

# **CSR POLICY OF MOIL LIMITED**

## **1. Preliminary**

MOIL LIMITED (formerly known as Manganese Ore India Ltd.), hence- forth called as Moil, is a Public Sector Enterprise falling under the administrative control of Ministry of Steel, Govt. of India. The management of the company is keen to implement CSR activities more vigorously and in a planned and time bound manner. For the overall guidance of all concerned designed guidelines in the form of a Policy are necessitated which is also mandatory in terms of provisions contained in the MOU executed with the Govt. of India.

## **2. Preamble**

- CSR is an essential ingredient of corporate governance. It is fundamentally a philosophy or a vision about the relationship of business and Society. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. The Public Sector Enterprises in pursuit of the triple bottom line' of people, planet and profit have to assign a high priority to the adherence of ideals of CSR.
- In one of his addresses the honorable Prime Minister of India has emphatically laid stress that CSR should be defined within a framework of a corporate philosophy which factors the need of the community and the regions in which corporate entity functions. The corporate industry should invest in environment friendly technology and at the same time the

environment as well as the ecology must be protected and safeguarded for the future generations.

- The Parliamentary Committee on Public Undertakings has also brought out that Govt. believes in making the PSEs growth oriented and technically dynamic. Every PSE has a moral responsibility to play an active role in discharging the social obligations subject to the financial health of the Enterprise. The principles embodied in the Memorandum of Association of PSEs also vindicate the view.
- The mandate given under the NCMP (National Common Minimum Programme) of the Govt. outlines the need for strong public sector whose social objectives should be met by their commercial functioning, CSR for CPSEs is to be viewed in this context as well.
- In the workshop on CSR which was attended by the functionaries of the corporate as well as the Govt., the issue of formulation of a Policy was discussed and it was unanimously viewed that there should be a well designed guideline on CSR and funds for activities to be carried out should be earmarked based on the paying capacity of the company.
- Govt. of India has been issuing guidelines on CSR to Public Sector Enterprises from time to time and in terms of latest comprehensive guidelines issued on 9<sup>th</sup> April, 2010, the implementation of CSR activities has been made mandatory. **Effective corporate responsibility requires a good level of commitment from the entire organization and especially the top management who can ensure that not is CSR practiced but also practiced well.**

### **3. Adoption/Implementation of CSR by MOIL**

- MOIL has been conscious of its CSR obligations and for the fulfilment of the same, specific provisions have been made in Paras 1, 22, 23 &37 of the Memorandum of Association depicting the objects for which the company was established .Not only this, MOIL has been undertaking and

implementing CSR activities for the welfare of the people and development of the area falling within the periphery and close vicinity of its operational area. Now, in view of the latest guidelines issued by the DPE, **MOIL is committed to carry out CSR activities/programmes more vigorously, in an integrated, planned and time bound manner.**

- In the above backdrop, policy on Corporate Social Responsibility of MOIL is broadly framed.

#### **4. Objective**

- The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for substantial development for the society. **MOIL envisages CSR as a commitment** to meet its social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis, preferably in the project areas where it is operating. **The company also undertakes** to act as a good corporate citizen, subscribing to the process for substantial development for the society. The main thrust of the CSR activities would be to improve the living standards, be it economic or social, of the living beings in general and those of the project areas in particular.

#### **5. Areas to be Covered**

- From the perusal of the existing workforce of MOIL, it is made out that out of the 6734 odd personnel as on 31.3.2010, about 19% of them are SCs, 25% STs, 29% OBCs and 27% others. This gives reliance to the view that there is a preponderance of weaker sections population in the project area and its vicinity though the correct position could be ascertained only after conducting proper survey. In such a situation, it becomes imperative that schemes to be identified for implementation

under CSR should be able to further ameliorate the lots of the inhabitants and improve their living conditions. Therefore, in line with the concept of the triple bottom line, the Economic, Social and Environmental needs have to be especially taken care of while deciding the coverage of CSR activities. **Accordingly, the areas to be covered could be:-**

- **Basic Needs**

Potable Water, Electricity, Human Health and Family Welfare, Animal Health, Sanitation and Public Health, Education, Irrigation.

- **Environmental**

Ecological Balance, Environment Protection, Afforestation, Control of Air and Water Pollution, Eco friendly Technologies, Non-Conventional Energy Sources.

- **Developmental**

Roads, Paths, Bridges, construction works and infrastructure for back-ward areas, supplementing Development Programmes of Govt.

- **Socially**

Old age homes, Hostels, , Community Centers, Night shelters, Women Empowerment, Welfare of weaker sections and providing livelihood to them, Employment generation.

