

**49**

STANDING COMMITTEE ON  
COAL AND STEEL (2018-2019)  
SIXTEENTH LOK SABHA

**MINISTRY OF MINES**

**"CSR ACTIVITIES BY PSUs UNDER MINISTRY OF MINES"**



**FORTY-NINTH REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
FEBRUARY, 2019/MAGHA, 1940(SAKA)**

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COAL AND STEEL (2018-2019)**

**(SIXTEENTH LOK SABHA)**

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**"CSR ACTIVITIES BY PSUs UNDER MINISTRY OF MINES"**

**Presented to Lok Sabha on 13.02.2019**

**Laid in Rajya Sabha on 13.02.2019**



**LOK SABHA SECRETARIAT  
NEW DELHI  
February, 2019/Magha1940(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND  
STEEL(2018-19)**

**Chairperson - Prof. Chintamani Malviya**

**Lok Sabha**

2. Shri Idris Ali
3. Shri A. Arunmozhithevan
4. Smt. Jyoti Dhurve
5. Shri Nagesh Godam
6. Shri Shailesh Kumar (Bulo Mandal)
7. Dr. Banshilal Mahato
8. Shri Kamalbhan Singh Marabi
9. Shri Ajay Nishad
10. Smt. Riti Pathak
11. Smt. Ranjeet Ranjan
12. Dr. Ravindra Kumar Ray
13. Shri Chandulal Sahu
- 14. \*Shri Tamradhwaj Sahu**
15. Shri Tathagata Satpathy
16. Shri Janardan Singh 'Sigriwal'
17. Shri Pashupati Nath Singh
18. Shri Rama Kishore Singh
19. Shri Sunil Kumar Singh
20. Shri Sushil Kumar Singh
21. Shri Krupal Balaji Tumane

**Rajya Sabha**

22. Shri Ranjib Biswal
23. Prof. Manoj Kumar Jha
24. Shri Ranvijay Singh Judev
25. Shri Ram Vichar Netam
26. Shri Samir Oraon
27. Shri Dhiraj Prasad Sahu
28. Shri Achyutananda Samanta
29. Shri Ram Shakal
30. Shri Sanjay Singh
- 31. #Shri Vijay Pal Singh Tomar**

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**\*Ceased to be a Member of the Committee w.e.f. 17.12.2018**

**# Nominated w.e.f. 02.01.2019**

(ii)

## **SECRETARIAT**

1. Shri R.C. Tiwari	- Joint Secretary
2. Shri Arvind Sharma	- Director
3. Shri Girdhari Lal	- Deputy Secretary
4. Smt. Madhu Tandon	- Executive Officer

(iii)

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Forty-Ninth Report of the Standing Committee on Coal and Steel (Sixteenth Lok Sabha) on "CSR Activities by PSUs under Ministry of Mines" relating to the Ministry of Mines.

2. The Standing Committee on Coal and Steel (2018-19) had selected the subject for detailed examination and report to the Parliament. The Committee took oral evidence of the representatives of the Ministry of Mines and Mine PSUs on 03.10.2018. Based on oral evidence and written testimony submitted to the Committee, a report on the subject was prepared.
3. The Committee considered and adopted the Report at their sitting held on 08.02.2019.
4. The Committee wish to express their thanks to the officials of the Ministry of Mines and Mine PSUs for placing before them and in furnishing material/information from time to time as desired by the Committee.
5. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.
6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**NEW DELHI;**  
**08 February, 2019**  
**19 Magha 1940(Saka)**

**PROF. CHINTAMANI MALVIYA**  
**Chairperson**  
**Standing Committee on Coal and Steel**

## **REPORT**

### **PART-I**

#### **A. INTRODUCTORY**

Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Harnessing of natural resources has a direct impact on the economy, environment and society at large. CSR is thus linked with the practice of Sustainable Development.

#### **CSR and Companies Act, 2013**

2. The Government of India enacted the Companies Act, 2013 in August 2013. Section 135 of the Companies Act, 2013 states as under:
  - (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
  - (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
  - (3) The Corporate Social Responsibility Committee shall,—
    - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
    - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
    - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
  - (4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

3. The provisions of Section 135 of the Act and Schedule VII of the Act apply to all companies, including CPSEs. In pursuance to the provision of the Companies Act, 2013, the Ministry of Corporate Affairs formulated the CSR Rules (hereinafter referred to as the 'CSR Rules'), and notified the same on 27.02.2014. The CSR Rules are applicable to all companies, including CPSEs w.e.f. 01.04.2014. Accordingly, all CPSEs shall have to comply with the provisions of the Act and the CSR Rules including any amendment notified by the Ministry of Corporate Affairs in the CSR Rules, or in Schedule VII of the Act. The three CPSEs under the Ministry of Mines, ie. National Aluminium Company Limited (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL) also comply with the provisions of the Act and Rules.

**B. CSR POLICY FOLLOWED BY Mine PSUs.**

4. When asked to give a brief profile on CSR Policy of PSUs viz. NALCO, HCL, and MECL, Ministry of Mines in a written reply informed the Committee as under:-

**"NATIONAL ALUMINIUM COMPANY LTD. (NALCO)**

**A brief Profile on NALCO's CSR Policy**

- i. NALCO has been taking up CSR activities since its inception. However, after promulgation of Companies Act, 2013 a documented CSR policy duly approved by the Board is in place since 2015 which governs the CSR activities of the Company.
- ii. The salient features of this policy covers
  - a) Basic concept of CSR and its objective
  - b) Scope of CSR Activities
  - c) Constitution of Corporate Social Responsibility(CSR) & Sustainability Development(SD) Committee
  - d) Budgeting and control of expenditure
  - e) Modalities for implementation of CSR projects
  - f) Monitoring of project, feedback and evaluation
  - g) Impact Assessment of CSR interventions of the Company
- iii. The prime objective of the Company is to integrate socio-economic and environmental aspects with implementation of the CSR activities while addressing the interest of the society at a large along with its business operations.
- iv. The CSR projects and programmes are selected relating to the activities specified in Schedule-VII of the Companies Act, 2013 which are then recommended by CSR&SD Committee before being approved by the Board of Directors.
- v. The CSR allocation is compliant to section 135, section 198 of the Act i.e. at least 2% of the average net profit made during the three immediate preceding financial years towards its CSR activities.
- vi. The modalities of the project implementation are well documented in the policy. The evaluations of the projects are carried out by site visits segregated on the basis of different project values.
- vii. The projects are monitored by NALCO CSR wing and NALCO Foundation of the respective operational area
- viii. The Company ensures due diligence in selection, monitoring and evaluation of the projects
- ix. Impact Assessment of the projects are conducted to ascertain inclusiveness of the projects implemented and identify the deviations if any.

## **HINDUSTAN COPPER LIMITED (HCL)**

### **i. Brief Profile of HCL's CSR Policy**

The Board of Directors approved the Corporate Social Responsibility (CSR) Policy Document in conformity to the provisions of the Companies Act, 2013 in the 352th Meeting held on 13<sup>th</sup> November 2014.

### **ii. Policy Statement**

For Hindustan Copper Limited, the Corporate Social Responsibility is a planned set of activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as where it has its presence, targeted to have a significant positive impact in the long term. The aim is to play a catalytic role in the sustainable socio-economic development in the regions where the industry is located or where its interests lie, attempting to create an enabling working environment for HCL as well as income generation opportunities for the community keeping sight of sustained regional development.

### **iii. Organisational setup for CSR in HCL**

a) As per the provision of Companies Act, 2013, the CSR projects in the Company shall be implemented under the guidance of the Board's Sub-Committee on CSR comprising of three or more Directors out of which at least one Director shall be an Independent Director. The CSR Sub-Committee of the Board has the following responsibilities.

- (i) Formulate and recommend the CSR policy to the Board for approval.
- (ii) Recommend for approval of the Board the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area-wise projects.
- (iii) Monitor from time-to-time the implementation of the CSR projects undertaken by the Company.

b) A Nodal Officer for CSR at Corporate level coordinates the Company's CSR initiatives and is assisted by a team of designated officers.

c) A Nodal Officer for CSR at each Unit, coordinates the Unit's CSR initiatives.

### **iv. Scope of activities**

The scope of HCL's CSR programmes is governed by the provisions of Schedule VII of the Companies Act, 2013.

