

CSR in NMDC

Business and social vision of NMDC Ltd

NMDC Limited is a CPSE under the Ministry of Steel, Government of India, primarily engaged in the business of exploring minerals and developing mines to produce raw material for the industry. Today, NMDC Limited is the largest iron ore producer in the Country with four operating mines in Bailadila (Chhattisgarh) and two in Bellary-Hospet range (Karnataka), diamond mining project, Panna in Madhya Pradesh among other operations. NMDC is also entering into manufacturing of steel by setting up a green field Integrated Steel Plant at Nagarnar.

Being a responsible Corporate Citizen, it has been a pioneer in addressing its responsibility towards society. Its CSR programme is as old as the Company itself. NMDC believes that the well being of society at large is a pre-requisite for the progress of business and prosperity of the organization.

While pursuing its business vision of expansion in ongoing activities in India and abroad, as also by diversifying into new areas of mineral exploration, NMDC seeks to add value to its CSR effort by aiming for eradication of illiteracy, minimizing child and maternal mortality, poverty alleviation and affordable health care in the surrounding villages of its Project areas.

Policy on CSR, including Board approved policy

As already enunciated earlier, the philosophy underlying the CSR programme in NMDC is belief that the well being of society at large is a pre-requisite for the progress of business and prosperity of the organization. Keeping this in mind, Policy makers in NMDC have framed a broad based, well thought out and transparent Policy document with respect to its CSR programme.

OBJECTIVES

With the aforementioned philosophy and the principle of inclusive growth forming their core thought, the Board of Directors have laid out the following Policy objectives of CSR in NMDC keeping the following focus areas in sight:

- (i) Literacy/education/cultural development.
- (ii) Safe drinking water/health care and sanitation.

- (iii) Skill development for sustainable income generation and livelihood
- (iv) Agriculture and infrastructure development
- (v) Promotion of sports
- (vi) Relief during the natural calamities etc.

BUDGET

The following are the guidelines for allocation and expenditure of CSR budget of NMDC:

- ♦ The budgetary provision in a financial year towards CSR initiatives shall be at least 2% (two) per cent of the net profit of the Company,
- ♦ If the allocated budget remains unutilized, it is carried forward to succeeding year.

CONSULTATIVE MECHANISM

NMDC has spawned a unique and widely acclaimed consultative mechanism covering all the stakeholders right from village/community level to district level and extending right up to state government level coordination.

This consultative mechanism has been the subject of praise by no less an authority than the Department of Public Enterprises, Government of India, which has recommended NMDC's consultative mechanism for replication by other CPSE's.

IMPLEMENTATION

Coupled with this consultative mechanism, NMDC has a three pronged approach to CSR programme implementation and these are:

- ♦ Directly by NMDC,
- ♦ In partnership with state governments by entering into a MOU with the concerned state governments and
- ♦ Through reputed and experienced non-governmental organizations/service providers or fellow public sector enterprises, on nomination basis.

This has given the CSR programme at NMDC, immense flexibility and easy operability.

MONITORING

CSR proposals, as well as the corresponding budget proposals are examined by the CSR and Sustainability

Committee of Directors, headed by an Independent Director and recommendations of the Committee are finally put up for approval of the Board. Implementation is monitored through a system of joint inspections with the relevant service providers/NGOs/state government officials, and the monitoring of CSR programmes is done by CSR and Sustainability Committee during its review meetings.

Innovative practices in CSR

NMDC's CSR has been acclaimed as an example, by the Dept. of Public Enterprises, Government of India, for other CPSEs to emulate. The comprehensive consultative mechanism adopted by NMD's CSR programme has, especially been the object of praise. The inclusiveness of the CSR programme is enhanced by this multilevel consultation process. The involvement of stakeholders starts at the grassroots community level, followed by district level interaction and culminating in coordination with state governments has ensured conceptual clarity, effective implementation and proper monitoring of the CSR programmes in NMDC. This innovative consultative structure has given NMDC's CSR, a distinct edge, as also the variety of initiatives.

CSR awareness among employees

Given the long tradition of CSR in NMDC, it is common belief that each and every employee is aware of the Corporation's CSR effort. This awareness is further strengthened by the use of all channels of communication like House Magazines, Special issues of the In-House Magazines, Project Joint Councils, Apex Joint Councils, SC/ST Welfare Association meetings, as also other Welfare Association meetings and of course periodical updates on the Corporation's website, to name a few.

Details of contribution towards CSR in the last 03 years (including efforts towards social inclusion, health education, skill development etc.)

NMDC has been at the forefront of CSR and has been one of the biggest CSR spenders among CPSEs, as is borne out by the statistics for CSR expenditure in the last three financial years given in the following table:

	Financial year	CSR expenditure in Rs. (crore)
01	2012-13	101.10
02	2013-14	131.42
03	2014-15	188.65
04	2015-16	210.09

CSR activities in the recent past

Following are some of the flagship CSR initiatives of the Company.

