



CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY

(w.e.f. 01.04.2014)

MMTC Limited - Corporate Social Responsibility & Sustainability Policy

1. Short Title and Applicability

This Policy shall be called the MMTC Limited - Corporate Social Responsibility & Sustainability Policy 2014 and shall come into force w.e.f. the 1st day of April, 2014.

This policy is a self-regulating mechanism to guide and monitor to ensure that MMTC actively complies with the spirit of the law as laid down in the Companies Act, 2013.

According to this Policy, "Corporate Social Responsibility & Sustainability means and includes but is not limited to:

- (i) Projects or programs relating to activities specified in Schedule VII to the Companies Act or
- (ii) Projects or programs relating to activities undertaken by the Board of Directors of MMTC in pursuance of recommendations of the CSR Committee of the Board.

2. CSR Objectives

Corporate Social Responsibility & Sustainability shall be viewed as a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders, through the implementation and integration of ethical systems and sustainable management practices.

The objectives of MMTC CSR & Sustainability Policy are:

- (i) To be a good Corporate Citizen.
- (ii) To make CSR a key business process for sustainable development;
- (iii) To initiate voluntary measures to address economic, social and environmental concerns of stakeholders;
- (iv) To exhibit sensitivity towards environmental responsibilities and conduct our activities accordingly
- (v) To develop meaningful and effective strategies for engaging with all stakeholders
- (vi) To identify and develop socio-economic opportunities that lead to sustainable prosperity in the communities and countries in which we operate
- (vii) To sensitize the human resource of MMTC towards social and environmental needs

3. Areas of Focus

The Policy includes a list of CSR projects or programs outlined in the Schedule VII of the Companies Act.

Accordingly, MMTC shall undertake the following activities to contribute to socio-economic, environmental and cultural up-liftment and welfare in the areas preferably near MMTC operations and backward areas.

- (i) Infrastructure development especially for education, sanitation and drinking water
- (ii) Promotion of education including employment/ livelihood enhancing vocational skills among children, women, elderly, and the differently abled
- (iii) Primary health care, eradication of hunger and malnutrition
- (iv) Promoting gender equality, empowerment of women
- (v) Day care centers and facilities for children, women and senior citizens
- (vi) 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 in times of national calamities.
- (vii) Protection of national heritage, art and culture and promotion and development of traditional arts and handicrafts
- (viii) Promotion of rural sports, nationally recognized sports, Paralympics sports and Olympic sports
- (ix) Promote afforestation especially in mining areas and conservation of natural resources
- (x) Water, waste and energy management projects

4. Planning

MMTC CSR Policy is not a mere statement of good intentions, but it serves as a roadmap for formulation of actionable plans.

The CSR Committee shall plan to undertake CSR projects and put it up to the Board for approval in the template given at Annexure (i).

- (i) CSR activities shall not include any activity undertaken by MMTC during the normal course of its business.
- (ii) Any project / program which benefit the employees or their families shall not be considered as CSR Activities.
- (iii) MMTC shall develop plans to achieve the goals of the CSR projects / activities.
- (iv) MMTC shall identify projects in the periphery of MMTC areas of operations, as far as possible.

These projects will be as per the areas of focus mentioned in Clause (3) of the Policy and shall be categorized either as long, medium or short term

- (a) Short term projects / activities shall be those that have duration of less than 2 years.
- (b) Medium term projects / activities shall have duration from 2 to 5 years
- (c) Long terms projects / activities shall have duration of more than 5 years.
- (v) Need assessment of the activities to be undertaken in an area shall be done either by MMTC; independent specialized agencies; the partnering agencies or the elected local bodies such as Panchayats.
- (vi) MMTC shall plan to undertake those CSR activities that facilitates the fulfillment of the National Plan Goals and objectives, as well as the Millennium Development Goals

5. Budget Allocation

The Board of Directors shall ensure that MMTC spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years.

For the purposes of ascertaining the CSR Budget “average net profit” shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

If MMTC fails to spend the earmarked amount, the Board shall, in its report, specify the reasons for not spending the said amount.

CSR Budget will not lapse. Unutilized funds shall be transferred to a CSR Reserve which shall be utilized within 2 years maximum from the year in which such funds had to be carried forward.