### **v. Budget**

CSR Budget is allocated for each financial year with the approval of the Board of Directors on the recommendation of the Board's Sub-Committee on CSR. Every endeavour is made to spend the entire annual CSR budget in that year itself. However, the unspent CSR amount, if any, is carried forward to the next year. Earlier, HCL allocated 2% of the PAT (Profit after Tax) of the Company made during the last financial year for its CSR activities. Since FY 2014-15, as per the provision of Companies Act, 2013, HCL allocates at least 2% of its

average net profits during the three immediately preceding financial years on its CSR activities.

**vi. Implementation Methodology**

The CSR activities / projects listed in the approved Annual Plan is implemented using internal resources or through collaborating with NGOs / specialized agencies / trusts / institutions / foundations / societies / Government bodies etc. in accordance with the provision of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**vii. Reporting**

The content of the CSR Policy is disclosed in the Director's Report, forming part of the Company's Annual Report. It is also placed on the Company's website in the prescribed format. The company displays all the CSR activities being undertaken by it on its official website under a separate icon i.e. "CSR". It includes the following.

- a. A brief outline of the CSR Policy, including overview of projects undertaken and a reference to the web link to the CSR policy and projects.
- b. Composition of the Board's Sub-Committee on CSR.
- c. Average net profit for last three Financial Years and the Prescribed CSR Allocation (Budget).
- d. The details of amount spent on CSR during the financial year in the prescribed format.
- e. In case HCL fails to spend the 2% of average net profit of the last three FYs or any part thereof, the Report discloses reasons for the same.
- f. 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.
- g. The report is signed by the Director (Personnel) and the Chairman of the CSR Committee.

**MINERAL EXPLORATION CORPORATION LIMITED (MECL)**

**i. Brief profile on MECL's CSR Policy is as follows:**

- a. MECL was established in the year 1972 as a PSU under administrative control of Ministry of Mines. It is a service organization engaged in Detailed Mineral Exploration. MECL is a premier Public Sector Enterprise responsible for exploration of major minerals like coal, lignite, iron-ore, copper, zinc, limestone etc. where ever available in remote parts of the country. MECL had Annual Sales Turnover of Rs. 385.51 crore and Net Profit After Tax of Rs. 97.48 crore during FY 2017-18.
- b. While conducting business of the company, it has also committed to participate and contribute towards development in the geographic area of its operation so as to provide opportunity for the economic, social, educational, infrastructural, health &

hygienic cultural development of the people living in and around our working places through CSR initiatives.

- c. To systematically fulfill the needs & requirements of the population living in and around projects/ Corporate Office/Zonal offices in a sustained manner on small or large scale, as the need be a CSR policy in accordance with provisions of revised Company's Act 2013 and Rules 2014 made thereunder for planning, executing and monitoring of activities to be undertaken by MECL. MECL has formulated a CSR policy which is approved by Board of MECL in 2015.

**ii. CSR COMMITTEES**

The Board level CSR Committee with the approval of Board of Directors of MECL and 2nd Tier Committee with the approval of Board level CSR committee has been constituted in MECL and its constitutions is as under:

**iii. Board Level CSR Committee: (Decision Making Committee)**

- a) Smt. Ranjana Sinha, Independent Director : Chairperson
- b) Shri A. K. Jain, Independent Director: Member
- c) Shri R. N. Jha, Director (Technical)/ CMD (I/C) : Member
- d) Dr. Ch. Seerama Murthy, HOD (HR) : Nodal officer

**iv. 2nd Tier CSR Committee: (Review & Monitoring Committee)**

- a) HOD (HR): Nodal Officer
- b) HOD (Exploration): Member
- c) HOD (Finance): Member
- d) HOD (Mining): Member
- e) HOD (Drilling): Member
- f) HOD (IT): Member
- g) HR Representative: Member Secretary
- h) One Project Manager on rotation basis : Special Invitee"

**C. CSR BUDGET OF MINE PSUS**

**(i) NATIONAL ALUMINIUM COMPANY LIMITED (NALCO)**

5. Total provisional fund allocation of NALCO for CSR activities for the financial year 2017-18 is Rs. 2,788 lakh. The amount assigned can be spent in line with the provisions of the Companies Act, 2013. CSR fund allocation and expenditure for the last 5 years in respect of NALCO is mentioned below.

<b>(Amount in lakh)</b>		
<b>Financial Year</b>	<b>Budget allocated</b>	<b>Expenditure</b>
2013-14	2900.00	3226.54
2014-15	2014.00	1909.85

2015-16	2624.00	2716.65
2016-17	2756.19	3000.80
2017-18	2788.00	2901.40

*The CSR budget allocation is continuously increasing during last 4 years.*

*There is a marginal shortfall in CSR expenditure in FY 2017-18 w.r.t. FY 2016-17. However, the expenditure has exceeded the allocation in FY 2017-18.*

### **Full utilization of CSR fund**

6. During conception, estimate and budgeting, time line for the CSR projects are drawn and accordingly year wise budget allocation is made based on the type and value of the project. All efforts are being made to utilize the fund allocated for the project in the respective year. Full utilization of CSR fund is achieved during the prescribed time period.

### **(ii) HINDUSTAN COPPER LIMITED (HCL)**

7. A detailed Plan for Financial Year 2017-18 was prepared in alignment with The Companies Act, 2013 and also considering the learnings from project implemented during FY 2016- 17. The company allocated CSR Budget of 2% of the average net profits of the company made during the three immediately preceding financial years to the extent of Rs.147 lakh for FY 2017-18.

CSR Budget and the expenditure during the last five years are given as under:-  
(Rs. in Lakh)

Financial Year	Budget*	Expenditure
2013 – 14	711	778
2014 – 15	644	726
2015 – 16	610	768
2016 – 17	371	515
2017 – 18	147	343

\* 2 % of Average Net Profit [Profit Before Tax (PBT)] for the immediately preceding 3 financial years.

### **Full utilisation of CSR fund**

8. The projects are run on financial year basis i.e. 1st April of a financial year to the 31st March of a next financial year. The projects that are not completed are carried forward to next financial year for implementation.

## **MINERAL EXPLORATION CORPORATION LIMITED (MECL)**

9. For the year 2017-18, an approximate amount of Rs.247.51 lakh has been proposed to spend under Corporate Social Responsibilities. As per Companies Act, 2013, every year with the approval of the Board of Directors of MECL, a budgetary allocation for CSR activities/ projects/ programs is to be made. The budgetary allocation will be 2% of "Average Net Profit" of preceding 3 financial years, or as provided by the Government/ DPE guidelines/Statutory requirement/ Companies Act from time to time. CSR Budget and the expenditure during the last five years are given as under:-

Financial year	Amount brought forward (Rs. In lakhs)	Amount allocated for the year (Rs. In lakhs)	Total amount available for CSR(Rs. In lakhs)	CSR Expenditure Incurred (Rs. in lakhs)	Balance carry forward (Rs. In lakhs)
2014-15	5.09	76.40	81.49	83.95	NIL
2015-16	NIL	107.44	107.44	108.94	NIL
2016-17	NIL	166.66	166.66	170.24	NIL
2017-18	NIL	247.51	247.51	202.69	45.00
2018-19	45.00	280.00	325.00	Under Progress	-

Note: As can be observed in above table, there has been no decline in Fund Allocation/Expenditure."

### **Full utilization of CSR fund**

10. Fund Allocated every Financial Year as per norms of Companies Act, 2013, is targeted to be utilized by the end of respective Financial Year. 100% achievement of CSR targets in the Financial Years 2014-15, 2015-16 and 2016-17. In the Financial Year 2017-18, the achievement is 82%. This is because, MECL's operational projects being transient in nature, certain CSR Activities allocated to projects were not feasible to be executed due to closure, shifting of project etc. as well as subsequent changes in project proposals. For this reason, in FY 2017-18, the Company's expenditure on the CSR Activities has been less

than 100% of funds allocated. The unspent CSR Amount for FY 2017-18 has been carried forward to be utilized for CSR Activities in FY 2018-19.

