

ACB (INDIA) LIMITED-CSR Policy

A Corporation does not grow by making financial profits only, they grow if they contribute consistently for the growth of the society and environment to which they 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, repair and maintenance of roads, installation of hand pumps and other accessories in villages etc. With the introduction of CSR regulations under the Companies Act, 2013, ACB (India) Limited wishes to formal 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 two subsequent amendments :

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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;
- (iv) 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) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vi) Training to promote rural sports, nationally recognized sports, para Olympic sports and Olympic sports;
- (vii) 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.
- (xi) Slum area development.
- (xii) Swachh Bharat Abhiyan

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 every year 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 spread over 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, Chairman cum Managing Director - Chairman



- Sh. Vir Sen Sindhu, Joint Managing Director - Member
- Sh. Brij Behari Tandon, 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;
- 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.
- 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 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. 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 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.
- c. The total expenditure to be incurred as per the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
- d. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.
- e. 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.

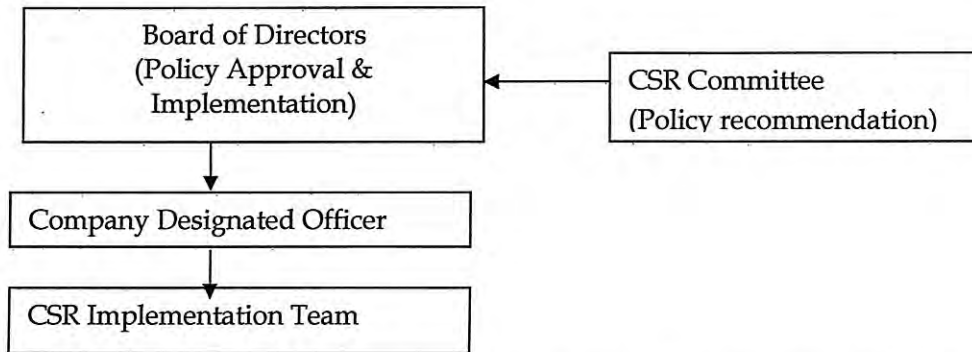
VI.

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 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.



VII. CSR Governance Structure



The company will appoint a suitable officer to look after the CSR work who shall be Company Designated officer

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 quarterly meetings of the CSR committee to apprise it of 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 quarterly basis.

Budget Monitoring

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