCCL CSR POLICY**

### **1.0 CSR Vision Statement and Objective:**

PFC Consulting Ltd. (PFCCL), through its Corporate Social Responsibility and Sustainable Development initiatives, shall continue to undertake projects for Sustainable Development, mainly focusing on fulfillment of Power and Energy needs of the society.

The aim of the Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company becomes a socially responsible corporate entity committed to improving the quality of life of the society at large.

#### **As a socially responsible corporate entity, PFCCL would endeavour to:**

- Promote and Leverage green technologies to produce goods and services that contribute to social and environmental sustainability.
- Take up projects that provide Energy, Water and Sanitation facilities to the communities.
- Take up activities to support “Differently abled persons” and the “health sector”.
- Contribute to inclusive growth and equitable development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

#### **The objectives of the PFCCL CSR policy are to:**

- Ensure an increased level of commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- To create goodwill for PFCCL in the society through CSR activities and help reinforce a positive & socially responsible image of PFCCL as a corporate entity.

### **2.0 Strategy:**

As a responsible corporate entity, PFCCL shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society/ community without compromising on ecological issues on sustainable basis. It shall not support activities which may create dissatisfaction within the society and which may affect social harmony in any manner.

CSR strategies should be developed with a shift from ad-hoc approach to the project-based accountability approach.

While implementing the CSR projects, PFCCL shall strive to undertake at least one project for the development of backward district in the Country and at least one project of environmental sustainability.

PFCCL shall constantly endeavour for up-liftment of women and support persons with disabilities particularly in the skill development initiatives.

PFCCL shall endeavour to take up long gestation, high impact projects from the budget allocated for Corporate Social Responsibilities and Sustainable Developments activities.

PFCCL shall support and provide resources for undertaking joint ventures in Public-Private Partnership/ corporate partnership mode for greater social impact.

PFCCL shall ensure that the surplus arising out of the CSR Projects or programmes or activities shall not form part of the business profit of the Corporation.

### **3.0 Thrust Areas:**

In line with the Schedule-VII of the Companies Act 2013 wherein the activities to be undertaken by the Company are specified, PFCCL shall take up the activities in the following areas. The items listed below are broad based and must be interpreted liberally so as to capture the essence of the subjects enumerated below:

- A. Ensuring Environmental Sustainability measures such as:
  - (i) Renewable Energy and Energy Efficient and Environment-friendly Technologies;
  - (ii) Support Research & Development activities in Renewable and clean energy initiatives;
  - (iii) Waste Management, Waste to energy etc.
- B. Sanitation & Provision of Safe drinking water.
- C. Promoting Education and employment enhancing vocational skills, such as:
  - (i) Skill Development Training leading to employment for various under privileged sections of the society;
  - (ii) Interventions in education sectors such as providing inputs to basic education needs in backward areas and support to education programmes for girls/ women.
- D. Activities related to supporting Differently abled persons

E. Activities related to Health Sector.

F. Others

- I. Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central government for socio-economic development and relief, rehabilitation and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- II. Contribution or support to technology incubators located within academic institutions approved by the Central Government.
- III. Any initiative of Ministry of Power with regard to CSR activities.

#### **4.0 Allocation of Funds (Budget):**

At least 2% of the average Net Profit of the Company earned during the three immediately preceding financial years shall be allocated every financial year for CSR activities.

PFCCCL may build CSR capacities of its own personnel as well as those of Implementing Agencies through Academic / Training Institutions with established track record of at least three financial years but such expenditure shall not exceed five percent of its total CSR budget of for one financial year.

One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

Expenses incurred for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure.

Salaries paid to regular CSR staff as well as to volunteers (in proportion of company's time/ hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

#### **Allocation of Budget**

The allocation of funds for CSR activities will be made on case to case basis.

The overall expenditure under CSR activity for a single project in a single State shall not be more than 25% of the total budget under CSR activity for that year.

## **5.0 Approach & Implementation Mechanism for Project-based Activities:**

### **Implementation:**

PFCCCL shall take steps to implement the CSR agenda within the organization through the active involvement of the employees, who are important internal stakeholders.

PFCCCL shall devise internal communication strategies to spread awareness of CSR amongst the employees, providing them with education and training necessary for attitudinal change and their conversion to socially and environmentally sustainable methods and practices of doing business, and adopting motivational tools to provide just the right momentum to push all such initiatives.

States/areas/regions where there is shortage of resources, mainly in regard to the defined thrust areas in the CSR Policy, shall be identified. The assistance should be project-based with a thrust on creating sustainable and replicable models.

