

### ACB (INDIA) LIMITED-CSR Policy

A Corporation does not grow by making financial profits only; it grows if they contribute consistently for the growth of the society and environment to which it belong. ACB (India) Limited strongly believes in the theory of participative growth, enhancing societal/environment commitments. Corporate Social Responsibility (CSR) is a tool which can be used for sustainable development. ACB (India) Limited recognizes this and has been contributing to the social cause by making donations towards various charitable activities and supporting rural development and education initiatives by financing various activities like building of educational institutions, repairing and maintenance of roads, installation of hand pumps and other accessories in villages etc, where it operates. With the introduction of CSR regulations under the Companies Act, 2013, ACB (India) Limited wishes to align its CSR activities as per the current law. As per schedule (VII) of the Companies Act 2013, following activities have specifically been notified to come under the definition of CSR as per notification No 96 dated February 28, 2014 and subsequent amendments:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including 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;
- (ii) Promoting education, including special education and employment enhancing vocational 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) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up 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, para Olympic 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) (a) Contribution 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).]Rural development projects.
- (x) Slum area development.
- (xi) Disaster management, including relief, rehabilitation and reconstruction activities.

The CSR policy which, among other things, documents ACB's vision, mission, focus areas and the CSR activities which ACB (India) Limited wishes to undertake

#### **I. Title and Applicability**

- a. ACB (India) Limited has developed a policy comprising the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the principles and mechanisms for undertaking various programs in accordance with the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 for the community at large and is titled as the ACB (India) Limited-CSR Policy.
- b. The Policy shall apply to all the CSR programmes and activities undertaken by the Company at various locations for the benefit of diverse sectors of the society.
- c. The Board may amend the CSR policy as may be required from time to time. The board will review the CSR policy as and when required to ensure that the policy reflects the current vision of the Company and the focus areas.

#### **II. CSR Vision Statement**

In alignment with its values and nature of its activities, the Company through its CSR programmes, intends to fine tune its activities around the activities specified in schedule VII of the Companies act. Since the company operates a number of coal washeries and power plants across different states quite often the local government authorities request the regional directors to undertake socially useful projects which we invariably gladly undertake. The expenditure done on such projects shall also form part of our CSR activities apart from the long term socially usefull projects that the management decides after due diligence.

#### **III. CSR Committee**

- a. The Board of directors have formed CSR Committee comprising of the following members (including independent director in line with the requirement of section 135 of the Companies Act, 2013):
  - Sh. Rudra Sen Sindhu, Executive Chairman
  - Sh. Vir Sen Sindhu, Managing Director - Member

- Sh. Kuldip Singh Sindhu, Independent Director–Member

**b. Responsibility of the CSR Committee:**

- To formulate and recommend to the Board for its approval, a Corporate Social Responsibility Policy which indicates the activities (CSR Activities) to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR Activities;
- To monitor the Corporate Social Responsibility Policy of the Company from time-to-time.
- Details of need and impact assessment, if any, for the projects undertaken by the company:
- To provide a responsibility statement that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and policy of the Company.
- To institute a transparent monitoring mechanism for implementation of CSR Projects or Programmes or activities undertaken by the Company.

**IV. Responsibility of Board**

The Board of Directors of the Company will be responsible for:

- a. The approval of CSR Policy of the Company after taking into account the recommendations made by the CSR Committee in this regard
- b. Disclosing the content of the policy in its report and place the policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act, 2013 read with CSR Rules.
- c. Ensuring that the CSR Activities included in the CSR policy are undertaken by the Company and are related to the activities included in Schedule VII of the Act.
- d. Ensuring that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- e. Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for the CSR Project.
- f. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
- g. Ensure that, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- h. Ensuring that any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three 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 thirty days from the date of completion of the third financial year.

- i. Ensuring that if the company spends an amount in excess of the requirements provided under this sub-section 5 of Section 135 of the Act, ACB (India) Limited may set off such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
  - I. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
  - II. the Board of the company shall pass a resolution to that effect.
- j. Ensuring that the Board report of the Company shall include an annual report on CSR containing particulars as per the prescribed format.

