



**The Andhra Pradesh Mineral
Development Corporation Limited
(APMDC)
(A State Government Undertaking)**

**CORPORATE SOCIAL
RESPONSIBILITY POLICY
(CSR POLICY)**

The Andhra Pradesh Mineral Development Corporation Limited:
(A State Government of A.P Undertaking)

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**The A.P. Mineral Development Corporation Limited
(A State Government Undertaking)**



APMDC POLICY FOR CSR (CORPORATE SOCIAL RESPONSIBILITY) AND SUSTAINABILITY

**The A.P. Mineral Development Corporation Limited
(A State Government Undertaking)**

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1. PREAMBLE

The concept of Corporate Social Responsibility has gained importance from all avenues. This policy, which encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare and sustainable development of the community at large, is titled as the "The Andhra Pradesh Mineral Development Corporate Social Responsibility (CSR) and Sustainability Policy, herein referred to as **APMDC Policy for CSR and Sustainability**.

APMDC has developed this Corporate Social Responsibility (CSR) and Sustainability Policy in consonance with the CSR Policy framework enshrined in the Section-135 of Companies Act, 2013 (Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (Rules) notified by Ministry of Corporate Affairs, Government of India.

Any point not covered by this Policy would be interpreted in accordance with the existing Companies (CSR Policy) Rules.

2. OBJECTIVES OF CSR POLICY STATEMENT

The objectives of this Policy are as follows:

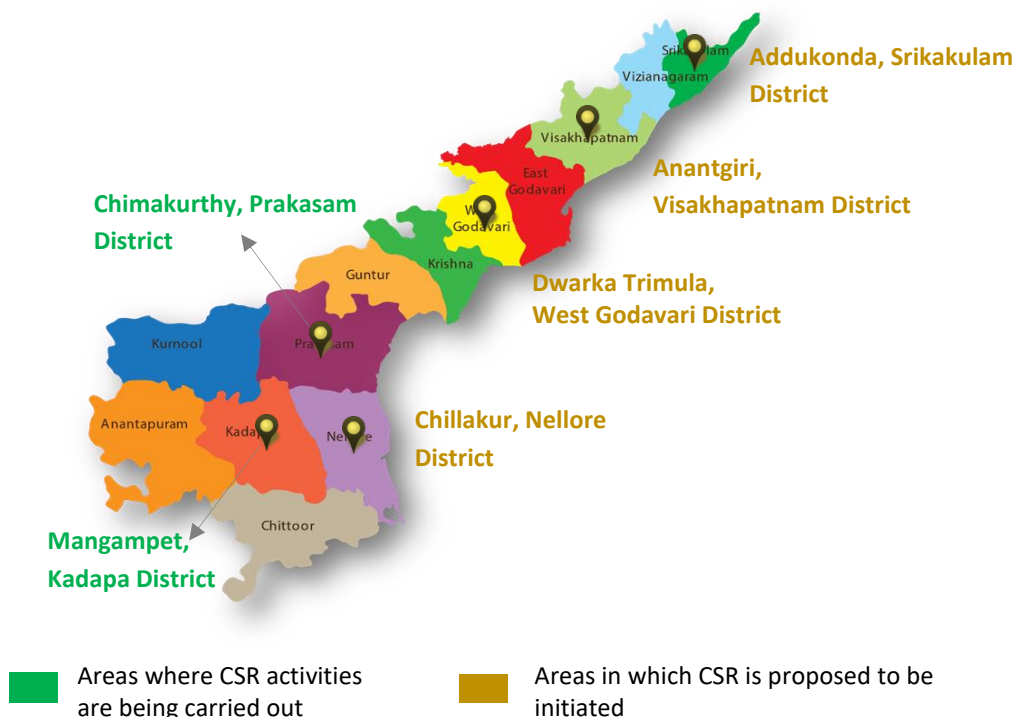
- 2.1. To define CSR Projects or Programs which APMDC plans to undertake and which fall within the purview of the Companies Act 2013 and the Companies (CSR Policy) Rules, 2014.
- 2.2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area
- 2.3. Outline Governance mechanism for the CSR activities taken up by APMDC
- 2.4. Mode of Implementation of such CSR projects or Programs
- 2.5. Monitoring and reporting mechanism of such CSR Projects or Programs



3. SCOPE OF CSR ACTIVITIES

The Mines of APMDC are located in different districts of Andhra Pradesh States i.e. Cuddapah, Prakasam, West Godavari, Srikakulam, Vizag etc. The obvious impact of the introduction of any production activity in such areas changes the traditional lifestyle of the original inhabitants and indigenous communities. It also brings a change in the socio-economic profile of the area. Hence the primary beneficiaries of any CSR activities by APMDC shall be the local area people and areas around which it operates for spending the amount earmarked for CSR activities.