#### **D. CSR ACTIVITIES UNDERTAKEN BY MINES PSUs.**

##### **(i) NATIONAL ALUMINIUM COMPANY LIMITED (NALCO)**

###### **Healthcare**

11. The company has two well equipped hospitals at Angul & Damanjodi to provide healthcare to the needy populace around its works. To provide the health service at the door step of the inaccessible populace, the Company is operating 9 Mobile Health Units (MHUs) in the peripheral villages of its operating units of Angul, Damanjodi & Potangi which have treated 1.38 lakh patients in 2017-18. Realising the necessity the company is bringing up a super specialist eye care centre at Angul for the benefit of peripheral villagers. Going a step further and realizing that a sizable portion of under privileged from the interior part of the state visit the newly built renowned hospital AIIMS, Bhubaneswar, for specialized treatments, a 560 bedded night Shelter is under construction for the patients and their attendants who can't afford to stay outside.

###### **Sanitation & Cleanliness: Swachh Bharat Mission (SBM):**

12. The company is an active driver for the Swachh Bharat Abhiyan. Apart from creating public awareness through mass campaigns, the company has contributed significantly in Swachh Vidyalaya Abhiyan, Open Defecation Free (ODF) village, Iconic Shrine development programs.

###### **Swachh Vidyalaya Abhiyan:**

13. NALCO Constructed 479 toilets in 227 schools of Odisha & AP and the effort was well appreciated by Ministry of HRD. To maintain the consistency of hygiene, water provision also has been made for the needed schools and to encourage hygiene an award 'Gulgul Kunmun' has been instituted in these schools.

### **Skill India & Livelihood Programs**

14. In a move to create skilled manpower and make unemployed youth job ready, Centre of Excellence for Skill Development with Heavy mining equipment simulator facility and training are being established at Bhubaneswar and Damojodi. Skill training has already been imparted to around 1800 candidates in company's operational areas out of which 749 local youths have been employed in various job roles like retail, health care etc. and employment of others is in pipeline. The Company is also committed to train the eligible youth to make them employable and also create future entrepreneur of the Country. To realise the objective of skilling, 'a skill development incubation centre' is being set up in NALCO Centre of Excellence in collaboration with IIT (Bhubaneswar), NIT Rourkela, CIPET(Bhubaneswar), Deptt. Of science & Technology (DST) and NIT Rourkela Alumni Association (NITRAA). NALCO is also setting up a finishing school in collaboration with Directorate of Technical Education & Training (DTE&T) Odisha & Central Tool Room & Training Centre (CTTC), Ministry of MSME, Gol in Koraput District of Odisha. To encourage the tribal villagers to adopt modern agricultural techniques, Krishi- Melas are organized. Apart from providing training for fruit & vegetable farming, food and nutrition, beautician course, tailoring, motor winding, pump maintenance etc. Self-help groups are also organized to take up livelihood support schemes as mushroom farming.

### **Water Supply:**

15. The company meaningfully takes initiatives for enhancing the quality of life of peripheral villages by providing drinking water; renovation of ponds, canals, digging of wells and tube wells and supplying drinking water through tankers to water-scarce villages. Piped water supply was provided to 13 villages in Angul at a cost of Rs. 10 crore

### **Rural Development, Infrastructure**

16. Building permanent infrastructure as Community center, village roads etc. are one of the important dimension of CSR for rural development.

## **Education**

### **‘Indradhanush’**

17. Education is the passport to the future, for tomorrow belongs to those who prepare for it today. Lack of access to quality education and a conducive environment played a key role in hindering the progress of the child in the peripheral areas surrounding the Mines and Refinery complex of Damanjodi and adjoining villages of Pottangi. NALCO put its best effort to convince the people to send their children to good educational institutions. The company has succeeded and provided free education to 812 children of tribal dominated & Maoist infested villages of Koraput District at 3 reputed residential schools helping them not only to come to main stream of life.

### **NALCO- Ki- Ladli:**

18. In line with the ‘Beti-Bachao-Beti-Padhao’ scheme of Govt. of India, NALCO launched Nalco-Ki-Ladli scheme adopting and providing financial benefit to 277 meritorious girl children of BPL category. Spurred by success of the programme, the company is further scaling up this project to a pan India level in collaboration with Kendriya Vidyalayas/ Navodaya Vidyalaya/State Govt. schools to benefit 3357 identified underprivileged girl children across the country.

19. As regards the details of number of persons benefitted by the CSR activities of NALCO, the Committee were apprised by Ministry of Mines in a post evidence reply as under:-

<b>Sl. No.</b>	<b>Sectors</b>	<b>Number of Beneficiaries</b>
1	Health Care	<ul style="list-style-type: none"><li>• Every year more than 1 lakh patients treated at the door steps by 9 MHUs service provided by the Company. 1,38,239 patients treated in FY 2017-18.</li></ul>
2	Education	<ul style="list-style-type: none"><li>• Free residential education to 910 tribal students of Damanjodi in 3 reputed schools of Odisha under the project ‘Indradhanush’.</li><li>• Beti-Bachao_BetiPadhao: 277 meritorious girl children of BPL category from</li></ul>

		Angul&Damanjodi sector provided with financial assistance under 'Nalco- Ki-Ladli' scheme.
3	Skill development	<ul style="list-style-type: none"> <li>• Total 2,100 youth trained by Skill India program conducted by NALCO.</li> </ul>
4	Drinking water	<ul style="list-style-type: none"> <li>• Piped water system in 24 peripheral villages of Angul.</li> <li>• Supply of drinking water through tankers in 27 villages of Angul benefiting 12,857 House Holds &amp; 54,863 people every year.</li> <li>• Bore well with Force Lift pump in 17 villages of Koraput benefiting 4,457 Households 16,538 people from 17 villages.</li> <li>• Every year NALCO is providing drinking water to 8 lakh devotees during Rath-Yatra.</li> </ul>
5	Livelihood Schemes	18 nos. of Self-help Group have been formed to promote livelihood programs in and around Pottangi Mines area.
6	Swachh Bharat Mission	<ul style="list-style-type: none"> <li>• SwachhaVidyalayaAbhiyan: Construction of 479 toilets at 227 Schools in Odisha &amp; Andhra Pradesh, benefiting 13,575 students.</li> <li>• ODF villages: Completed 6 villages in Koraput benefiting 611 Households.</li> </ul>
7	Ensuring environmental sustainability	<ul style="list-style-type: none"> <li>• Solar lighting for peripheral villages: 2,883 households covering 10,955 people of 10 villages of Koraput districts benefitted by solar lighting facility.</li> </ul>
8	Infrastructure	<ul style="list-style-type: none"> <li>• Construction of roads, culverts, development of community centers and renovation of water bodies etc.</li> </ul>

## (ii) HINDUSTAN COPPER LIMITED (HCL)

### Drinking Water

20. Drinking water being the core to the human requirement, HCL under its CSR activities has been undertaking numerous activities to provide water to the surrounding communities.

#### **a. Drinking Water Points**

Construction of 33 numbers of Community managed Safe Drinking water structure i.e. Bore well with Motor fitting, Large Water tank and Soak Pit for Water Recharging have been constructed in surrounding villages of Musabani & Ghatsila Blocks of East Singhbhum District, Jharkhand. Each

structure has the facility of Borewell with motor fitting including soak pit for water recharging. Post installation, the structures have been handed over to the Village Panchayat. The maintenance work is being carried out by Sarpanch of the respective villages from the village funds ensuring their sustainability.

#### **b. Drinking Water Supply System**

Installation of Deep Borewell along with overhead tanks to supply piped water in 6 Villages of Bisra Block, Balaghat District, MP has been completed. The water pipe lines are spread covering the complete villages. The structures have been handed over to the Village Panchayat for their maintenance.

#### **c. Drinking Water through tankers**

Drinking Water is being supplied through tankers in 5 Villages of Borkheda, Chhinditola, Suji, Khursipar & Bhimjori in Balaghat District of Madhya Pradesh. On an average each of 600 household gets 40 Liters of water.

### **HEALTH**

21. Access to medical care has been one of the biggest challenges as most of the places where HCL has Units, doesn't have basic health care facilities. The local population is dependent on HCL for medical facilities. The existing hospitals at the Units provide free consultation for local population.

#### **a. Health Camps**

Arrangements have been for regular Medical services and Ambulance Van in 6 villages of Bisra Block in Balaghat District of Madhya Pradesh. Regular Health camps are also organized in surrounding villages of Musabani & Ghatsila Blocks of East Singhbhum District, Jharkhand. On an average 110 Rural Medical camps are organized in the area.