**The CSR Unit of PFCCCL shall identify and obtain suitable proposals in the identified thrust areas from PFC. The CSR Unit would then screen the proposals and suitable proposals would be put up to the CSR Committee of Directors (CoD) of PFCCCL for consideration/ approval after following the due approval process in PFCCCL. After obtaining approval of CoD, the proposals shall be put up for consideration & approval of the Board of Directors (BoD) of PFCCCL.**

**A Memorandum of Agreement (MOA) and other legal documents to safeguard the interest of the Company shall be signed with PFC. Legal documentation shall be carried out by CSR Unit, after the same is duly vetted by L&D Unit of PFC.**

**Thereafter, based on the Memorandum of Agreement (MoA) and other legal documents signed between PFC and the implementation/ coordinating agency, amount would be disbursed by PFCCCL to the implementation/ coordinating agency for carrying out the CSR activities for PFCCCL.**

Efforts shall be made to the extent possible to define the following while identifying the CSR projects:

- ✓ Programme objective
- ✓ Baseline survey
- ✓ Implementation schedule
- ✓ Responsibilities and Authorities
- ✓ Payment terms

- ✓ Major results expected and measurable outcome

At any stage, if the CSR Unit feels the need, it can engage the services of an outside expert in the field to assist in Evaluation or Selection of Projects etc.

## **6.0 Monitoring and Evaluation/Impact assessment of CSR Activities:**

The Implementing Agency shall be responsible for monitoring the project and shall provide periodic reports to PFCCL on the implementation part. The agency shall ensure that the project gets completed within the specified time period. PFCCL may appoint specialized agency/ consultants for monitoring the projects, if required.

The progress report of the activities undertaken shall be reported as under:

- a) Quarterly report to CSR Committee of Directors.
- b) Annual Report of CSR to Board of Directors.

The impact assessment shall be conducted by an external agency, particularly for larger projects which have a significant social / economic or environmental impact. The impact assessment study shall be conducted wherever applicable after the project completion and necessary gestation period.

### **6.1 Appointment of agency for impact assessment:**

Specialized agencies such as Govt./ Semi govt. organizations/ PSU's/ NGO's/ Reputed Institutions and Academic Organizations etc. shall be selected as per DoP (CSR) as at point # 8.0.

## **7.0 CSR Reporting**

The Board report of a company pertaining to financial year commencing from 1<sup>st</sup> April 2014 shall include an Annual Report on CSR containing particulars specified as per Companies Act 2013.

### **7.1 Display of CSR Activities on its Website**

CSR policy and the details therein shall be displayed on PFCCL's Website.

## **8.0 Approving Authorities (Delegation of Power):**

Every proposal under CSR activity shall be put up to the CSR Committee of Directors after following the usual approval process within PFCCL. Proposals approved and recommended by the CSR Committee shall be put up to the Board of Directors.

All the CSR project proposals shall be approved by the Board of Directors before award / implementation.

### Delegation of Power (DoP)

S.N.	Activity/ Description	Approving Authority
1	Baseline survey/ DPR	<b>CEO</b> - upto Rs.50,000/- in each case but not more than Rs.2 lakh in a financial year.  <b>Chairman</b> - Full powers with a maximum ceiling of Rs.5 lakh in a Financial Year.
2	Sanction of Projects	Board of Directors on recommendation of CSR Committee of Directors irrespective of amount.
3	Impact Assessment Studies	<b>CEO</b> - upto Rs.1 lakh in each case but not more than Rs.3 lakh in a financial year.  <b>Chairman</b> - Full power with a maximum ceiling of Rs.5 lakh in a Financial year.
4	Expenditure for dissemination of CSR projects including photography, short films etc.	<b>CEO</b> - Upto Rs.15,000/-  <b>Director/ Director (Commercial), PFC</b> – Upto Rs.30,000/-  <b>Chairman</b> - Above Rs.30,000/-  Overall limit for the above activities is Rs.3 lakh in a Financial year.
5.	Appointment of external expert to assist the CSR unit for any activity.	<b>CSR Committee of Directors</b> - Full Power
6.	Extension of Project Completion Date	<b>CEO</b> - Upto 1 year  <b>CSR Committee of Directors</b> - Beyond 1 year
7.	Minor changes without significant change in Scope of work	<b>CEO</b> to approve minor changes including quantity variations, interchange of beneficiaries, change in locations etc. without significant change in Scope of work or other issues with

		regard to implementation of the project within the sanctioned cost .
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All programmes approved in terms of the above delegation to be subsequently brought to the notice of the CSR Committee of Directors.

For organizing Capacity Building Programmes for employees such as Training programmes, workshops, etc., PFCCL's internal approval procedure shall be followed.

### 9.0 Roles and Responsibilities:

1.	CSR Unit	CSR Unit shall evaluate the project(s)/ scheme(s) and put up its recommendations after due approval process in PFCCL to the CSR Committee of Directors.
2.	CSR Committee of Directors	CSR Committee of Directors shall consider the recommendations of the CSR Unit for approval and recommend the same to the Board of Directors (BoD) of PFCCL.
3.	Board of Directors	BoD shall consider the recommendations of CSR committee for approval.

### 10.0 General:

- **Chairman** is empowered to make any supplementary rules/orders to ensure effective implementation of the CSR policy.
- Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government / DPE, from time to time.
- The Company reserves the right to modify, add, delete or amend any of the provisions of this Policy.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to CSR Unit. In all such matters, the interpretation and decision of the CEO shall be final.