A brief overview of the areas around which the CSR activities are being carried out or are proposed to be initiated is shown below:



In addition to the above, APMDC also proposes to initiate CSR activities around the new coal block areas namely, Madanpur South in Korba, Chattisgarsh and Suliyari in Singrauli, Madhya Pradesh.

4. CSR VISION

“To actively contribute to the Social and Economic development of the communities wherein we operate, thereby improving the quality of life in the area and promoting sustainable growth for the society and community”



5. GUIDING PRINCIPLES OF CSR

- 5.1. **Best Practices:** The Corporation will endeavor to implement best in class Practices for the identified focus areas.
- 5.2. **Communication:** The Corporation will have a two way communication channel so that the stakeholders' needs, expectations and aspirations can be mapped and their feedback and satisfaction levels can be obtained and assessed for the purpose of design and improvement of initiatives.
- 5.3. **Impact:** The Corporation will strive to assess the impacts of its CSR initiatives on a regular basis. Impact assessments will be done through the CSR Monitoring Committee and it may help to further improve our CSR initiatives.
- 5.4. **Sustainability:** The Corporation will undertake CSR projects which are closely linked with the principles of Sustainable Development based on the immediate and long term social and environmental consequences of development of Infrastructure in the country.

6. CSR ACTIVITIES

- 6.1. An Indicative list of CSR and Sustainability Projects/Programs/activities which APMDC plans to pursue/is pursuing in the areas earmarked(refer clause 1) is as follows:

| CSR Thrust Areas | Sl. No | CSR & Sustainability Initiatives | Ref* |
|------------------|--------|--|------|
| Health | 1 | Health Camps, Training/Awareness programs on health Sanitation etc. | I |
| | 2 | Tie-ups with renowned health service companies to provide health services to employees and villagers. | |
| | 3 | Providing financial assistance and waivers for needy patients on a case to case basis. | |
| | 4 | Providing Primary Health care and medicinal facilities. | |
| | 5 | Supply of RO Drinking Water. | |
| | 6 | Water supply systems like piped water, hand pumps/ tube wells, bore wells, etc. | |
| Education | 1 | Infrastructure Development in nearby Schools (furniture, Uniforms, renovation of existing infrastructure etc.) | II |
| | 2 | Assist students through Scholarships. | |
| | 3 | Distribution of mid-day meals to students in local schools. | |
| | 4 | Tie up with DPS / Oakridge school on a Long Term basis to have quality education. | |



| | | | |
|--------------------------------|---|--|---------|
| Gender Equality and livelihood | 1 | Awareness Programs and Seminars on Gender Equality. | II, III |
| | 2 | Formation of Women self-help Groups. | |
| | 3 | Women Empowerment through special drives. | |
| | 4 | Setting up Skill Development Institutes. | |
| Environment | 1 | Activities for protecting & maintaining environment (Air, Soil and Water). | II, IV |
| | 2 | Awareness Programs on Sustainable Development. | |
| | 3 | Increase green cover through plantation, protection of flora and fauna this should be other than compulsory afforestation during forest clearance. | |
| | 4 | Maintenance of parks, gardens and lakes. | |
| Ethnicity | 1 | Sponsorship to heritage festivals. | V |
| | 2 | Infrastructure for Community Halls (Furniture, Chairs, AC etc.) | |
| | 3 | Preservation of a portion of Barytes Deposit as per the directions of Government for posterity purpose at Mangampet. | |
| Sports | 1 | Rural Sports, Competitions. | VII |
| | 2 | Sports related Infrastructure. | |
| | 3 | Offering Sports Scholarships. | |
| | 4 | Organize sporting events in villages and at district levels. | |
| Support to Mineral Development | 1 | Apart from MERIT, Contribution to studies for mineral investigation and laboratory studies to develop Mineral Exploration. | IX |
| Rural Development | 1 | Building and maintaining rural infrastructure like roads, bridges, drains etc. | X |
| | 2 | Renewable Energy Projects. | |
| | 3 | Electrical Infrastructure. | |

*Reference Sr. No of Schedule VII of Companies Act

Note: Any other activities based on need & requirement of the stakeholders could be taken up in-line with the provision of Companies Act 2013.