#### **b. Eye Camps**

Eye camps are conducted regularly in Musabani and Ghatsila Block of East Singhbhum District, Jharkhand. Total of 100 cataract cases are operated for eye corrections each year in collaboration with Purnima Netralaya, Jamshedpur.

### **SWACHH BHARAT ABHIYAAN**

#### **a. Construction of Individual House Hold Latrines (IHHL)**

With aim to provide Dignity and safety to women and children, HCL has undertaken construction of Individual House Hold Latrines with water tanks and dual soak pits. In past few years, more than 2311 numbers of

IHHL have been constructed. Construction of toilets is followed by intensive counselling especially targeting women during community meeting and children in schools. Around 21 villages have been made Open Defecation Free (ODF) in past 6 years.

**b. Swachh Bharat Abhiyaan**

Organizing "Swachh Bharat Pakhwada" and cleanliness campaign is a regular activity in which employees and community members are oriented on the basic understanding of cleanliness and sanitation, their roles and responsibilities, and spreading the message of cleanliness among others in their villages and homes. Awareness has been generated among the residents of villages on how to improve hygiene and avoid seasonal diseases. Cement dustbins were also constructed in the market and other public places. Garbage, debris from market area and other public places were cleaned throughout the year.

**c. Swachh Vidyalaya Abhiyaan**

Under Swachh Vidyalaya Abhiyaan, 203toilets were constructed / repaired in Government Schools in 12 districts in the states of Jharkhand, Rajasthan and M.P. Additionally campaigns on importance of hand washing with soap and workshop on personal hygiene have been organized in schools. Regular inspections are conducted of these toilets and it has been found that 96 % of the toilets are functional with 92 % Under Use.

**d. Community Toilets**

4 Numbers of Community Toilets have been constructed at the three Units of ICC, MCP and KCC in last 3 years. The toilets have facility for both men and women. Post Construction, the toilets have been handed over to the respective Municipalities/Nagar Palika. It is estimated that on an average these toilets are used by more than 1000 persons per day.

**EDUCATION**

22. HCL has been supporting the Government Education Institutes in its area of operation in many ways. Civil repairs, Electrical repairs, provisioning for drinking water are carried on regularly in schools located in the periphery of the Units of HCL. Also many of the schools have been provided support for Sports Kit with special focus on girl children and furniture for class rooms. Some of the other major activities are detailed below.

**a. Reading and Literacy Centers**

15 centers were set up with involvement of the local village teachers in Ghatsila of East Singhbhum District of Jharkhand. This project aimed at school enrolment of the dropout girl children and increasing their retention. Similarly, 82 females were benefitted in Khetri Block of Jhunjhunu District, Rajasthan at the Female Literacy Centers.

**b. Major Civil Construction**

- Furniture for Schools/Colleges was provided, benefitting 404 students and two classrooms were renovated in 2 Government schools benefitting 600 students in Musabani Block of East Singhbhum District in Jharkhand State.
- In Government Middle School (co-educational) of Karmsara village, Malanjkhand (Madhya Pradesh) has been supported with new construction of a cycle shed and a stage inside its premises. Also, two of its classrooms have been renovated benefitting 250 students.
- School Uniform and Furniture's were provided to Government School in Khetri benefitting 500 students.

**LIVELIHOOD PROMOTION**

23. Self Help Groups (SHGs) have been playing pivotal role in self employment activities. Number of initiatives has been started in Ghatsila and Musabani Blocks of East Singhbhum District in Jharkhand State with the aim to provide self employment opportunities in local area and link them with the market for steady income

**a. Handloom Weaving Unit**

2 SHG members in the villages of Matigora & Bhadudih are preparing various handloom products i.e. Ghamcha, Saree, and Hand towels. The SHGs were provided with seed capital support to start the Units. The marketing & sale of products is managed by SHG members. The groups are earning an average income of Rs.2500.00 per month by working 4-5 hours per day.

**b. Hand Gloves Making**

2 SHG groups with 35 members are manufacturing hand gloves for industrial use. The Gloves are in high demand and even ICC Unit of HCL is purchasing them. The groups are earning an average income of Rs.3000.00 per month by working 4-5 hours per day.

**c. Handicraft**

Presently 2 SHGs with 22 members are preparing wooden craft items. The marketing & sale of products is managed by SHG members.

**d. Promotion of Agriculture**

Sprinkler sets and training on Vermi Compost was organized for 300 beneficiaries in Khetri Block of Jhunjhunu District, Rajasthan

**e. Promoting healthy Livestock.**

Livestock is one of the major sources of income in rural areas. Veterinary camps for cow and goats have been organized on monthly basis in Musabani & Ghatsila block of East Singhbhum district, Jharkhand and Khetri Block of Jhunjhunu District, Rajasthan. Annually more than 1000 families are benefitted by this initiative. The livestock in these areas are reared by women and are source of steady income for their families.

**RURAL DEVELOPMENT**

- (i) For the benefit of larger masses, many construction activities i.e. Community Centers, Roads, Bus Stops Waiting Sheds, Revamping of Water Bodies, and other similar activities are undertaken. In past 3 years, around 5 community centers have been constructed in 3 Units of ICC, MCP and KCC. The centers are being used for community activities, training, for cultural and festival celebrations.
- (ii) Similarly, road being the important part of the local infrastructure requirements, the roads in surrounding areas are constructed/ repaired regularly. In past three years, more than 10 km of road have been repaired and around 2.5 km of new road has been laid.
- (iii) Solar Street Lights were installed with the aim of providing access to different places in villages especially for women and children. Solar street lights were installed in major locations of 20 wards in the villages of Ghatsila and Musabani Blocks of East Singhbhum District in Jharkhand and in 50 wards in the villages of Khetri Block of Jhunjhunu District of Rajasthan.

**SPECIAL INTIATIVE OF 2018-19 FOR WOMEN AND ADOLSCENT GIRLS**

24. Installation of Sanitary Napkin Vending Machine and Incinerator : The project has been taken as part of special initiative in FY 2018-19 with aim of promoting menstrual hygiene among women and adolescent girls. HCL at its Units and Corporate Office has installed 18 numbers of Sanitary Napkin Vending Machines along with Incinerators. The Sanitary Napkin Vending Machine provides low cost high quality Sanitary Pads to women. The incinerator shall provide for safe disposal of used Sanitary napkins to address the issue of sanitation. The machines have been installed at Health centres and other common centers in village frequented by women. The machines have been

supplied by Hindustan Life Care Ltd., a Government of India Enterprise. In addition to this, awareness is being created among the beneficiaries on menstrual health by conducting orientation sessions and using IEC materials.

25. In a post evidence reply, the Ministry of Mines informed the Committee about the details of number of persons benefited by the CSR activities of HCL in the areas covered viz: drinking water, health, education, sanitation skill development, livelihood schemes, sports, etc. which are given below:-

Projects	Beneficiary Coverage (In Numbers)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Drinking Water, Health & Sanitation	8328	25119	33121	42226	32165
Education, Skill Development and Livelihood Schemes	314	3787	4212	810	1094
Sports	0	902	7625	2745	3330
Rural Development Projects	11400	4390	20272	6840	5252
Environment	824	25780	3370	3385	970

26. Asked about the details of number of persons got benefited by the CSR activities of HCL in the areas covered viz: drinking water, health, education, sanitation skill development, livelihood schemes, sports, etc., the Committee were apprised in a post evidence reply as under:-

Sr. No	Area Covered	CSR Activities	No. of Beneficiaries
1	Swachh Bharat Mission	Construction of Toilets	<ul style="list-style-type: none"> <li>619 Toilets constructed in the last 05 years.</li> <li>07 Villages made Open Defecation Free</li> <li>31 Schools provided with Toilets</li> <li>Assuming at least 03 users per toilet, total number of beneficiaries is approximately 2000 people</li> </ul>
2	Drinking Water	Construction of Borewell with RO	<ul style="list-style-type: none"> <li>128 Borewells constructed in the last 05 years</li> <li>Assuming at least 10 families of 03 use one borewell, total number of beneficiaries is expected to have</li> </ul>

			been around 4000 people
3	Health Care	Medical Equipment to Hospital	<ul style="list-style-type: none"> <li>• 10 Hospitals have been provided with Medical Equipment in the last 05 years</li> <li>• This is expected to have impacted nearly 50,000 patients over the last 05 years</li> </ul>
4	Skill Development	Skill Development	<ul style="list-style-type: none"> <li>• 303 Persons imparted Skill Development training in the last 5 years</li> </ul>
5	Livelihood	Distribution of Sewing Machines, Sewing Machine Training and distribution of cycles	Conducting two Sewing Machine Training Programmes in 2 places in the last 5 years for encouraging livelihood of women. Impacted nearly 60 women.
6	Promoting Art and Culture	Construction of Cultural stage & Community Halls in Village	Stages & Community Halls constructed in 03 villages, impacting the communities around these villages consisting of at least 5,000 people
7	Rural Development	Construction of Road	Nearly 200 metres CC Road was constructed in a village. This road is used by approximately 200 people regularly.

