



CCL

Fuelling Sustainable Growth
CENTRAL COALFIELDS LTD.

सेन्ट्रल कोलफील्ड्स लिमिटेड

(भारत सरकार का एक उपक्रम / कोल इंडिया लि. की एक अनुषंगी कंपनी)
पंजीकृत कार्यालय : दरभंगा हाउस, राँची 834 001 (झारखण्ड)
CIN : U10200JH1956GOI000581

निगमित मामाजिक दायित्व (मीएमआर) विभाग

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क्रमांक संख्या : सीसीएल/एसडी & सीएसआर/2024-25/ 680

दिनांक: 7.10.2024

सेवा में,

महाप्रबंधक – अरगड़ा / बरकासयाल / बी&के / सीडबल्यूएस बरकाकाना / सीएचएन / ढोरी / हजारीबाग / गिरिडीह / कुजू / कथारा / रजरप्पा / पिपरवार / एनके / रजहरा / मगध-संघमित्र / आम्बपाली-चन्द्रगुप्त / सीएमएस, सीसीएल / केन्द्रीय अस्पताल नईसराय

विषय : CCL CSR Policy for taking up CSR activities in CCL

महोदय,

This has reference to Corporate Social Responsibility (CSR) Policy of Coal India Limited w.e.f. 20.08.2024 circulated vide OM No. CIL/CSR/2024-25/85 dated 20.08.2024. In line with the modifications in the CSR Policy of Coal India Limited, the "CCL CSR Policy" has been approved by CCL Board in its 542nd meeting held on 23.09.2024.

The CCL CSR Policy as above is communicated for implementation in CCL with effect from 07.10.2024. This supersedes the earlier CSR Policy communicated through this office vide letter No. GM(SD&CSR)/CCL/2021/600 dated 11.11.2021.

Regards,

विश्वासभाजन

महाप्रबंधक (एसडी एवं सीएसआर)
सीसीएल, मुख्यालय

प्रतिलिपि:

- कार्यकारी निदेशक (सामुदायिक विकास), कोल इंडिया लिमिटेड कोलकाता – जानकारी हेतु
- महाप्रबंधक (सतर्कता), सीसीएल
- महाप्रबंधक (सिस्टम), सीसीएल – सीसीएल वेबसाइट पर प्रदर्शित करने हेतु
- निदेशक कार्मिक के तकनीकी सचिव, सीसीएल
- स्टाफ ऑफिसर (कार्मिक)/ स्टाफ ऑफिसर (असैनिक)/ सीएसआर नोडल अधिकारी : अरगड़ा / बरकासयाल / बी&के / सीडबल्यूएस बरकाकाना / सीएचएन / ढोरी / हजारीबाग / गिरिडीह / कुजू / कथारा / रजरप्पा / पिपरवार / एनके / रजहरा / मगध-संघमित्र / आम्बपाली-चन्द्रगुप्त / सीएमएस, सीसीएल / केन्द्रीय अस्पताल नईसराय
- BBL समिति, सीसीएल मुख्यालय के सदस्य
- CSR Review Committee members.
- All executives – CSR dept. CCL, NR

Corporate Social Responsibility (CSR) policy of CCL w.e.f. 07.10.2024

1. INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of the society. With the rapidly changing corporate environment, Central Coalfields Limited (CCL) has adopted CSR as a strategic tool for sustainable growth. For CCL in the present context, CSR means not only investment of funds for social activity but also integration of business processes with social processes.

Even much before the issue became a global concern, CCL was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the society through well-defined "Community Development Policy" within the periphery of 8 kilometers of its project sites. This has resulted into a harmonious relationship between CCL and the peripheral communities.

CCL has formulated the present 'CSR Policy' containing a set of internal approaches/guidelines/principles to be followed while discharging CSR at different levels and as law-abiding corporate entities CCL & its Subsidiaries will also adhere to all such statutes related to CSR in right earnest as and when applicable.

In the aforesaid backdrop, CSR policy of CCL has been framed with due regard to CIL CSR Policy, the features of the Companies Act 2013 including amendments to it, notifications issued by Ministry of Corporate Affairs (MCA), Department of Public Enterprises (DPE), Govt. of India from time to time.

2. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for CCL to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of coal mining.

3. ALLOCATION OF FUND

The following guidelines shall be followed for allocation of fund for CSR activities during the financial year:

- a. Fund for CSR shall be allocated based on higher of the following two amounts:
 - i. 2% of average net profit of the company for the three immediate preceding financial years, as per Companies Act or

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- ii. As decided by CCL Board, subject to a maximum of Rs. 2 per tonne of coal production of immediately preceding financial year
- c. Any unspent or excess amount from CSR budget in a financial year would be accounted for as per the provisions of the extant statute. The basis for calculation of unspent or excess amount shall be the amount required to be spent as per the statutory provisions i.e. 2% of average net profit of the company for three immediate preceding financial years.