SHIKSHA SAHAYOG YOJANA

Shiksha Sahayog Yojana is a one of its kind initiative in

the country, which NMDC has been implementing since 2008-09, wherein SC/ST students who are natives of the Bastar Division (which is presently divided into seven districts) in Chhattisgarh state and residents of 8 peripheral villages around Donimalai project in Bellary district, Karnataka state and whose family income is less than Rs.6,000/- per month. This initiative was introduced in the backdrop of a high drop-out rate among students hailing from the local tribal communities, despite the efforts of the Government's Sarva Shiksha Abhiyaan. This was primarily due to the inadequate educational facilities for students near their immediate neighbourhood, which discouraged students from continuing their education beyond primary level and parents also had no incentive to send a helping hand, who was supplementing their efforts in agriculture or other avocations.

The number of students benefiting from the scheme was around 7500, it has increased to 18000 in the year 2014-15.

NMDC had adopted the process of direct crediting of scholarships into the bank/post office accounts of the beneficiary students. It would not be out of place to mention that this was a pioneering practice introduced by NMDC's CSR programme, which was later on adopted by the central and state government authorities/agencies.

The scheme has been enriched with innovative activities like debate competitions, sports events, study tours, science exhibitions etc. to give opportunity for overall personality development of the students.

A study conducted by NMDC shows that the scheme has encouraged students to continue their studies. The scheme has also helped in improving attendance in schools and ensured better results.

BALIKA SHIKSHA YOJANA

Balika Shiksha Yojana is a novel CSR initiative having a triple purpose of assisting girls from socio-economically disadvantaged sections of society to pursue professional education, contribute to empowerment of women and also help in addressing the situation of acute shortage of medical and paramedical staff in Bastar Division. This programme was initiated by NMDC in the year 2011-12. Initially, 25 girl



students from socio-economically disadvantaged background were sponsored by NMDC for B. Sc (Nursing) and GNM Courses at Apollo Institute of Nursing at Hyderabad, the education arm of Apollo Hospitals. The success of the program led to the enhancement of the number of students sponsored from 25 to 40. As on date 32 students are being sponsored for the 3 year GNM course and 08 students are being sponsored for the four year duration B. Sc Nursing programme. As on date 155 students are studying in Apollo Institute of Nursing under the above scheme.

This scheme has been framed directly in response to the needs of the communities surrounding NMDC projects. The need was assessed based on interaction with the local District Administrations who had voiced their concerns about lack of adequate trained nursing professionals in the local hospitals/public health centres, where only 33% of the requisite nursing staff was available to render medical services to the local communities. Added to this was the concern about the inability of local tribal girls to pursue the professional courses in nursing, etc. due to socio-economic constraints.

MID-DAY MEAL PROGRAMME

Mid-day meal is a programme of the Government of India which aims at addressing the dual problem of malnutrition as well as the issue of absenteeism and drop out among school children.

NMDC has been supporting the mid day meal programme in surrounding areas of the Donimalai project in Karnataka in partnership with Akshaya Patra Foundation since 2008-09 by providing monetary support to the mid-day meal scheme to provide nutritious and wholesome meal during the school hours which includes items like chapatti, eggs etc. in the menu and has also contributed two dedicated vehicles for meal distribution.

8,000 school children in 38 schools of Sandur taluk in Bellary district are getting benefitted from the scheme.

RESIDENTIAL SCHOOL AT NAGARNAR, BASTAR-C.G

Remote village locations, tough geographic terrain and various socio-economic reasons often prove to be a hindrance for acquiring education. As a result, many children from remote and backward villages of Bastar Division do not get a chance to study.



In order to address this issue and provide local tribal children in Bastar region with a conducive learning environment, NMDC established a residential school at Nagarnar in the year 2010-11.

Teams of NMDC employees, both male and female personally visited remote hamlets in the left wing extremism affected villages of Bastar region and counselled the parents of children of school going age, convincing them to send their children to school. Consequently, most of the students who were admitted in the school were 1st generation school goers from their families, heiling from the deep jungle hamlets.

At present the school strength is 513 students up to class IX with one higher class being added every year. Plans have been finalized to expand the school up to 10+2 in future. The initiative has created a positive impact in the area and admission to the school has become a much sought after goal amongst the local community.

POLYTECHNIC COLLEGE AT DANTEWADA, SOUTH BASTAR

Continuing with its efforts to provide technical education to the local youth, NMDC has established a polytechnic college at Dantewada in year 2010-11 within the premises of Education Hub.