6. Constitution of CSR Committee

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Companies Act.

CSR Committee of the Board shall consist of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility Committee shall-

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility & Sustainability Policy which shall indicate the activities to be undertaken by MMTC
- (b) Recommend the amount of expenditure to be incurred on the activities; and
- (c) Monitor the Corporate Social Responsibility Policy & Sustainability of MMTC from time to time.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by MMTC.

7. Implementation

MMTC CSR policy addresses the social, economic and environmental concerns of society. Implementation of this policy requires selection of activities / projects, which are generally for inclusive growth of society and environmental sustainability.

- (i) MMTC shall follow a three pronged approach for carrying out CSR activities which encompass its role as a promoter, a partner and a facilitator towards adding value to the triple bottom line.
 - (a) MMTC as Promoter: Taking up CSR activities on its own
 - (b) MMTC as a Partner: Taking up Corporate Strategic Responsibility Projects on a sustainable basis in partnership with Voluntary Bodies, Autonomous Bodies, Statutory Agencies, State and Central Government Agencies
 - (c) MMTC as Facilitator: Contributing to various Socially Beneficial Projects in and around location where MMTC has its business operations and in the Country at large.
- (ii) MMTC may associate with specialized agencies such as Voluntary Agencies (Not for profit/ NGOs); Institutes/ Academic Organizations; Trusts; Missions; Self-Help Groups; Government, Semi-Government and autonomous Organizations; Standing Conference of Public Enterprises (SCOPE); Mahila Mandals/ Samities; Contracted agencies for civil works; Professional Consultancy Organizations, etc. for undertaking meaningful CSR projects
- (iii) MMTC shall invite proposals in the template in Annexure (ii) and also verify the credentials of such specialized agencies
- (iv) Once the project is approved by the Board, MMTC shall enter into an agreement with each of the executing/implementing agencies as per the Standard Agreement duly vetted by the Law Division.

8. Monitoring

Monitoring of CSR project goes concurrently with implementation, and is as important. Monitoring is essential to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets.

Monitoring shall comprise of the following:

- (i) Depending upon the geographical area in which the project will be undertaken, the concerned Regional office shall be directed to monitor and implement the project either directly or in association with a private /public partner.
- (ii) For each project a nodal officer shall be duly appointed whose task is to monitor timely completion of the project and update the Corporate Office with respect to the status of completion of the project on a fortnightly basis.
- (iii) Board of Directors shall be apprised of CSR activities undertaken on a quarterly basis.
- (iv) To ensure that the funds are utilized prudently and for the intended purpose, the funds shall be released in a phased manner, upon full satisfaction of the utilization of funds previously given.
- (v) The concerned Regional Office shall also obtain feedback from the beneficiaries about the programmes.

9. Evaluation

While the monitoring of the projects is undertaken internally, the social audit/ impact assessment is undertaken by an independent agency in order to assess the “social impact” of the CSR activities undertaken by MMTC. Such social audit/ impact assessment shall be concurrent and final.

The agency appointed for conducting the Impact Assessment Study must design assessment tools to assess the impact of the project undertaken especially on the following:

- (a) Target group
- (b) Sector of intervention
- (c) Value chain

The assessor must also recommend any alteration/ improvement required if the outcome shows an outcome other than/ less than planned for and also

point out areas of improvement in the work of the selected implementing agency and the work executed by them (if any).

10. Reporting

Reporting is the practice of disclosing to the stakeholders the economic, social and environmental initiatives taken by the company, as an indication of its commitment to sustainable development. Public disclosure and reporting of a company's performance in economic, social & environmental areas is no less important than the initiatives themselves.

- (i) MMTC shall highlight the overall achievements of its CSR in Annual Report and/ or a Stand-alone Report on its CSR initiatives.
- (ii) MMTC shall display its CSR activities on its homepage (www.mmtclimited.gov.in)
- (iii) Information on CSR shall be disseminated to employees through Intranet & newsletters etc. and to external stakeholders through various communication channels like internet, print and electronic media.
- (iv) Articles on CSR in the In-house Magazines/ Brochures shall be published on regular basis.
- (v) There shall be attached to statements laid by the company in its annual general meeting, a report by the Board of Directors having details about the policy developed and implemented on corporate social responsibility & sustainability and the initiatives taken during the year.
The Board's report shall be signed by the Chairman of the CSR Committee and by CMD of MMTC.