4. SELECTION OF CSR PROJECTS/ACTIVITIES

4.1 AREAS TO BE COVERED

Mines of CCL are located in Jharkhand state, spread in eight districts in relatively isolated areas. Introduction of any production activity in such areas changes the traditional lifestyle of the original inhabitants and indigenous communities and also changes the socio-economic profile of the area. Mining of coal too has profound impact on the people living in and around the areas where the mines are located. Hence, the primary beneficiaries of CSR activities shall be, Project Affected Areas (PAAs) and those staying within the radius of 25 kilometers of the coal mining projects. CCL shall ensure that the maximum benefit of their CSR activities goes to the underprivileged sections of the society. CSR activities should be undertaken as per Schedule VII of Companies Act and as per DPE guidelines/applicable Govt guidelines issued from time to time.

The following guidelines shall be followed in selection of areas for CSR activities:

- a. CCL shall spend 80% of the CSR fund of a year within the radius of 25 kilometers of their Project Sites/Mines/Area HQ/Company HQ and rest 20% within the state of Jharkhand. The ratio of 80:20 may be dispensed with by CCL for a particular year with the approval of CCL Boards based on recommendation of the CSR committee of Board, as required, subject to the condition that minimum 60% expenditure is to be made within a radius of 25 kilometres of their Project Sites/Mines/Area HQ/Company HQ and rest within the state of Jharkhand.
- b. As per CIL CSR Policy:-
 - i) CIL (HQ) shall execute CSR activities in whole of India including the areas under subsidiary companies.
 - ii) CIL (HQ) being the holding company shall also support for execution of CSR projects/programs where CCL is unable to execute such project due to fund crunch. In case available CSR budget of the company is insufficient to meet the fund requirements of any CSR activity, the CCL may refer the duly approved CSR activity/ project/program to CIL (HQ) with the recommendation of seeking

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financial assistance after competent authority approvals at CCL level are taken. All such requests would have to be forwarded by CSR Dept. of CCL after obtaining approval of CCL Board. CIL would finance such projects subject to approval of the competent authority at CIL. CIL will include expenditure under its accounts to the extent of funds sought from it. Responsibility of monitoring shall rest with CCL.

4.2 SCOPE OF PROJECTS/ACTIVITIES

CCL would undertake selected CSR activities out of the themes listed in Schedule-VII of the Companies Act as amended from time to time. The themes in the scope of CSR policy must be interpreted liberally so as to capture the essence of the subjects enumerated in Schedule VII of Companies Act. Any modifications in Schedule VII of Companies Act or directions from DPE or MOC or applicable shall also be deemed to have been incorporated in the scope of CSR policy of CCL from the date of such changes being notified by the Government.

5. INSTITUTIONAL ARRANGEMENT

As long as CCL qualifies criteria of having net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the immediately preceding financial year or such revised qualifying criteria as per Companies Act, Company shall constitute/keep constituted, a Board Level Committee on CSR consisting of three or more Directors, out of which at least one Director shall be an Independent Director. The Committee shall monitor and review the progress of CSR activities from time to time.

CSR department at CCL shall act as nodal department for implementation of CSR activities in accordance with the CSR policy under the guidance of Director (P) of CCL as the case may be. CCL shall form inter-disciplinary committees with senior executives from CSR, Civil, Finance and Medical etc. to review the CSR projects scrutinized by the CSR department and recommend them for approval of competent authority. Based on the recommendation of CSR department, CSR project proposals/programmes/activities shall be deliberated in the meeting of these committees who in turn shall examine and submit its recommendation to competent authority for approval through Dir. (P). Similar committees may also be formed at area level.

Delegation of Power (DOP) to approve CSR projects/activities at subsidiaries of CCL shall be as under:

- i. Projects/activities to be undertaken by mining areas having value up to Rs. 5.00 lakhs shall be approved by concerned Area General Managers.
- ii. As per CIL, CSR Policy, Subsidiary Board may delegate the power to D(P) of concerned subsidiary to approve CSR Projects upto a limit decided by it. As decided by CCL Board, Projects/Activities to be undertaken by mining area


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- having value more than 5.00 lakhs but upto Rs.40.00 Lakh and all projects/activities of HQ upto Rs.40.00 lakh sh all be approved by D(P),CCL.
- iii. All Projects/activities to be undertaken by mining areas and projects/activities of HQ having value more than Rs. 40.00 lakhs but up to Rs. 1.00 crore shall be approved by CMD,CCL
 - iv. All Projects/activities to be undertaken by mining areas and projects/activities of HQ having value more than Rs. 1.00 crore and up to Rs. 5.00 crores shall be approved by CSR committee of CCL Board.
 - v. All Projects/activities having value more than Rs. 5.00 crore shall be approved by CCL Board on recommendation of CSR committee of Board.