Plans are afoot to initiate new trades in the institute, which currently has an intake of 126 students per year



in mechanical and electrical streams as on date 418 students are pursuing their diploma course in the polytechnic (after taking into account lateral entry of 10 students in each branch in the second year of the diploma course).

The college has been granted exemption from central counselling to encourage professional technical education among students from Dantewada district/Bastar Division.

The only 'polytechnic college' in Chhattisgarh which is totally operated by a PSU without any financial contribution from the state government of Chhattisgarh.

EDUCATION HUB

Factors like geographic terrain coupled with prevailing law and order situation have seriously hampered the chances of local children to get quality professional and technical education over the years. In the wake of this reality, Government of Chhattisgarh came up with a solution for establishing an Education Hub at Geedam, Dantewada district which could act as an educational hub with institutions ranging from primary school to professional institutions like polytechnic, teacher training institute, livelihood college etc, in a single campus. The objective was to provide conducive environment to the local children for overall intellectual and physical development by providing them with quality educational facilities.

NMDC has actively partnered with the state government in this unique initiative and is supporting it in several ways.



Some of the initiatives supported by NMDC in Education Hub are as follows:

- ♦ Astha Gurukul: It is a residential school primarily for children affected by naxalite related violence apart from SC/ST/OBC and other underprivileged students from the local communities. NMDC has funded creation of physical infrastructure and facilities viz. academic block, residential complex, staff quarters in Astha Gurukul. NMDC also supports regular operations of the school.
- ♦ Hostel for boys and girls: Construction of 1000 seater hostel for boys and girls respectively has been funded by NMDC in the Education Hub. Aastha Gurukul campus, Geedam, Chhattisgarh
- ♦ Polytechnic college at Dantewada established and operated by NMDC within the premises of Education Hub.

SAKSHAM

It is a residential school which has been established for children with special needs. The idea is to educate and train them at all levels and facilitate their schooling with appropriate aids and materials. NMDC has been supporting Saksham by bearing the regular operational expenditure of the school and has also financially contributed towards creation of the physical infrastructure. NMDC also takes pride in affirming that Saksham school was one of the institutions visited by the Hon'ble prime minister during his visit to Dantewada in May 2015.

INTEGRATED VILLAGE DEVELOPMENT

The initiatives under the IVD component have been successful in touching every aspect of the rural life and have started to show positive results in the direction of transforming these villages as model villages.

Various component of the IVD programme are:

1. Agriculture and livelihood support services .
2. Vocational training programme.
3. Nutritional support for children in 46 Anganwadi centres.

Starting with just 2 villages in 2009, the programme has expanded to 18 villages so far. The number of people getting covered under the intervention has also increased from 1600 persons to 20,000 persons.

Innovative programmes launched and its expected positive impact on general public

Apart from continuing some of the existing novel initiatives, NMDC has initiated a few innovative CSR programmes, which are as follows:

- ♦ An elaborate sporting programme in the villages around NMDC's Bailadila projects. The said programme is expected to provide an opportunity for the tribal youth to channelize their energies towards constructive activities like sports, exhibit their sporting talent and keep alive

some of the sporting traditions of the local area.

- ◆ A cleanliness campaign in 16 villages around NMDC projects in Bailadila region under Mission Swachh Bharat, with the objective of bringing about behavioral changes with respect to cleanliness through sanitation and hygiene promotion campaigns, capacity development of local government stakeholders and civil society and introducing a system of rewards and recognitions for incentivizing cleanliness, as a way of life.

The way ahead for NMDC's CSR

NMDC's CSR is operating in a dynamic and fast changing world. Laws/Guidelines are regularly being amended, people's expectations are also increasing and the developmental needs of the nation are shifting over the years.

NMDC is now being asked to take up sunrise initiatives in the areas of Swachh Bharat, Skill India etc., besides, keeping up its good work in traditional focus areas. This is a challenge, for which, NMDC's CSR is gearing up.

Apart from the above, the need for transparency, inclusiveness and accountability in operating NMDC's CSR

are also being addressed by strengthening the communication mechanisms with all stakeholders, automation of reporting systems and voluntary evaluation of effectiveness of CSR initiatives, to name a few.

Intangible /un-quantifiable effects of CSR

Not all benefits of CSR activities are tangible or quantifiable. The intangible/non-quantifiable benefits of CSR are much higher and NMDC takes pride of these.

Though NMDC has never sought to directly link its CSR programme to any of its business objectives, the only successful land acquisition for a green field project in the last decade of Indian corporate history, can invariably be attributed to the CSR efforts of NMDC in the backward Bastar region of Chhattisgarh, over the years.

Besides being a major contributor of revenue to the state and central governments by way of taxes and levies. NMDC Ltd has over the years, silently contributed to the steady socio-economic development of the Bastar region, as well as the areas around its other operational projects.

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