- **Skill Developments, Vocational Training, Placements**

- **Art and Culture**

- **Sports and Games**

Under the above broad heads, the schemes, projects and activities which could be undertaken are listed as *Annexure 1*

## **6. Parameters/Guidelines**

The new guidelines on CSR lay stress on shift from casual approach to the project based accountability approach. There is greater emphasis on identification of projects based on surveys, laying down clear cut paths to implement programmes as well as their monitoring. It is also prescribed that activities under CSR are to be implemented by Specialized Agencies and NOT by the staff of the Company. Specialised Agencies would include Community Based Organisations like NGOs, Panchayat Organisations, Academic Institutes, Trusts and Missions, Self Help Groups, Mahila Mandals etc. In some special circumstances even State Governments and Corporate Bodies working under them, may also undertake the implementation but such projects will differ from their ongoing programmes.

**Briefly, the different parameters/guidelines relating to CSR could be enumerated as under:**

- a) All activities/Schemes to be undertaken will be in consonance with the guidelines issued by the GOI.
- b) By and large, the Schemes/Projects will be identified and implemented in the Project Area of the Company and its periphery. Other areas may be covered in extraordinary circumstances, in larger public interest. But all such cases will be referred to the Board of Directors for their concurrence.

- c) The activities have to be project based leading to the sustainable development and the benefits thereof must reach the smallest units.
- d) The Schemes should generate community goodwill, create social impact, build the image of the company and should be visible as well.
- e) Need based Action Plan ( Long/Medium/Short term ) based on the need analysis survey, will be formulated reflecting the content objectives, major milestones, budget and the implementing agency and will be given effect to in a time bound manner.
- f) In line with the Millennium Development Goals, activities like gender sensitivity, skill enhancement, entrepreneurship development and employment generation will be undertaken.
- g) CSR activities may be related to United Nations Global Compact Programme on Environment especially the maintenance of ecological balance, pollution control, protection of environment, non conventional energy sources etc. The company should also shoulder responsibility for restoring/compensating for any ecological damage that is taking place as a result of its operations.
- h) Schemes may focus on the areas of 'Preparedness and Capacity Building' in Disaster management.

- i) The target beneficiaries, the local authorities etc may be consulted in the process of planning and implementation of CSR Programmes and also to avoid any duplication.
- j) Project activities identified under CSR are to be implemented by Specialised Agencies and generally not by the staff of the company. Specialised agencies could be made to work singly or in tandem with other agencies. Clean track record of such agencies will be verified and a panel thereof will be prepared.
- k) Company will generate awareness and impart adequate training and reorientation to all concerned.

## 7. Activities not covered under CSR

The following activities will not form part of CSR Works:

- I) Mere funding or financing any programme
- II) Any form of donation or charity.
- III) Sponsoring of any event for the purposes of advertisement.
- IV) Activities and expenditure related to staff.

## 8. Funding

The guidelines issued by the Govt stipulate the following range of expenditure on CSR activities by different categories of public enterprises:

	<b>Net Profit (previous year)</b>	<b>Range of funds in a fiscal year</b>
I)	Less than 100 crore	3% -- 5%
II)	100 crore to 500 crore	2% -- 3%
III)	500 crore and above	0.5% --2%

Following parameters will be applicable in case of MOIL:

- a) The company will mandatorily create a CSR Budget through a Board resolution.
- b) Since MOIL is a 'Mini Ratna' Company, it will ensure 2% CSR spending per annum as emphasized by the Ministerial Circles.
- c) CSR Budget will be fixed for each financial year and this funding will not lapse. The unutilized amount will be carried over to the next years' Annual CSR Fund, which will accumulate as in the case of a non-lapsable pool.
- d) The Company will endeavour to spend the stipulated amount on CSR in a time bound manner.
- e) If need be, for different Profit Centres like Factories/Plant locations, separate CSR budgets may be allocated and spent.

## **9. Arrangements for Implementation**

### **I. Partnership Approach**

Partnership Approach will be adopted in the implementation of CSR activities. Specialised agencies, NGOs, Trusts, Missions, autonomous organizations, Govt, Semi-Govt etc will be involved in the implementation of Schemes/programmes under CSR. A panel of Organisations desirous of undertaking/programmes/activities under CSR may be prepared at the level of the company. Such Agencies/Organisations may execute the programmes at their own level or in collaboration with other agencies.

### **II. Constitution of CSR Committees**

There will be two tier organisations viz the Internal Committee and the Corporate Committee to ensure implementation of activities and utilization of

funds in a time bound manner. MOIL has already constituted these Committees and the same are functional.