The annual report on CSR activities shall be in the format below:

- (a) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- (b) The Composition of the CSR Committee.
- (c) Average net profit of the company for last three financial years
- (d) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
- (e) Details of CSR spent during the financial year.
- (f) Amount unspent , if any
- (g) Manner in which the amount spent during the financial year shall be disclosed as per the template in Annexure (iii).
- (h) In case MMTC fails to spend the two per cent of the average net profit of the last three financial years or any part thereof, MMTC

shall provide the reasons for not spending the amount in this report.

- (i) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of MMTC.

11. General

- (i) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Cell at Corporate Office. In all such matters, the interpretation & decision of the CMD shall be final.
- (ii) 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, from time to time.

Annexure (i)

CSR Plan Template

S. No.	CSR Project	Area/ Sector of Intervention	Geographical area	Amt to be allocated	Implementing agency	Duration of the project	Expected outcome/ impact
1	Creation of sanitation and drinking water facilities in Govt. high schools, Odisha (under Swachh Bharat Mission)	Promoting preventive health care, improvement of hygiene and sanitation and safe drinking water facilities; promoting education	Joda / Barbil district in Odisha	30 lakhs	Yet to be finalized (to be decided through tendering)	1 year	Promotion of literacy, especially of girl child; secure better attendance in schools
2	Installation of hand-pumps in 5 Primary/ Secondary schools	Promoting preventive health care and making available safe drinking water	Phoolpur, Phaphamau, Soran in Allahabad, Uttar Pradesh	2 lakhs	Yet to be finalized (to be decided through tendering)	1 year	Availability of safe drinking water in rural schools
3	Installation of 3 hand-pumps	Promoting preventive health care and making available safe drinking water	District Ghosi in Uttar Pradesh	1 lakh	Yet to be finalized (to be decided through tendering)	1 year	Availability of safe drinking water in rural backward areas
4	Setting up a scheme of scholarships/ financial assistance for meritorious students from socially and economically weak backgrounds studying in Govt. schools/ colleges	Promoting education, Enabling higher education of meritorious but financially disadvantaged students	Yet to be finalized	10 lakhs	Yet to be finalized	Yet to be finalized	Promotion of education, Creation of employability

Annexure (ii)

Template for inviting proposals from specialized agencies

Introduction of the NGO	Documents
1. Area of work	1. Registration certificate
2. Credentials	2. Trust deed
3. Relevant past experience	3. Memorandum
4. Whether similar projects carried out before	4. 80G certificate (IT exemption)
5. Impacts/benefits of such projects	5. PAN Card (Service Tax Certificate)
6. Tie-ups with other companies	6. Audited accounts of last three years
Proposal	IMPACT
1. Need Assessment	1. Expected impacts of the project - economic/environmental/social
2. Plan	2. Monetary (by way of selling/using the recycled stuff)
a) Area of intervention (How MMTC can participate/where)	3. Intangible (quality of life improvement)
b) Duration of the project	4. Number of people benefitted belonging to
c) Cost estimate- Direct expenditure & Overheads	a) Below the poverty line/marginalized/section of society
d) Involvement of the local governing body (e.g. panchayat)	b) Women/girls
3. Implementation	c) Aged
4. Steps involved in the processes (Methodology adopted)	
5. Tools/instruments to be used	

Annexure (iii)

Template for disclosing amount spent during the financial year in the Board's Report

- A brief outline of MMTC's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs
- The Composition of the CSR Committee.
- Average net profit of the company for last three financial years
- Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
- Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year;
 - Amount unspent , if any;
 - Manner in which the amount spent during the financial year as detailed below:

1	2	3	4	5	6	7	8
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) State and district where projects or programs undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							

- In case MMTC fails to spend the two per cent of the average net profit of the last three financial years or any part thereof, it shall provide the reasons for not spending the amount in its Board report.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

<p>(Chairman and Managing Director)</p>	<p>(Chairman of CSR Committee)</p>
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