CMD,CCL is empowered to approve modalities/Standard Operating Procedures for implementation of CSR works as per CSR policy. For ongoing projects of CCL, any deviation with respect to modalities of implementation, scheduling, funding etc. within the approved project value shall be approved by Area GM and Director (Personnel) for the projects approved within their respective DoP and with CMD, CCL for other projects.

6. IMPLEMENTATION

The following guidelines/modalities shall be followed while executing/undertaking CSRactivities:

1. Around the beginning of every financial year, CSR department of CCL will design an Annual Action Plan. Extant statute as regard to Annual Action Plan shall be abided.
2. Activities under CSR except those relating to contribution to funds specified in Schedule VII shall be in project mode and for every project, time framed periodic milestones should be finalized at the outset.
3. The maximum duration of CSR projects shall be as per the extant statute (i.e. 1+3 years). CCL Board shall monitor the implementation of ongoing projects with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period. CSR department of CCL shall put up a progress report of all ongoing projects for review/information of Board through CSR subcommittee of Board, preferably once in a quarter.
4. Activities identified under CSR shall be implemented either by CCL itself or through implementing agencies as per extant statute.
5. Implementing agencies having only local presence shall be considered only for small value projects of upto Rs. 5.00 lakhs.
6. Need and justification of all CSR projects/activities shall have to be ascertained. Need assessment shall be carried out either departmentally using in house expertise or through external reputed agencies including implementing agencies. Need assessment may be based on already conducted web surveys, indices, research papers & reports, census reports, demographic & development

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study reports, DPE surveys, various Ministry/Govt. Reports & publications etc. Wherever required methods such as household surveys, stakeholder interviews, participatory research exercises, baseline surveys etc. may also be used.

7. The suggestions given by the elected representatives/bodies shall be duly considered while finalizing the CSR activities.
8. Memorandum of Understanding (MoU) shall be signed with all implementing agencies for projects having value more than Rs.5.00 lakhs.
9. Extant statute as regard to Impact Assessment of CSR Projects are to be abided.
10. As per need and till internal expertise is developed, CCL may appoint consultants/reputed institutes/paid interns from reputed institutes following due process, for evaluation of proposals reckonable as CSR proposals, need assessment or impact assessment of CSR projects.
11. Extant statute as regard to Creation and acquisition of Capital assets are to be abided.
12. Extant statute as regard to Surplus arising out of CSR activities are to be abided.

7. DATA MANAGEMENT

All the data related to CSR shall be maintained on real time basis with inbuilt mechanism for periodic report generation, having details of expenditure, project closure, beneficiaries with category wise (SC,ST,OBC,PWD), gender wise and age group (Children, Senior Citizens, Others) wise breakup etc. to the extent feasible. There shall be a common format/data sheet for CCL to maintain the indicators/data. Head of CSR departments at CCL shall ensure the implementation of the information system.

8. MONITORING AND REPORTING

The following guidelines shall be followed for monitoring CSR activities:

1. CCL Board shall satisfy themselves that CSR funds disbursed have been utilized for the purposes and in the manner as approved and the Director (Finance) shall certify to that effect.
2. Utilization Certificate with statement of expenditure duly certified by a Practicing Chartered Accountant/Authorized Auditor shall have to be submitted by the implementing agencies for the CSR fund provided to them as a one-time grant or in installments. Public authorities may submit Utilization Certificates as per General Financial Rules (GFR) of Govt. of India/State Govt./District level Class - I officer/Divisional head of implementing agency.
3. Board level CSR committee of CCL would decide which of the CSR projects are to be audited by an external auditor to be appointed with the recommendation of the CSR subcommittee. The expenditure incurred on such audit of CSR activities may be included in the administrative expenditure.

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4. CCL shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company of that year.
5. Meticulous documentation relating to CSR activities and expenditure shall be prepared and put on the CCL website.
6. CCL shall take CSR mileage by leveraging print, electronic and digital media.
7. The composition of CSR committee of Board, CSR policy and projects approved shall be displayed on its website by CCL for public access.
8. All CSR projects having value of more than Rs. 1 crore should be independently assessed for their impact, as mandated in clause 6(9) of this policy. Reports of such impact assessment should be placed before CCL Board, through the respective CSR committee of Board.

9. DUE DILIGENCE

CCL would comply with all statutory provisions on CSR and the amendments thereto, as promulgated from time to time. CCL would also comply with all rules, regulations, guidelines, orders, directives or any such communication issued by the Central Govt. from time to time. In case of any statute coming into effect where there is already a policy provision, the said statute, from its effective date will substitute and prevail upon such policy provision. Wherever applicable, the definitions of terms such as ongoing project, administrative overheads etc. as given in the CSR rules notified/circulated by Ministry of Corporate Affairs, Government of India from time to time shall apply.

10. LIMITATION AND AMENDMENT .

The CSR policy of company will be governed by provisions under Companies Act, 2013 or any other act that may be introduced, Government guidelines and any other govt. instructions applicable from time to time.

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