

Meeting proceedings of the Corporate Social Responsibility committee, held on 07/12/2015, at MML corporate office.

Members present:

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| 1. Sri. A.K.Monappa, I.A.S
MD, HGML, | Chairman |
| 2. Sri. M. Maheshwar rao, I.A.S,
MD, MML. | Member |

The committee after detailed discussion proposed the CSR policy as under:-

I. Preamble

As per the Companies Act, 2013, the mandatory provisions of the Corporate Social Responsibility (CSR) Policy have been formally introduced for its adherence by Indian Companies. The industry has responded positively to this reform measures undertaken by the Government. In the case of MML, the practice of CSR is not new as it is being followed since many years particularly keeping in view the fact that the Mysore Minerals Limited is into mining major and minor minerals mostly in backward areas, of the state.

Objectives

The main objectives of the CSR policy is to lay down guidelines for CSR activities of MML, in compliance with the requirements of new Companies Act, 2013 and rules made there-under with specific emphasis to identify and help the under privileged and the under developed areas in and around the operational areas of MML in particular, and other parts of the State of Karnataka, in general.

II. CSR Committee

The Board has constituted a CSR committee of three Directors of the Board as under:

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| 1) Sri A K Monnappa, IAS
MD,HGML | - | Chairman |
| 2) Sri M. Maheswara Rao, IAS
MD,MML | - | Member |
| 3) Director,DMG, | - | Member |

The CSR Committee will;

- 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 forming part of Section 135 of the Companies Act, 2013.
- 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.

Project Monitoring Unit/organisational mechanism:-

The company has constituted a Project Monitoring Unit consisting of Officers from within the Company as under:

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| a) Chief administrative and vigilance officer. | - | Chairman |
| b) Chief controller of Finance and Accounts | - | Member |
| c) Asst. Engineer (Civil), | - | Member-Co-ordinator |

The amount released under CSR will be monitored by this unit at regular intervals and submit its report considering both physical and financial progress in the implementation of the projects /programmes/ activities to the CSR Committee.

III. Board

The Board, duly considering the recommendations of the CSR committee shall approve CSR policy of the company and will disclose the contents of the policy in its reports to members and also on the company's website. The Board shall also ensure that, the activities included in the CSR policy are undertaken by the company during the relevant financial year for its implementation within the overall policy frame work, and the provisions of Companies Act thereof.

Activities/ Areas of focus on CSR

As per the provisions of 135 of Companies Act, 2013, the activities to be covered under CSR are notified by way of schedule VII forming part of the Companies Act. The details of the same is as under:

Activities relating to :-

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially 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 centres 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- 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 recognised sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund and 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.
- xi. Slum area development.

The activities as above will undergo amendments/changes if any to be notified by Government from time to time.

IV. Budget provision

MML considering its profits will make a budget provision for implementing projects under CSR as per the provisions of Section 135 of the Companies Act, 2013. During the FY 2015-16, considering the average profits of the preceding three years, made a budget provision 2% of net profits, with sub-allocation as under:

	Mining areas	Rest of State	Approved Amount
Percentage-wise proposed expenditure (Rs. In lakhs)	60(%) 204.00	40(%) 136.00	100(%) 340.00

V. Broad guidelines for consideration of the proposals and approval of CSR projects/programmes and activities.

The company shall focus on social sectors preferably skill development programmes, and activities like roads and infrastructure to be minimal (not to exceed 20%) allocation

- 1) All eligible organisations/Institutions/Trusts/AOPs/Companies/Boards & Corporations/Govt. institutions/State & Dist. Authorities such as Deputy Commissioners and ZillaPanchayaths, State Regional and other/Dist. level departments, can apply for contribution under CSR provided such applicants are from Zone-I, II & III above.
- 2) The proposal on CSR should contain the following details:
 - a) Request letter
 - b) Name of the project/s
 - c) The cost of the project together with its plan and cost estimates and means of finance thereof.

- d) Time limit for completion of the project
 - e) Copy of the Board of management approval for the project.
 - f) Copy of byelaws / trust deed/ memorandum of articles of association or such other laws applicable to the concerned institution. The Trust seeking contribution under CSR should have been established without profit motive/share of profits to the trustees.
 - g) An undertaking letter that the institution will abide by the terms and conditions of the CSR policy of MML.
- 3) Individual proposals have to be within the frame work of the CSR projects/programmes /activities.
 - 4) Every CSR proposal has to be projectised, inter-alia covering its activities, time frame, financial requirement, organisational responsibilities / commitments on timely completion of the project.
 - 5) The proposals received may be subject to preliminary inspection by Project Monitoring Unit so as to consider its overall eligibility under the scope of CSR Policy of the Company.
 - 6) The release of funds will be phased out in instalments for the project programme/activities with initial disbursement of 1/2 of the amount approved by the Board and further release of funds phase wise will be determined and advised to project authorities so as to ensure proper utilisation and submission of periodical progress reports of both physical and financial programmes/projects/activities. The projects sanctioned under CSR upto Rs.10.00 lakhs will be considered for disbursement in one instalment.
 - 7) The projects sanctioned under CSR may be documented in the name of MML wherever applicable, and necessary plaques in this regard be put up by the project/s concerned.
 - 8) The amount released under CSR will be subject to inspection by Project Monitoring Unit at regular intervals till the completion of the project.
 - 9) The organisation will have to furnish utilisation and completion certificate on the projects sanctioned under CSR and an undertaking in this regard has to be furnished by the concerned institution, before availing disbursement.
 - 10) The concerned institution has to refund the un-utilised and or interest amount sanctioned and released by MML under CSR.
 - 11) The institution concerned has to utilise the funds meant for the project in a transparent manner. In case of contribution to Govt. companies/ institutions the provisions of KTPP Act have to be followed in utilisation of funds released by MML under CSR.

- 12) In case of project/s partly sanctioned by MML, the concerned institution has to give an undertaking as to how the balance amount will be met by them for completion of the project/s
- 13) The company reserves the right to recall the amount released under CSR without assigning any reasons in case if it comes to the notice of MML that the amount released for the project is not utilised for the same.
- 14) The institution should provide an undertaking before disbursement that:
 - a) It has not availed contribution under CSR from another company, in cases where the project is fully funded by MML and with the management contribution.
 - b) The contribution to be availed from other Companies, will not exceed the cost of the project including the amount sanctioned by MML.
- 15) The institution has to furnish exemption certificate/s issued by IT Dept. under section 80 G & 35 AC & 35 CCD if any, alongwith application for sanction under CSR.

VI. Implementation Strategy

The CSR projects/activities shall be implemented in two ways as under:-

- 1) Through concerned State/District authorities such as the Deputy Commissioners of the Districts and CEOs of Zilla Panchayaths, State /Regional and other/Dist. level departments/organisations.
- 2) Through NGOs/Voluntary Organisations/Trusts

VII. Audit

In addition to the continuous monitoring of the activities by a separate Project Monitoring Unit, all the CSR activities and expenses made thereon will be subject to audit by the Company Auditor/s as well.

VIII. Conclusion

The CSR policy of the company as above is only illustrative and will be amended from time-to-time within the overall provisions of the Companies Act and rules made there under.