



THE SINGARENI COLLIERIES COMPANY LIMITED
(A Government Company)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility means the activities undertaken by the company in pursuance of its statutory obligation laid down in section 135 of the Companies Act-2013 read with the provisions contained in the rules made thereunder.

The Policy is known as Corporate Social Responsibility Policy of The Singareni Collieries Company Limited.

1. Preamble:

One of the greatest challenges facing the world today is integrating economic activity with environmental and social concerns. The objective of such integration is achievement of 'sustainable development'. The mining and mineral industry has come under tremendous pressure to address/ improve social, developmental and environmental concerns. Like other parts of business world, companies are more routinely expected to perform to highest standards of behaviour, going well beyond achieving profitability goals. They are also increasingly being asked to be more transparent. In response to this, The Singareni Collieries Company Limited (SCCL) has committed to bring economic and social benefits through its Corporate Social Responsibility (CSR) initiatives. This policy document will therefore serve SCCL in extending CSR activities for the benefit of Society at large.

2. Objective:

The main objective of this Policy is to integrate CSR and Sustainability as a key business process for achieving triple-bottom line impact as mentioned below.

- i. SCCL recognizes that pursuit of sustainable development is an integral part of growing its business, creating value for its stakeholders and in building a responsible future through ethical business practices and governance.
- ii. SCCL supports practical measures and policies that will help to protect and improve the environment.

- iii. SCCL adopts a responsible approach towards communities and aim for sustainable development without creating dependency.

3. Major Thrust Areas:

The major thrust areas of the CSR policy are identified with a view to have long term benefits to the Society which are as under:

- i. Basic Services (Drinking Water supply, Sanitation etc.)
- ii. Health
- iii. Education
- iv. Livelihood and Local Economic Development
- v. Interventions for marginalized communities such as SCs and STs
- vi. Other related activities.

4. Scope :

The Scope of CSR activities of SCCL in line with Schedule VII of Companies Act, 2013 is as follows.

a) Environment

- i. Involvement of community for additional efforts to create better environment while complying with applicable environmental regulations.
- ii. Minimising environmental impacts and risks to provide opportunities for building relationships with local communities.
- iii. Promote environment friendly technologies.

b) Communities & Society

- i. Promote multi-stakeholder partnership to look at longer-term sustainable solutions.
- ii. Build two-way and inclusive channel of communication with communities.
- iii. Provide support during natural calamities, disasters and other emergencies.

c) Geographical Area to be covered

A substantial portion of CSR Budget i.e., to the extent of 80% shall be spent on CSR activities in the districts of Telangana, Odisha and other States where the SCCL is having/may have coal mining/power and other business projects, 20% may be spent outside the aforesaid Areas.

However, contribution to State/National level funds like State Disaster Management Authority Fund, PMRF and PM CARES Fund will not come in the purview of above geographical restriction.

5. Activities which will not cover under CSR:

The following activities are not to be included in the Annual Action Plan of CSR and not to be taken up under CSR.

- a) Activities undertaken in pursuance of normal course of business of the company.
- b) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- d) Activities benefitting the employees of the company.
- e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

6. CSR Committee :

a) At Board Level:

- i. The CSR Committee shall consist of directors, comprising C&MD, SCCL as Chairman of the Committee, Director (Finance) as Member, Director (Operations) as Member and Director (P.A&W) as Member Convenor.

b) Below Board Level:

- i. The Corporate level CSR Committee of the SCCL consists of GM (Personnel) Welfare & CSR as Member Convenor, GM (F&A) Corp as Member and SO to Director (Operations) as Member.
- ii. The Area level CSR Committee shall comprise of SO to Area GM–Chairman, HOD of F&A – Member, HOD of Personnel Department - Member and any one member in the following based on the nature of CSR project.
 - 1) HOD of Civil - Member
 - 2) HOD of Estates Department - Member
 - 3) HOD of Purchase Department - Member
 - 4) HOD of Survey Department - Member
 - 5) HOD of Forest Department - Member
 - 6) HOD of Environment Dept - Member

- iii. SO to GM, HOD of F&A and HOD of Personnel Departments in Area CSR Committee shall submit CSR reports to Corporate as per the requirement.
- c) The Board of a company shall satisfy itself that the funds distributed under CSR have been utilised for the purpose and in the manner as approved by it and the Chief Financial Officer (Director (Finance)) shall certify to that effect.