### **(iii) MINERAL EXPLORATION CORPORATION LIMITED (MECL)**

27. For the year 2017-18, an approximate amount of Rs. 274.59 lakh has been proposed to spend under Corporate Social Responsibilities. The details for programme is as given below:

#### **1. Promoting Sanitation & Safe drinking**

- a) Construction of 68 Toilets
- b) Established RO systems water cooler for RO.
- c) Maintenance of Toilets/ RO system.

#### **2. Promoting Healthcare**

- a) Medical Equipment to Hospitals.

#### **3. Promoting Education**

- a) Distribution of School bags, Sports kit, Benches & Chairs in Government Schools.
- b) Distribution of Computers and peripherals
- c) Scholarship for Meritorious students.
- d) Education system for deaf, dumb and blind students.

#### **4. Skill development**

- a) Skill development programme for 100 candidates.

## 5. Rural Development

- a) Construction of CC road
- b) Construction of Community Centre

## E. IMPLEMENTATION AND MONITORING AGENCIES FOR CSR ACTIVITIES/PROJECTS

### (I) NATIONAL ALUMINIUM COMPANY LIMITED (NALCO)

#### Year-wise details of CSR projects

The detailed information are as below:

Financial Year	No of Project approved	No of Project completed	No of Projects in-progress	Expenditure in Lakh
2013-14	55	54	1	3226.54
2014-15	26*	26	0	1909.85
2015-16	15	14	1	2716.65
2016-17	88*	49	39	3000.80
2017-18	90*	66	24	2901.40

\*Includes previous year carry forward projects.

#### Monitoring Mechanism for timely completion of CSR Projects

28. At Nalco, Periodic monitoring for the progress of implementation of CSR activities is made in a structured manner as described below:

- a) Supervision by Nalco Foundation &CSR cell in M&R, S&P complexes and Corporate Office headed by respective General Managers (H&A) &respective Executive Directors and monitored by Director (HR).
- b) Review meeting of CSR activities at the level of CMD and Functional Directors (Apex Level).
- c) Review by CSR sub Committee of Board level.
- d) The projects are finally reviewed by Board of Directors.

Important projects are also reviewed by the Ministry and at different points of time.

#### Impact Assessment Study for Execution of CSR Projects

- For overall CSR activities of the Company, impact study carried out by Utkal University, Odisha.
- Specific survey on utilization of toilets constructed under Swachha Vidyalaya Abhiyan was carried out in 154 schools of Angul & Damanjodiby a 3<sup>rd</sup> party i.e. Gram Vikash

### **Findings of Utkal University, Odisha**

- The study concludes that the impact of the NALCO's CSR ventures is positive and the social benefits are enormous. NALCO CSR interventions have received social appreciation and has fulfilled the objectives of CSR philosophy & policy.
- There are some issues that need immediate response like drinking water supply to peripheral villages.

### **Findings of Gram Vikash**

- Out of 154 no. of schools, the survey recommended to provide water supply in 128 no. of schools to improve the sanitation level.

### **Corrective Measures**

Based on the findings:

- NALCO has prioritized to provide drinking water to peripheral villages of Angul & Damanjodi. The total estimated budget of the project for FY 2018-19 is Rs. 3.66 crore.
- 128 no. of schools have been provided with water supply to improve sanitation.

## **(ii) HINDUSTAN COPPER LIMITED (HCL)**

### **Year-wise details of CSR projects**

<b>Financial Year</b>	<b>Approved</b>	<b>Completed</b>	<b>In progress</b>
2013 – 14	52	52	-
2014 – 15	50	50	-
2015 – 16	59	59	-
2016 – 17	26	26	-
2017 – 18	22	21	1

### **Physical Verification of Projects & Monitoring Mechanism for timely completion of CSR Projects**

29. Regular Monitoring and Bi-Annual Social Impact assessment by external agencies are the tools used to verify the completion of projects.

#### **A. Monitoring Mechanism**

The monitoring mechanism for CSR activities is as follows.

- a. The CSR Nodal Officers in each Unit are responsible for monitoring of CSR activities at every stage on day-to-day basis. Further there are Unit CSR Committees for better coordination and monitoring of the projects.

They keep track of the progress of the CSR activities on a regular basis through status check from implementing agency, site visits etc. and also obtain feedbacks from the targeted beneficiaries.

- b. The progress report of CSR activities at Units in the format prescribed under Companies (CSR Policy) Rules, 2014 including photos is submitted by the Unit CSR Nodal Officers to the Corporate CSR Nodal Officer on a monthly basis. The progress is also submitted to the Board's Sub-Committee on CSR for information.

#### **B. Social Impact Assessment Studies**

The social impact assessment is carried out by external agencies. In the recent past, the Third-Party evaluation of CSR projects has been done by Management Development Institute, Gurgaon and M/s Dexter Consultancy Private Limited, Ahmedabad.

#### **Impact Assessment Study for Execution of CSR Projects**

The social impact assessment was conducted by external agencies. The Third-Party evaluation of CSR projects of FY 2011-12 was conducted by M/s MDI Gurgaon and the social impact assessment of the CSR projects of FY 2012-13 to 2015-16 was conducted by M/s Dexter Consultancy Private Limited, Ahmedabad.

#### **Corrective Measures**

The agencies have overall appreciated the CSR initiatives of HCL and the areas of improvement have been taken in consequent financial plan. Some projects which agencies had suggested for replication in other locations and enlargement are also considered for incorporation and action.

#### **(iii) MINERAL EXPLORATION CORPORATION LIMITED (MECL)**

##### **Year-wise details of CSR projects**

Sr No	Financial Year	No. of Projects Approved	Amount Allocated/Available (Rs. Lakhs)	CSR Activities Completed/In progress	Actual Expenditure (Rs. Lakhs)
1	2014-15	29	81.49	29 Completed	83.95
2	2015-16	32	107.44	32 Completed	108.94
3	2016-17	23	166.66	23 Completed	170.24
4	2017-18	38	247.51	33 Completed	202.69
5	2018-19 (till now)	35	325.00	35 (in progress)	Under Progress

#### **Physical Verification of Projects**

30. After completion of the CSR activities the concerned Project Managers/Zonal Manager of the Project/Establishment near which the CSR

Activity was undertaken physically verifies the activity and takes Photographs of the CSR activity. This report is submitted to the Board Level CSR Committee.

### **Monitoring Mechanism for timely completion of CSR Projects**

In the context of MECL, a Monitoring mechanism is put in place to ensure timely completion of CSR Projects/Activities, gist of which is as under:

The monitoring of the progress of CSR activities is overseen by the Board Level CSR Committee through the Second Tier CSR committee.

The PMs/ZMs are responsible for regular monitoring of the progress of the CSR activities being undertaken at their work place.

