

Corporate Social Responsibility GMDC



Gujarat Mineral Development Corporation Ltd.

(A Government of Gujarat Undertaking)

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1. GMDC's CSR Philosophy

Gujarat Mineral Development Corporation Limited (GMDC) is a major minerals and lignite mining company owned by Government of Gujarat. GMDC was founded in 1963 completed 51 years of its journey in 2014 fueling growth of Gujarat. GMDC is major producer of lignite, a key energy as well as produces base metals and industrial minerals such as bauxite and fluorspar. It also has a large power generation portfolio comprising of lignite based thermal power plant with an annual capacity of 250MW, wind power with capacity 150 MW and solar power whose generation capacity is 5 MW.

GMDC believes in and practices a culture of responsible development. It constantly strived to reach out to the community in and around of its areas of operations, many of which are situated in some of the remotest regions of the State. The community outreach programs of GMDC targets relevant areas of rural development such as health, sanitation, education, agriculture, micro irrigation, water harvesting and rural infrastructure through a participative approach. GMDC provides facilities of mobile dispensaries at various projects thus making health services accessible in these rural areas. The Micro Irrigation Scheme introduced by GMDC in collaboration with Government implementing agencies has also been well received by the farmers' community. During the 2012, GMDC started a three year financial assistance scheme for girl students studying in standard eight to 12, of core zone villages. GMDC is also investing in water harvesting works in Kutch. Year on year, GMDC has always attempted to shoulder its Corporate Social Responsibility holistically and strategically.

The present CSR policy of GMDC is aligned to the Corporate 'Vision' and 'Mission' statement

Vision:

"Participating in Mineral asset creation and value addition, operating in a socially and environmentally sustainable manner."

Mission:

"Continually endeavor to improve quality of life significantly in project affected areas and surrounding area by focusing on areas like livelihood promotions, basic infrastructure development, education, sports, health & sanitation, safe drinking water, employment by skill development and training, women empowerment, girl child education, incubation of future entrepreneurs, rural development projects and also caring for socially and economically backward groups.

Also for environment, ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water."

2. Objectives:

The basic objective of GMDC's CSR policy is:

- To improve overall quality of life significantly.
- To create opportunities for livelihood.
- To provide all necessary assistance for:
 - Training, Skill Development and Employment.
 - Sports
 - Girl Child Education
 - Women Empowerment and gender equality

- To assist for Rural Infrastructure development as may be permitted under law
- To create and maintain health & sanitation related facilities.
- To promote and provide access to safe drinking water for population in surrounding areas to GMDC facilities
- Uplifting standard of living for socially and economically backward groups.
- To ensure in every business activity about environmental sustainability, ecological balance, protection of flora and fauna and animal welfare.
- To encourage and assist in development of agro-forestry.
- To actively encourage and exercise conservation of natural resources.

3. Areas of Focus

- Water conservation and environment
 - Construction of Dams, storage tanks, deepening of ponds
 - Rain Water Harvesting, Reuse of treated sewage water
 - Plantation drive and sapling distribution
- Micro Irrigation and Agriculture
 - Micro irrigation system
 - Cultivation of Indigenous species At backfilled mine pits
 - Organization of Farmers Exposure Tips
- Health and Sanitation
 - Hospitals and clinical facilities in Project Areas with qualified staff and modern equipment, accessible to all
 - Mobile dispensary service to Villages
 - Sanitation
- Education
 - Schools with qualified staff at project areas, open to all
 - Promote sports and cultural activities
 - Provide assistance in education by providing assistance in procuring books and other accessories
- Employment Enhancement
 - Vocational Guidance Seminars
 - Skill Up gradation programs in areas such as Handicraft And Handlooms
 - Distribution of activity kits
 - Support to Fish Breeding by Adivasi Youth Mandal
- Rural Infrastructure
 - Construction of sewage line in villages surrounding Project Areas
 - Construction of roads in neighboring village areas
 - Construction of infrastructure for community development – Panchayat Building

4. Budget

Budget for CSR activities are detailed in **Annexure 1**

5. Organizational Mechanism

Organizational mechanism of CSR policy are detailed in **Annexure 2**

6. Guidelines for submitting CSR proposals

Guidelines for submitting CSR proposals are detailed in **Annexure 3**

7. Implementation Strategy for CSR projects/ activities

Implementation strategy for CSR projects/ activities are detailed in **Annexure 4**

8. Monitoring and Reporting Strategy for CSR projects/ activities

Monitoring and Reporting Strategy for CSR projects/ activities detailed in **Annexure 5**

9. Statement pursuant to Rule 6(2) of The Companies (CSR Policy) Rules, 2014:

"The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company

10. Amendment to Policy

The guidelines and annexure would form the part of framework around which the CSR programs/activities of GMDC would be undertaken by GMDC. GMDC is committed towards society and environment, and shall continuously aims to expand the initiatives to reach out to more people in a more effective manner

GMDC may review the Policy time to time as per the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Annexure 1: Budget

GMDC shall set aside 2% of the average net profit of the GMDC as provided under the provision of Section 135 of the Companies Act, 2013. An annual plan for CSR programs/ activities will be prepared and will be submitted to the CSR committee constituted by the Board of Directors of GMDC.