#### **V. CSR Budget**

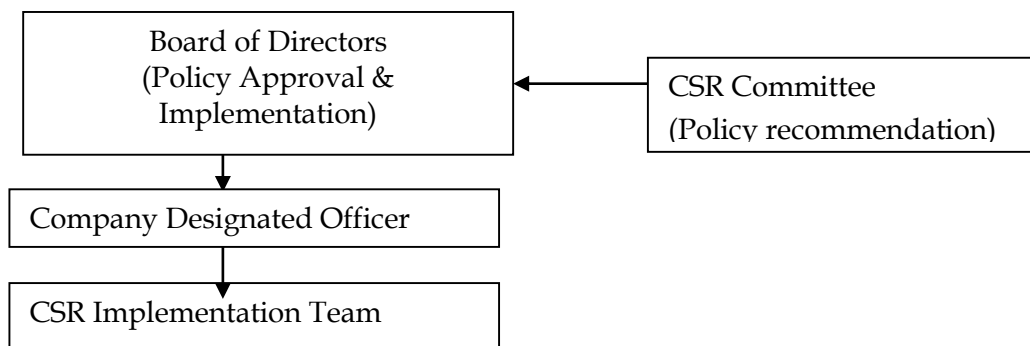
- a. The Board of Directors of the Company shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three financial years. However the aforesaid CSR Expenditure in any financial year shall be at least 2% of the average net profits of the Company made during the immediate three preceding financial years. The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Companies Act, 2013.
- b. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- c. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
  - I. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
  - II. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - III. a public authority
- d. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
  - a. CSR Activities to be undertaken
  - b. Amount of Expenditure to be incurred on CSR Activities.
- e. The total expenditure to be incurred as per the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
- f. Any surplus arising out of the CSR projects or programs or activities shall not form 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 spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- g. As noted at II above the emergent basis activities to be undertaken by the regional offices shall be deemed to have been approved by the CSR committee and the board if they fall within the sphere of activities specified under schedule VII of the Companies Act.

## VI. Implementation

- a. The mode of implementation of CSR Programmes will include a combination of direct implementation and implementation through registered trust / foundation / society / Company set up by the Company or its holding or subsidiary or associate Company under section 8 of the Companies Act, 2013 or through other registered trust / society / Company (Entity) having an established track record of three years in undertaking the projects or programmes proposed to undertaken by ACB (India) Limited. For implementation of CSR Programme through registered Trust/foundation/society etc., an appropriate due diligence would be conducted by the Company.
- b. The Company may use services of the expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on project design and implementation, impact assessment surveys etc.
- c. The team responsible for implementing the various CSR Activities is detailed below in the section titled-CSR Governance Structure.
- d. Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021
- e. If the Company is having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

## VII. CSR Governance Structure



The company secretary shall act as a 'Company Designated officer' who shall look after the CSR work.

## VIII. Reporting and Monitoring Framework

The company shall appoint a suitable person who will :

- A) Co-ordinate the CSR work with the implementing agency, CSR committee and the board of directors.
- B) Monitor the CSR activities as approved by the Board
- C) Convene meetings of the CSR committee as and when necessity arises to appraise the progress of the work, emergent works undertaken and guidance for the future activities to be undertaken.

### Monitoring the Implementation of CSR Activities

The CSR Committee will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR programme:

- a. Strive to achieve a logical project selection based on clear understanding of the socio economic problems as determined through baselines studies and research and designing of activities by which greater good of the masses can be achieved while taking care that environment, health and moral values of the society are bettered.
- b. Is monitored by monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act and the CSR Rules

The progress on implementation of CSR Activities will be monitored by the Board of Directors through the CSR committee on as and when necessity arises..

### Budget Monitoring

The Company will establish an accounting system to ensure project wise accounting of CSR spends.

\*\*\*\*\*