7. ONGOING Projects :

- a) A multi-year project having timelines not exceeding 03 (Three) years excluding the financial year in which it was sanctioned is called the ONGOING Project.
- b) Any project that was initially not approved as a multi-year project but whose duration has been extended beyond one year can be made into ONGOING Project by extending the duration through approval in board based on reasonable justification

8. CSR Implementation & Monitoring :

- a) The CSR activities undertaken by SCCL shall be implemented by itself or through any implementing agencies as per the possibility.
- b) The CSR Committee shall formulate an Annual Action plan for implementing CSR Policy in SCCL in accordance with Schedule VII of the Act.
- c) The Annual action plan must contain the list of CSR Projects / Activities to be undertaken in operational areas of SCCL along with other areas in the ratio 80:20.
- d) The manner of execution of the projects, utilization of funds and duration of the project shall be specified for each individual project by the committee in Annual plan.
- e) The project should be completed desirably by 2 years from its initiation and in no case the projects with duration exceeding three years shall be undertaken. The projects planned must be in this fixed time frame.
- f) The date of initiation of the project shall be its date of commencement of work or the date of first instalment releasing

whichever is earlier. The year of the project shall be taken as the year of the Project sanction.

- g) A Need/Social Benefit analysis shall be done for the projects worth more than one crore before undertaking the project by internal or external agencies having relevant experience. However, CSR activities relating to providing infrastructure to Schools, Colleges, Professional institutions where social benefit is involved Need analysis is not required.
- h) The CSR projects having outlays of one crore rupees or more shall conduct Impact Assessment study after completing the project by internal or external agencies having relevant experience in the field.
- i) The implementation of CSR Projects can be taken up with the collaboration of Government Authorities wherever it is needed.
- j) The CSR proposals initiated by Areas shall be routed through Area CSR Committee. The Proposals forwarded from Areas and Proposals initiated at the Corporate shall be routed through Corporate CSR Committee for approval of the Competent Authority.
- k) The implementing agency / Area CSR Committee shall submit "Work Completion Certificate" to the convenor of CSR Committee at Corporate after ensuring the completion of CSR Project.
- l) The Annual action plan can be amended by the board as per the recommendation of CSR Committee, accompanied with reasonable justifications.
- m) The Area Committee established for the purpose of monitoring the CSR Projects shall submit their report for every quarter period to Corporate CSR Committee.
- n) The Corporate CSR Committee shall monitor the implementation, progress of the projects and consolidate the reports received from all areas and present it to the functional Directors for every quarter.
- o) The Board will review the status of projects for every six months and any modification in the projects or Annual action plan will be placed before the board through CSR Committee.

9. Allowable expenditure under CSR :

- a) Company can spend 5% of total CSR expenditure for the financial year or Fifty Lakh Rupees whichever is less for Administrative Overheads.
- b) The 5% limit of the Administrative overheads shall only include expenses incurred by the company on General Management and Administration. The expenses directly incurred on CSR projects for designing, implementation, evaluation and monitoring shall not be included in administrative overheads.
- c) The expenditure incurred for conducting Impact assessment study may be booked in CSR, which shall not exceed 5% of the total CSR expenditure for the financial year or fifty Lakhs whichever is less.

10. Upkeep and Maintenance of assets created :

Maintenance of assets created under CSR activities would be the responsibility of the State Government, Local representatives of the society and NGO concerned through which CSR activities are implemented and undertaking/consent shall also be taken to that effect.

11. Reflection of CSR activities :

All the CSR activities undertaken by the company shall be audited by a local authorized auditor. CSR activities will be reflected in the Annual Report under Social Overhead (CSR).

12. Further, any modification in Schedule VII of Companies Act or new directions from GOI shall also deem to have been incorporated in the scope of CSR policy of SCCL from the date of such changes being notified by the Government and it will be placed before the ensuing Board.