#### **A. The Internal Committee**

- The Committee will be constituted at the level of CMD. The officials interested in CSR work will be included in this Committee. One of the incumbents will be nominated as the coordinator/chairman.
- **The duties, functions and the role to be played by the Committee will be as under:**
  - i) Prime duty of the Internal Committee would be to provide necessary help and assistance to the Corporate Committee in identification, finalization, implementation and monitoring of various activities/schemes/projects / programmes under CSR.
  - ii) With a view to have a baseline data and to ascertain basic needs/requirements of the people and the area ,the Internal Committee will ensure conducting of a Survey on the basis of which requisite schemes/projects will be identified for implementation.
  - iii) After the identification of Schemes/Projects, the Committee will prepare the Draft Annual Plan keeping in view the availability of funds and put up the same to the Corporate Committee.
  - iv) The committee will scrutinize all such projects and schemes as received from various quarters for financial assistance and put up the same to the Corporate Committee with its comments/recommendations.

- v) If need be, to interact with the Organisations/Agencies for finalization of Schemes etc.
- vi) To prepare a panel of agencies/organizations keen to implement CSR activities and programmes.
- vii) Compilation of information and preparation of Annual Report.
- viii) To carry out any other task assigned by the Corporate Committee.
- ix) The meetings of the Committee may be held as per the exigencies of work.

- **Constitution and Strengthening of the Internal Committee**

The CMD will be the competent authority to nominate/change/ replace the members of the Committee in consultation with the Chairman of the CSR Corporate Committee. The management will ensure adequate strengthening of the Internal Committee so as to enable it to discharge its duties/responsibilities expeditiously, smoothly and efficiently. For this, the setting up of a full time ‘**CSR CELL**’ will be of a dire necessity. The CMD will be the competent authority to sanction and incur any amount of expenditure for this purpose. Prescribed procedure will be followed for making any recruitment of personnel etc..

## **B. The Corporate CSR Committee**

### **Constitution of the Committee**

- i) The Corporate Committee will be constituted at the level of the Board of Directors of the Company.
- ii) The Committee will be constituted under the Chairmanship of an Independent Director and will have as many other members as determined by the BOD.
- iii) The Company Secretary or any other suitable incumbent will be nominated as its Member Secretary.
- iv) The Scope, Terms of Reference and Powers etc of the Committee will be determined at the level of the BOD.

### **• Meetings of the Committee**

- i. The Committee shall meet at least four times in a year and not more than four months shall elapse between the two meetings.
- ii. The Quorum shall be either two members or one-third of the total members, whichever is greater, but there should be a minimum of two Independent Directors present.

### **• Functions, Duties/Role of the Corporate Committee**

- i. The Committee will be overall competent and responsible for identification, selection, formulation, approval, execution,

planning, supervision, coordination and monitoring of various programmes and activities under CSR.

- ii. To decide the priority of the activities to be undertaken.
- iii. To decide the quantum of budget for the year and to finalize the Annual Action Plan.
- iv. To consider and approve various Schemes/Projects received from various quarters for financial assistance as put up before it by the Internal Committee after scrutiny.
- v. To interact with the Govt. Officials for the selection of areas and the activities so as to avoid any duplication.
- vi. To interact with the NGOs/Social Organisations etc for finalization and implementation of Schemes.
- vii. To organize training workshops and seminars for better implementation in consultation with CMD
- viii. To ensure receipt of Utilization Certificates along with statement of expenditure duly certified by an Authorized Auditor, from the organizations/institutions to whom CSR Fund is allocated.
- ix. To submit Progress Review Report to the Board of Directors at least twice a year.

## 10. Monitoring and Evaluation

- i. As monitoring of activities is of paramount importance, the Corporate Committee will keep a watchful eye on the implementation. Periodic review of progress will also be ensured.
- ii. Similarly, BOD will also appraise the implementation progress in its meetings.
- iii. The impact of the activities may be got evaluated through a suitable independent External Agency.

## 11. Documentation/Reporting/Transparency

- i. The Company will include a separate paragraph in its Annual Report reflecting the implementation of CSR activities.
- ii. Meticulous documentation relating to CSR approaches, policies, programmes , major milestones etc should be prepared and made available to the National CSR HUB.
- iii. The policy on CSR and the activities carried out under it may also be uploaded on the website of the Company. **Efforts will be made to make the whole process transparent as far as possible.**
- iv. The impact made by the CSR activities will be quantified to the best possible extent.

## 12. Amendment

Any modification/amendment in the CSR policy may be carried out by the Corporate Committee in consultation with the C.M.D of the Company.