1. Each year budget for CSR activities shall be as decided by the CSR committee considering the minimum mandate of law.
2. The actual budget shall be based on the CSR programs planned and approved for that year.
3. The total budgeted amount for the year _____ be distributed on Projects/ GMDC Establishments as below :

CSR BUDGET FOR THE YEAR _____			
Head	Actual Expenditure of Previous Year	Budgeted Expenditure for next year	

In exceptional circumstances percentage allocation may be varied with the approval of the MD and subsequently to be placed before the Board for approval.

4. Budgetary allocation would be approved considering GMDC’s priority of CSR Projects.
5. The expenditure related to operations of schools and health centers will be under GMDC account.

Annexure 2: Organizational Mechanism

Project proposal for any CSR activity shall be examined by the Standing Committee consisting of executives of different disciplines/GMs with strength of (six) members and submit report/recommendations to the Managing Director of GMDC.

The activities of the CSR Committee will also involve the following:

- To decide the priority of the activities to be undertaken under CSR.
- To interact with CSR Implementing agencies for determining the activities to be undertaken
- The Committee will monitor and review the progress of activities Undertaken/ completed

An internal committee at GMDC Headquarter level would be headed by Chief General Manager, GMDC and would include:

- Chief General Manager
- General Manager (HR)
- General Manager (Finance) & Chief Financial Officer
- General Manager (Geology)
- General Manager (P, R&D)
- General Manager (Sales)
- Officer In charge (CSR)

This internal committee will evaluate CSR proposals that may be submitted by project offices

- GMDC may take up the projects directly or through any of the reputed NGOs or any other agency /respective district authorities as may be decided with the approval of competent authority after proper due diligence of such agencies.

Annexure 3: Guidelines for Submitting CSR Proposals by Project Officer

The process that every project should adopt for submitting their respective CSR proposals to corporate office at Ahmedabad:

1. Every CSR proposal should be first evaluated and categorized to see whether it falls within ambit of overall CSR policy of GMDC and for prioritizing the proposals, order of preference shall be as below:
 - Core Zone Villages
 - Buffer Zone Villages
 - Other Villages
 2. At project level, detailed assessment of the proposal shall be carried out. For this assessment, the following parameters shall be considered:
 - Nature of proposal whether revenue or capital
 - Need of proposal and its benefits/ implication after completion
 - No. of beneficiaries
 - Financial implication of the proposal
 - Whether any Government scheme is available for the proposal and same can be dovetailed in to the proposal.
 - In case the proposal involves civil works, detailed estimate of the work proposed
 - Prioritize proposals by based on location i.e. Core Zone, Buffer Zone, rehabilitated, Project Affected and village
 - Previous proposals and work done in same area or same kind related to present proposal.
 3. In cases where the proposal is to create civil infrastructure, clear cut opinion from the District Development Officer of concerned district shall be obtained.
 4. While creating civil structure, local community organization shall be consulted upfront for the protection, maintenance and administration of the structure after it is created. Apart from that, Resolution of meetings shall be taken from the local authorities (i.e. Gram Panchayat) if allocation of land or civil structure for the proposal is involved.
 5. All the expenses under CSR shall be debited under GMDC Gramya Vikas Trust.
 6. In case, the proposal involves any kind of purchase, proper purchase procedure may be adopted.
 7. Undertaking shall be required from requesters that no proposal is made to any other government or non-government organization for same proposal, if request or proposal is made to other organization, details of the same must be mentioned.
 8. Further, Every Project Head shall monitor the progress of CSR work and status of proposals. This may be reviewed periodically by Corporate Office.
 9. Annual Impact Assessment of CSR initiatives shall be carried out by Corporate Office.
- All the Project Heads are requested to process the CSR proposals by following the above guideline.

Annexure 4: Implementation Strategy for CSR projects/ activities

1. The CSR Projects/ Activities shall be implemented in three ways as below:-
 - Directly by GMDC
 - Through institutions developed/maintained/participated by GMDC
 - Through third party agencies such as reputed NGOs to be identified by GMDC after proper due diligence of agency to be selected for specific purposes.
 - Through district authorities/ departments/institutions of the Government of Gujarat
2. Every Project will specify the implementation schedule indicating the starting date, date of completion, likely benefits etc.