### **Impact Assessment Study for Execution of CSR Projects**

Impact assessment study has been carried on execution of CSR activities at MECL in FY 2013-14. The impact assessment report covered CSR Activities done by MECL in 25 Villages/Projects in FY 2010-11, 2011-12 & 2012-13

**Notable Findings of the same are summarized as under:**

- I. Output achieved from projects was as per plan in scheduled duration
- II. Working Condition of physical infrastructure constructed/provided is satisfactory
- III. Fund utilization was prudent and as per need
- IV. Villagers were able to save time required to travel/commute
- V. Health records showed significant decrease in incidence of water borne diseases
- VI. Attendance records in schools showed improvement in attendance of students & decrease in absenteeism due to medical reasons
- VII. Physical Infrastructure provided to schools provided a favourable environment for learning
- VIII. Improvement in school enrolment in most projects assessed
- IX. Students in covered schools have access to potable water
- X. Women upskilling initiatives increased income levels, standard of living and involvement in decision making within family, of the women covered

### **Corrective Measures**

31. Taking cognizance of suggestions shared by respondents in the impact assessment report and findings therein, MECL has consciously moved towards undertaking CSR Activities that have the potential to positively impact the lives of people inhabiting the areas where our projects are located in. For example, in subsequent years after impact assessment report was prepared, the following have been the broad classification of the CSR Activities undertaken by MECL:

<b>Sr. No</b>	<b>CSR Activities</b>
1	Construction of Toilets- Health & Hygiene and ODF
2	Construction of Borewell with RO- Potable Water
3	Medical Equipment to Hospital
4	Skill Development
5	Distribution of School Bags, bench, desks, almirahs and File Printing machine for mentally Handicap
5	Distribution of Sewing Machines, Sewing Machine Training and distribution of cycles
6	Construction of Cultural stage in Village
7	Construction of Road and Community Hall

## **F. OVERLAPPING OF DMF AND CSR**

- i) To ensure that the welfare of host population are protected and the benefit of the economic activity in the mining sector equitably flows to those directly affected, provision has been made in the MMDR (Amendment) Act, 2015 for the establishment of District Mineral Foundation (DMF) in any district affected by mining related operations. The objective of DMF is to work for the interest and benefit of persons in and areas affected by mining related operations. DMF is funded by way of contributions at the prescribed rates from holders of mining lease.
- ii) Ministry of Mines framed the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 which were published in the Official Gazette on 17.9.2015.
- iii) The rates of contribution to DMF have been prescribed as follows: a) 30% of the royalty for leases granted prior to 12.1.2015; and b) 10% of the royalty for leases granted on or after 12.1.2015.

- iv) The manner in which the DMF shall work for the interest and benefit of persons and areas affected by mining; as also the composition and functions of the DMF shall be prescribed by the State Governments.
- v) Directions have also been issued to all States to incorporate the 'Pradhan Mantri Khanij Kshetra Kalyan Yojana' in the rules framed by them for the District Mineral Foundations.
- vi) The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) will be implemented through Legislative Framework, Mineral Policy and Implementation by the DMFs of the respective districts using the funds accruing to the DMF. At least 60% of PMKKKY funds will be utilized for: (i) drinking water supply; (ii) environment preservation and pollution control measures; (iii) health care; (iv) education; (v) welfare of women and children; (vi) welfare of aged and disabled people; (vii) skill development; and (viii) sanitation. Up to 40% of the PMKKKY funds will be utilised for: (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district.
- vii) 12 major mineral rich states of the country [i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Gujarat Maharashtra and Tamil Nadu have framed DMF rules and DMF has been set up in 338 districts of these states.

**PART-II**  
**OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE**

**ROLE OF ADMINISTRATIVE MINISTRY**

1. The Committee note that the Government of India enacted the Companies Act 2013 making it mandatory for all Companies fulfilling the specified criteria to undertake CSR activities. In accordance with provision of the Act, the Ministry of Corporate Affairs framed and notified the CSR Rules on 27.02.2014 which are applicable to all companies, including the three Central Public Sector Enterprises (CPSEs) under the administrative control of the Ministry of Mines. These CPSEs are National Aluminium Company Limited (NALCO), Hindustan Copper Limited (HCL) and Mineral Exploration Corporation Limited (MECL). The Committee note that as per the statutory provisions contained in the Companies Act, 2013 and the CSR rules framed thereunder, the onus of selection, implementation and monitoring of the CSR activities rests upon the Board of Directors of Companies. The activities which may be included by companies in their CSR policies are listed in Schedule VII of the Act. The provisions of Section 135 and Schedule VII of the Act apply to all companies, including CPSEs. The Committee also observe that Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Further, Department of Public Enterprises issued Guidelines on Corporate Social Responsibility and Sustainability in October, 2014. All the CPSEs under the Ministry of Mines viz. National Aluminium Company Ltd., Hindustan Copper Ltd. and Mineral Exploration Corporation Ltd. are reported to be following the above mentioned Act/Rules/Guidelines while allocating and spending the funds under CSR. The Committee's observation and Recommendations in connection with examination of the subject are contained in subsequent paras of the Report.

### **CSR POLICY FOLLOWED BY MINES PSUs**

2. The Committee note that NALCO has been taking up CSR activities since its inception. However, after promulgation of Companies Act, 2013, a documented CSR policy duly approved by the Board is in place since 2015 which governs the CSR activities of the Company. The salient features of this policy covers the basic concept of CSR and its objective; scope of CSR activities; constitution of Corporate Social Responsibility(CSR) & Sustainability Development(SD) Committee; budgeting and control of expenditure; modalities for implementation of CSR projects and their monitoring, feedback and evaluation; and impact Assessment of CSR interventions of the Company. The Committee are also given to understand that the CSR projects and programmes are selected relating to the activities specified in Schedule-VII of the Companies Act, 2013 which are then recommended by CSR&SD Committee before being approved by the Board of Directors. With regard to Hindustan Copper Limited, the Committee note that the activities of Corporate Social Responsibility is planned taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as where it has its presence and it is targeted to have a significant positive impact in the long term. As informed by the Ministry of Mines, Hindustan Copper Ltd. (HCL) Board's Sub-committee on CSR comprises of three or more Directors out of which at least one Director shall be Independent Director. Similarly, CSR Board level Committee is headed by an Independent Director. In respect of CSR activities in Mineral Exploration Corporation Limited (MECL), the Committee have been informed that the organization while conducting its business is also committed to participate and contribute towards development in the geographic area of its operation so as to provide opportunity for the economic, social, educational, infrastructural, health and hygienic cultural development of the people living in and around the working places through CSR initiatives. While observing that Mines PSUs undertake different welfare activities as per the

DPE Guidelines effective from 1.4.2014 based on Section 135 of Companies Act 2013 which stipulates to spend at least 2% of the average net profit of the company for the three immediate preceding financial years, the Committee note that NALCO, HCL & MECL have developed their own policy in this regard. While appreciating the Board level decision making CSR Committees of Mine PSUs in consonance with the Companies Act, 2013 and DPE Guidelines issued thereunder, the Committee desire that the Ministry of Mines should frame a uniform model CSR policy so that these are implemented by all three PSUs under its administrative control to bring uniformity in the process of planning and implementation of their CSR activities.

#### INVOLVEMENT OF LOCAL BODIES/PUBLIC REPRESENTATIVES AND LOCAL ADMINISTRATION

3. The Committee note that while identifying CSR projects, Mines PSUs collaborate with NGOs/specialized agencies/trusts/institutions/foundations/societies/Government bodies etc. in accordance with the provision of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. In the opinion of the Committee, the essence of CSR lies in greater public participation so as to achieve the goal of inclusive growth. The Committee, therefore, desire that local MPs and elected representatives of local bodies, should be invariably involved in the process for selection/ finalization of CSR projects as the public representatives are well versed with the harsh ground realities, fully seized of the local problems and also the dire necessities of the local populace. In the context of Public Sector Enterprises, Corporate Social Responsibility (CSR) should be viewed as a way of conducting business, which enables the creation and distribution of wealth not only for the benefit of its stakeholders but also for the betterment of conditions of life of people through the implementation and integration of ethical systems and sustainable management practices. The Committee also feel that there is a

need to develop a mechanism to involve the local masses who are the beneficiaries of the CSR activities so that the resources could be gainfully utilized in line with objectives of the CSR policy of the CPSEs. The Committee, therefore, recommend that suitable provision in this regard be made in Guidelines for PSUs under Ministry of Mines. At the same time, the Committee also desire the Ministry of Mines to take up the matter with the Ministry of Corporate Affairs to incorporate the provision in CSR Rules for representation of local MPs in selection of CSR projects/activities.