## ***ANNEXURE I***

(The Schemes included are indicative and illustrative but not exhaustive)

### **1. Education**

- i. Construction of class-rooms/school buildings.
- ii. Renovation of existing school buildings.
- iii. Construction of toilets in schools especially for girls.
- iv. Financial assistance to schools for academic education.
- v. Providing furniture, electrical appliances, laboratory equipments/instruments.
- vi. Setting up/strengthening libraries.
- vii. Adoption/construction of hostels especially for girls and SC/ST.
- viii. Construction of kitchens for mid-day meals.
- ix. Scholarships to talented and needy students.
- x. Promotion of professional/vocational education by setting up ITIs, Polytechnics & Engg. Colleges.
- xi. Promoting literacy programmes like 'SAAKSHAR BHARAT' launched by Govt. of India.
- xii. Creating awareness about female education.

### **2. Water Supply and Sanitation**

- i. Installation/Repair of Hand Pumps/Tube wells/Bore wells.
- ii. Digging/Renovation of wells/tanks/ponds.
- iii. Laying pipeline for proper distribution of water.
- iv. Rain water Harvesting Schemes.
- v. Organizing cleanliness and sanitation drive.

### **3. Human Health and Family Welfare**

- i. Organizing camps for awareness and health care, health check ups, blood donation, family planning, diet and nutrition , immunization, child and mother care etc.
- ii. Contribution for construction/repair of Hospital /Dispensary buildings.
- iii. Construction/setting up of 'DAI' Centers' for providing maternity facility in villages.
- iv. Providing medical and surgical equipment and machinery, ambulances, mobile medical vans.
- v. Strengthening of laboratories for conducting various tests.
- vi. Financial help for purchasing medicines/drugs.
- vii. Creating awareness about the evils like alcohol, smoking, drug addiction etc.

### **4. Animal / Livestock Care**

- i. Contribution for Construction/Renovation/Repair of veterinary Hospitals/Dispensaries/Polyclinics.
- ii. Providing equipments/instruments to veterinary institutions.
- iii. Organizing camps for awareness about various livestock diseases, deworming, treatment, vaccinations to control Foot and Mouth disease & Rinderpest, infertility, artificial insemination etc.
- iv. Promoting dairying & poultry in the project area.
- v. Making available good quality cow and buffalo bulls in villages.

## **5. Environment**

- i. Taking measures to maintain ecological balance.
- ii. Afforestation, Social forestry, Farm forestry, raising of nurseries.
- iii. Development of herbal parks, check dams.
- iv. Plantation of fruit trees, plants of commercial value.
- v. Development of green belts, fencing & railing.
- vi. Prevention of environmental pollution.
- vii. Encourage Eco-friendly technologies.
- viii. Promotion of Non-Conventional Energy Sources.
- ix. Promoting Agro-Forestry.
- x. Restoration of mined out and degraded lands.
- xi. Boosting Eco-Clubs particularly in schools.
- xii. Awareness campaigns.

## **6. Construction / Development of Infrastructure in Backward Areas**

- i. Construction of metalled roads, paths, bridges, culverts.
- ii. Repair and maintenance of connecting roads / bridges.
- iii. Construction of Community Centers, Chaupals, Night-Shelters, Bus – Queue Shelters and other Public Utilities, Cremation Grounds
- iv. Providing irrigation facilities.
- v. Providing electricity and solar lights.
- vi. Development of Parks.
- vii. Adoption of villages for integrated development.

## **7. Social Empowerment**

- i. Health care of senior citizens.

- ii. Setting up of Homes for the Aged & Blind, Orphanage and rehabilitation of widows and destitute women.
- iii. Providing Tricycles and other help to the handicapped and the disabled.
- iv. Providing training in Art and Crafts, Embroidery, Sticking, Driving, Computer Courses, different Trades etc, so as to generate self-employment opportunities.
- v. Promoting female education by providing scholarships, books, bags, uniforms, bicycles etc.to girl students,
- vi. Awareness about abuses of early marriage, foeticide etc.
- vii. Creating Self-Help groups especially of women in villages.

#### **8. Promotion of Sports, Art & Culture**

- i. Development/Construction of playgrounds, sports complexes, stadiums and auditoriums.
- ii. Creating facilities for indoor games.
- iii. Construction of Pucca/Turf courts.
- iv. Conducting tournaments of various games in the villages falling in the project areas.
- v. Financial assistance to schools for promotion of games and sports.
- vi. Providing sports kits to talented players.
- vii. Promotion of art and culture.
- viii. Restoring cultural traditions and values.

#### **9. Participating in the Development and Welfare Programmes of the Govt.**