The methodology of implementation shall be as follows:-

Directly by GMDC

1. The activities which can be implemented by GMDC either directly or by engaging Contractors for infrastructural development shall be taken up by GMDC through respective CSR departments at the units.
2. The periodical activities such as conducting medical camps, distribution of uniforms to schools, and also activities like donation of Ambulances/medical equipment to hospitals etc., shall also be taken up by GMDC.
3. The activities which cannot be taken up by GMDC because of its nature, size and other limitations shall be considered for implementation through other alternatives.
4. The CSR works executed through contractors shall adopt the same procedure as followed for award of contracts for other GMDC works.
5. For the purchase of materials connected with CSR activity, a local purchase committee shall be constituted to carry out the purchases as per the purchase procedure depending upon the value of the purchases.
6. The activities related to areas other than the Projects and units shall be dealt directly by CSR Department at Head Office.

Through institutions developed/maintained/participated by GMDC

The proposals of the CSR Projects of long duration focusing on overall sustainable development in a given time frame requiring a dedicated team and full time attention shall be considered for implementation through GMDC's developed institutions

GMDC's institutions are mentioned below:

- **GMDC Gram Vikas Trust (GVT):**

GVT is a public charitable trust formed in 1990 with the main objective of promoting integrated and holistic development activities in and around the project areas of GMDC.
- **Lakhpat Welfare Society:**

Lakhpat welfare Society is a registered society incorporated in the year 2010 with the main objective of undertaking holistic development of Lakhpat Taluka of Kutch District.
- **GMDC Education Society:** The Society is a registered society founded in the year 2011 with the main objective of setting up higher education institutions in particular engineering college and polytechnic in remote areas of the state.

Through third party agencies such as reputed NGOs to be identified by GMDC after proper due diligence of agency to be selected for specific purposes

1. The proposals of the CSR Projects of long duration focusing on overall sustainable development in a given time frame requiring a dedicated team and full time attention and which cannot be taken up by GMDC directly or indirectly shall be considered for implementation through reputed NGOs/Voluntary Organizations/Trusts functioning in similar activities.
2. The NGOs/VOs shall be identified based on their credentials and long standing performance in respective fields. NGOs/VOs with proven performance and tax exemption benefit shall be given preference.
3. NGOs may also come forward on their own with specific proposals in the field of their expertise, within the purview of CSR Policy. Such proposals should be complete in all respects and supported by their credentials and capabilities.
4. Every claim/installment of NGOs for the work completed should be supported by proper bills and receipts / documents in support of the claim.

Through district authorities/ departments/institutions of the Government of Gujarat

1. The CSR works which cannot be taken up by GMDC directly, indirectly or through NGOs /Voluntary Organizations/Trusts/ Contractors due to various reasons/constraints, shall be carried out with the help of respective State /District Authorities.
2. The State/District Authorities may also submit specific CSR proposals. In such cases, GMDC may release funds to the respective authorities for initiation and implementation, provided the schemes match with that of GMDC.
3. Such CSR works implemented through the local bodies/ Agencies nominated by the District Authorities/District or State Authorities the funds shall be released in suitable installments based on the progress and Utilization Certificate

Annexure 5: Monitoring and Reporting Strategy for CSR projects/ activities

- Monthly Report on CSR should be sent by each Manager of mine site to the officer in charge (CSR) highlighting the cumulative outlays and outcomes of the program with specific details.
- Cost benefit and justification shall include the amount of financial involvement, detailed project report for which Project Appraisal have to be carried out by External Agencies/ Third party Agency.
- GMDC shall include a separate/ chapter in the Annual Report on the implementation of CSR activities/ project including the facts relating to physical and financial progress. Updates on implementation of CSR activities shall be put on GMDC's website regularly
- Utilization Certificate with statement of expenditure duly certified by a Chartered Accountant will be submitted by the Organization/ Institution to whom CSR fund is allocated.
- Regular third party inspection maybe undertaken to measure the impact of GMDC's initiatives undertaken and ensure quality of work.

Annexure 6: Schedule vii of The Companies Act, 2013

MINISTRY OF CORPORATE AFFAIRS NOTIFICATION

New Delhi, the 27th February, 2014

G.S.R, 130(E).-

In exercise of the powers conferred by sub-section (l) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to Schedule VII of the said Act, namely:-

- (l) In Schedule VII, for items (i) to (x) and the entries relating thereto, the following items and entries shall be substituted, namely :-
- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 - ii. promoting education, including special education and employment enhancing vocation skills specially 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
 - v. 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
 - vi. measures for the benefit of armed forces veterans, war widows and their dependents;
 - vii. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
 - viii. 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.

2. This notification shall come into force with effect from 1st April, 2014.

[F. No. 1/I8A/2013-CL-V]

RENUKA KUMAR. Jt. Secy.