**UTILIZATION OF CSR FUND BY NATIONAL ALUMINIUM COMPANY (NALCO) AND HINDUSTAN COPPER LTD. (HCL)**

4. As regards expenditure of CSR Budget by NALCO, the Committee note with a sense of appreciation that expenditure for CSR activities exceeded the funds allocated during the last 3 years which is evident from the fact that against allocation of Rs. 26.24 crore, 27.56 crore and Rs. 27.88 crore during 2015-16, 2016-17 and 2017-18, the actual expenditure were Rs. 27.16 crore, Rs. 30.00 crore and 29.01 crore respectively. The Committee also express their happiness that the Hindustan Copper Ltd.(HCL) has fully utilized the CSR Budget of Rs. 6.10 crore, Rs. 3.71 crore and Rs. 1.47 crore allocated during 2015-16, 2016-17 and 2017-18. While appreciating the trend of utilization of CSR funds by NALCO and HCL during 2015-16, 2016-17 and 2017-18, the Committee are concerned to note that the allocation of CSR funds of Hindustan Copper Ltd. declined from Rs. 7.11 crore during 2013-14, to Rs. 1.47 crore during 2017-18 on account of decreasing profit of the Company. The Committee express their desire that HCL will ensure that their ongoing CSR projects are not affected due to reduced allocation of CSR funds.

5. The Committee note that all Mine PSUs have their own implementation and monitoring mechanism for CSR Projects at Board level. At the sub-levels, CSR Nodal Officer meets and reviews the execution

of CSR works at periodic intervals and monitors the progress on continuous basis. However, from the information furnished by the Ministry of Mines, the Committee observe that against 88 projects approved by NALCO during 2016-17, only 49 projects could be completed during the year. Similarly, against 90 CSR projects which also included carry forward projects of the previous year and approved by the Company to implement during 2017-18, only 66 projects were completed. In the case of Hindustan Copper Ltd. (HCL), the Committee note from the year-wise detailed information furnished by Ministry of Mines that all CSR projects have been completed as targeted during the last 4 years. While appreciating the completion of targeted CSR projects by HCL during the preceding 4 years, the Committee feel concerned at the sluggish performance of NALCO in completion of CSR projects during the years 2016-17 and 2017-18. The Committee, would like to be apprised of the reason for non-completion of CSR projects by the Company during the years 2016-17 and 2017-18 and also the steps taken to ensure full utilization and completion of all CSR projects during 2018-19. The Committee would, therefore, recommend that NALCO should take adequate steps to clearly define the milestones with quarterly physical verification of the progress made so that the all CSR activities could be accomplished in time.

#### **CSR PROJECTS BY MECL**

6. The Committee note that during the year 2017-18, Mineral Exploration Corporation Limited approved 35 number of projects and allocated Rs. 247.51 Lakh for the purpose. The Committee however, note that out of 38 projects, only 33 projects have been completed by incurring actual expenditure of Rs. 202.69 Lakh. As regards the reason for under-utilization of fund, the Company have submitted that MECL's operational project being transient in nature, certain CSR activities allocated to projects were not feasible to be executed due to closure, shifting of project etc. as well as subsequent changes in project proposal. However,

the unspent CSR amount for 2017-18 has been carried forward to be utilized for CSR activities in 2018-19. The Committee are concerned to note that non-completion of a large number of projects clearly reflect that approvals for the projects were apparently, not given by fully ascertaining their feasibility as a result of which various projects had either to be shelved or their profile changed. The Committee would, therefore, like to be apprised of the processes involved and the mechanism followed before getting the approval of the projects including *inter alia* the details of pre-feasibility study of the projects, if any, conducted by the Company.

#### **SELECTION OF EXTERNAL AGENCIES FOR IMPACT ASSESSMENT STUDIES**

7. With a view to assess the impact of CSR activities undertaken by the Company on the local people and areas around it where it operates, the Committee note that CPSEs are getting Impact Assessment Studies conducted by engaging the external agencies. The Committee have been apprised that in case of NALCO, an impact study for overall CSR activities of the Company was carried out by Utkal University, Odisha. Specific survey on utilization of toilets constructed under Swachha Vidyalaya Abhiyan was carried out in 154 schools of Angul & Damanjodi by a 3rd party i.e. Gram Vikash. As regards the findings of these agencies, the Committee observe that NALCO CSR interventions have received social appreciation and has fulfilled the objectives of CSR philosophy & policy. There are some issues that need immediate response like drinking water supply to peripheral villages. Further, Gram Vikash had found that out of 154 schools, the survey recommended to provide water supply in 128 schools to improve the sanitation level. In case of HCL, the social impact assessment is carried out by external agencies. In the recent past, the Third-Party evaluation of CSR projects has been done by Management Development Institute, Gurgaon and M/s Dexter Consultancy Private Limited, Ahmedabad. As regards MECL, the Committee note that Impact

Assessment Study for execution of CSR is carried out by MECL itself. The Committee have been given to understand that based on the findings/ recommendations, inclusiveness of the project is ascertained and deviations, if any, are identified and corrective actions are taken by the Mine PSUs. The Committee strongly believe that the CSR activities of CPSEs help in achieving the sustainable development of the economy and therefore, emphasize the need for immediate corrective action on the findings coming out of these Impact Assessment Studies. In the light of importance of the external agencies in transparent assessment of the CSR projects on various parameters, the Committee would like to be apprised of the methodology adopted by CPSEs for selecting Independent Third Party for evaluating their CSR activities. The Committee would also like to be apprised of the Impact Assessment Studies conducted for the years 2016-17 and 2017-18 for these three PSUs under Ministry of Mines.

#### **MAINTENANCE OF ASSETS**

8. The Committee note that under Swachh Vidyalaya Abhiyan, NALCO constructed 479 toilets in 227 schools in Odisha and Andhra Pradesh benefitting 13,575 students. Similarly HCL and MECL also constructed 203 and 68 toilets in Government Schools respectively. Besides this, under Swachh Bharat Abhiyan (SBA) programme, Mine PSUs are also constructing Individual House Hold Latrines, community toilets etc. to ensure more and more Open Defecation Free villages. The Committee also take note of fact that out of 203 toilets constructed/repaired by HCL, it has been found that 96% of the toilets are functional with 92% under use. The Committee also note that CPSEs after carrying out these CSR activities, hand over the charge to the Municipalities/ Nagar Palika for their maintenance. In the opinion of the Committee, a mechanism for proper maintenance is also necessary with a view to optimally utilize these assets for a long term. For this purpose, the Committee feel that in addition to local bodies, CPSEs should take concerted efforts to initially maintain these assets and also make a provision for the same in their CSR

budget. The Committee are of the considered opinion that before handing over these assets to the local bodies, these should mandatorily be managed by CPSEs for a minimum of three years. The Committee, therefore, recommend that necessary guidelines be framed for compliance by the CPSEs in this regard.

### **SKILL DEVELOPMENT INITIATIVES BY PSUS AND EMPLOYABILITY**

9. The Committee note that some of the Mine PSUs have been taking up skill development as a part of their CSR activities and providing training and in this process, out of 1800 candidates trained by NALCO, 749 local youth have got employments in retails, health care etc. Further, Hindustan Copper Ltd. is helping Self Help Groups who have taken number of initiatives like Handloom Weaving Unit, Hand Gloves Making, Handicraft, Promotion of Agriculture and Promoting healthy Livestock in Ghatsila and Musabani Blocks of East Singhbhum District in Jharkhand State with the aim to provide self employment opportunities in local area and link them with the market for steady income. The Committee also note that MECL has provided skill training to 100 candidates during 2017-18. While appreciating these initiatives by Mine PSUs, the Committee feel that the number of persons trained and those who secured job on the basis of skill development initiatives is not encouraging taking into account the 500 million persons to be skilled by 2022. The Committee are also concerned to note that as the very purpose of providing skill development training gets defeated if skill development initiatives do not result in sufficient employment generation in consonance with the investment. In the opinion of the Committee, the real success of these skill development training programmes can be quantified only by the increasing rate of gainful employment secured by the persons. The Committee, therefore, desire that not only the modules of the training programmes should be so designed which meets the job requirements of

modern industry/self employment but mine PSUs should also enter into MoU with skill trainers for guaranteed placement of a fixed percentage of persons trained by them.

#### **OVERLAPPING OF DMF AND CSR**

10. The Committee note that for protecting the interests of host population and ensuring the flow of the benefits of the economic activity in the mining sector in an equitable manner to the people directly affected by the mining activities, provision has been made in the MMDR (Amendment) Act, 2015 for the establishment of District Mineral Foundation (DMF) in the district affected by mining related operations. The prime objective of DMF is to work for the interest and benefit of persons in and around areas affected by mining related operations. DMF is funded by way of contributions at the prescribed rates from holders of mining lease. The rates of contribution to DMF have been prescribed as a) 30% of the royalty for leases granted prior to 12.1.2015; and b) 10% of the royalty for leases granted on or after 12.1.2015. Directions have also been issued to all States that the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) will be implemented by the DMFs of the respective districts using the funds accruing to the DMF. It has also been prescribed that at least 60% of PMKKKY funds will be utilized for: (i) drinking water supply; (ii) environment preservation and pollution control measures; (iii) health care; (iv) education; (v) welfare of women and children; (vi) welfare of aged and disabled people; (vii) skill development; and (viii) sanitation. Up to 40% of the PMKKKY funds will be utilised for: (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district. The Committee also note that according to Schedule VII of the Companies Act, 2013, activities like eradicating hunger, poverty, malnutrition, health care; Promoting education; Promoting gender equality; Sanitation, drinking water and environmental sustainability; Promotion of Sports; Contribution to PM relief fund/any other Central Govt.

fund; Rural development etc. are major thrust areas specified for disbursing of CSR funds by a Company including CPSEs. The Committee understand that huge amount of funds are being collected and disbursed to States to implement Welfare Schemes under PMKKKY. The Committee, therefore, feel that in case of Districts where DMF funds are disbursed, the requirement of utilization of CSR funds in the same area for the same purpose require deeper analysis for its prudent diversion to other need areas. To avoid this unnecessary overlap, the Committee desire that the Government should review the mandatory provision of spending 80% of CSR funds in mining areas where DMF funds are also spent so that under such circumstances, funds of CSR can be spent by PSUs in other areas where these would be more gainfully utilized. The Committee, therefore, recommend that the Ministry should take up the matter at appropriate level in the Government and the guidelines for utilization of CSR funds be reviewed at least for those companies involved in mining operations.

**NEW DELHI;  
08 February, 2019  
19 Magha 1940(Saka)**

**PROF. CHINTAMANI MALVIYA  
CHAIRPERSON  
Standing Committee on Coal and Steel**

**Annexure-I**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND  
STEEL HELD ON 3<sup>rd</sup> October, 2018 IN COMMITTEE ROOM NO. '2', PHA  
EXTENSION BUILDING, NEW DELHI.**

**The Committee sat from 1100 hrs. to 1430 hrs.**

**PRESENT**

**Prof. Chintamani Malviya - Chairperson**

**LOK SABHA**

2. Shri Idris Ali
3. Shri Nagesh Godam
4. Smt. Riti Pathak
5. Smt. Ranjeet Ranjan
6. Dr. Ravindra Kumar Ray
7. Shri Chandu Lal Sahu
8. Shri Tathagata Satpathy
9. Shri Janardan Singh 'Sigiwal'
10. Shri Pashupati Nath Singh
11. Shri Rama Kishore Singh
12. Shri Krupal Balaji Tumane

**RAJYA SABHA**

13. Prof. Manoj Kumar Jha
14. Shri Ranvijay Singh Judev
15. Shri Ram Vichar Netam
16. Shri Ram Shakal

**SECRETARIAT**

1. Shri R.C. Tiwari	-	Joint Secretary
2. Shri Ajay Kumar Garg	-	Director
3. Shri Arvind Sharma	-	Additional Director

**WITNESSES**

**MINISTRY OF MINES AND ITS PSU's**

1. Shri Anil Mukim, Secretary
2. Dr. N.K. Singh, Joint Secretary

3. Shri Bipul Pathak, Joint Secretary
4. Shri Shersha, Director
5. Dr.Joyesh Bagchi, Director
6. Smt. Farida M. Naik, Director
7. Smt. Athira S. Babu, Director
8. Dr. D. Veena Kumari, Director
9. Dr.Tapan Kumar Chand, CMD, NALCO
10. Shri Basant Kumar Thakur, Director (HR)
11. Shri R.N. Jha, CMD, MECL
12. Dr. Ch. Sreerama Murthy, GM(HR), MECL
13. Shri Yogesh Sharma, GM(BD&P), MECL

2. At the outset, the Chairperson welcomed the Secretary and other representatives of Ministry of Mines and PSUs to the sitting of the Committee convened to have briefing in connection with examination of two subjects, (i) "Implementation of District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKY)"; and (ii) "CSR Activities by PSUs under the Ministry of Mines".

3. Thereafter, the Chairperson raised specific queries and sought responses from the representatives of Ministry of Mines and PSUs. The representatives of the Ministry of Mines briefed the Committee on the subjects. In a visual presentation on the first subject – "Implementation of District Mineral Foundation (DMF) and Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKY)", the Committee were apprised about the mechanism being followed in operating the DMF as also the methodology being adopted in pursuance of directions under PMKKY etc.

4. Members then raised queries and sought responses from the representatives of Ministry of Mines and PSUs on various issues like composition of DMF, total fund collection under DMF, state-wise and district-wise allocation and their utilisation, reason for not setting up of DMF in some States till date, reason for not allowing Representative of People - MP as a member or Chairperson of DMF, reason for slow spend of DMF fund in some states/districts, reason for not setting of any annual target for spending DMF funds, monitoring role played by the Central Government and State Government for effective implementation of DMF and PMKKY; the constraints and difficulties being encountered for effective implementation of DMF and PMKKY etc. The representatives of Ministry of Mines attended to the queries of the Members and made submission on various aspects of the subject.

5. The Chairperson thereafter directed the representatives of Ministry of Mines to brief the Committee on the second subject - CSR Activities by PSUs under the Ministry of Mines. In a power point presentation on the subject, the Committee were apprised about the CSR Policy of PSUs under the Ministry of Mines viz: National Aluminium Company Ltd. (NALCO), Hindustan Copper Ltd. (HCL) and Mineral Exploration Company Ltd.(MECL); the extent of allocation and expenditure made by NALCO, HCL and MECL during the last five years, etc.

6. The Members then raised queries and sought responses from the representatives of Ministry of Mines and PSUs on various issues like the methodology adopted/criteria followed for identifying the areas for CSR activities; and the reasons for decline in allocation/expenditure, if any; monitoring mechanism put in place to ensure timely completion of CSR projects by all the three PSUs under the Ministry of Mines; findings of any impact assessment study carried out on execution of CSR projects by mine PSUs and corrective action taken thereon, etc. The representatives of Ministry of Mines attended to the queries of the Members and made submission on various aspects of the subject.

7. The Chairperson, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information discussed by them. He also directed them to furnish information on points on which the Ministry could not reply during the sitting to the Committee Secretariat, within 10 days.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

***The Committee then adjourned.***

**Annexure-II**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 8TH FEBRUARY, 2019 IN CHAIRPERSON'S CHAMBER (ROOM NO. '210'), B-BLOCK, PARLIAMENT HOUSE ANNEXE EXT. BUILDING, NEW DELHI**

The Committee sat from 1000 hrs. to 1100 hrs.

**PRESENT**

Prof. Chintamani Malviya - Chairperson

**Lok Sabha**

2. Shri Ajay Nishad
3. Smt. Riti Pathak
4. Dr. Ravindra Kumar Ray
5. Shri Chandulal Sahu
6. Shri Janardan Singh 'Sigriwal'
7. Shri Rama Kishore Singh
8. Shri Sushil Kumar Singh

**Rajya Sabha**

9. Shri Samir Oraon
10. Shri Sanjay Singh
11. Shri Vijay Pal Singh Tomar

**SECRETARIAT**

1. Shri R.C. Tiwari - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Director

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.
3. The Committee thereafter took up for consideration the Draft Report on the subject, "CSR Activities by PSUs under Ministry of Mines".
4. The Committee considered and adopted the Report without any changes/modifications. The Committee then authorized the Chairperson to finalise the Report and present the same to both the Houses of Parliament.
5. The Committee also decided to undertake a study visit to Ujjain and Indore during second fortnight of February, 2019 in connection with examination of various subjects selected by them for the year 2018-19.

**The Committee then adjourned.**