7. GUIDELINES FOR SELECTION OF ADDITIONAL CSR ACTIVITIES

Apart from the CSR Activities above (Clause 6) the following guidelines would be followed for selection of additional CSR activities

7.1. BASELINE SURVEY/NEED ASSESSMENT

Apart from the CSR Activities already been proposed in the current Policy document, a baseline Survey / Need Assessment would be done for the selection of any new CSR Activity. The Expenditure on baseline/ need assessment survey shall be met from the administrative expenditure limit of 5% of overall annual CSR budget.

7.2. IMPACT ASSESSMENT

Impact Assessment studies would be done by CSR Monitoring Committee (refer clause 8.2) for the CSR Projects outlined. Such Impact Assessment would form the basis of initiating corrective actions and formulating future plans. The expenditure on impact assessment study shall be met from the administrative expenditure limit of 5% of overall annual CSR budget.

7.3. PROPOSALS RECEIVED FROM REGISTERED TRUSTS/SOCIETIES/GOVT AGENCIES/CUSTOMERS

Proposals received from registered Trusts/Societies/Govt. Agencies/ Customers etc. will be considered for review depending upon availability of budget during the year and on the merit of the proposal. Proposals received from Govt. Agencies/ Customers will be given preference over that of Trusts/ Societies.

8. GOVERNANCE MECHANISM

APMDC's CSR will have a two tier Governance mechanism

8.1. BOARD LEVEL CSR COMMITTEE

Board level CSR Committee shall consist of the following members:

| Name | Designation | Role: CSR Committee |
|---------------------------------------|---|---------------------|
| Mr. Ch. Venkaiah Chowdary, IRS | The Vice Chairman & Managing Director, APMDC | Chairman |
| Mr. K V V Satyanarayana, IRAS | Special Secretary to Finance, Govt. of Andhra Pradesh | Member |
| Smt. Rama Devi | Deputy Secretary to Government, Industries & Commerce Department, Govt. of Andhra Pradesh | Member |



The Board level CSR Committee shall

- a. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b. Review any Proposals received from registered trusts/Societies/Govt. Agencies/Customers
- c. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- d. Monitor the CSR Policy of the company from time to time

8.2. CSR MONITORING COMMITTEE (CSR MC)

The CSR Monitoring Committee shall consist of the following members:

| Name | Designation | Role: CSR Committee |
|-------------------------------|----------------------------------|---------------------|
| Mr. S. Rajasekhar | Consultant-IT, APMDC | Member |
| Mrs. P. Satyanarayamma | CSR officer, APMDC | Member |
| | CPO/PO of the respective Project | Member |

The CSR Monitoring Committee shall:

- a. Assist Board level Committee CSR Committee in implementing the programs/activities under CSR
- b. Coordinate and Supervise all CSR Projects during their implementation
- c. Undertake field visits time to time to oversee status of the projects/programs awarded
- d. Ensure Proper Documentation according to the conditions of sanction of each project
- e. Submit Status report on CSR activities once in 6 months

9. CSR FUNDING:

9.1. **Board level CSR Committee** shall allocate funds to various projects based on the recommendations of CSR Monitoring Committee.

9.2. In line with extant provisions of section 135 of the Companies Act 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; 2% of the average profit of the company computed in the manner prescribed in the Act during the three immediately preceding financial years will be allocated for CSR activities



9.3. The reasons for not spending the CSR amount shall be disclosed in the Annual Report.

9.4. Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a company.

10. IMPLEMENTATION METHODOLOGY

The Corporation shall undertake the implementation of CSR activities **directly** for the activities enumerated above

11. MONITORING AND EVALUATION OF CSR ACTIVITIES:

A comprehensive monitoring and evaluation mechanism shall be followed to ensure that the CSR Process functions as mandated by the Act and Rules are duly implemented as budgeted. Monitoring mechanism would include.

11.1.1. Regular field visits to project/Program sites monitor and evaluate the impact of ongoing CSR initiatives

11.1.2. Comprehensive documentation and Compilation of Field Reports

11.1.3. Installation and regular updation of an electronic MIS system to record the progress of planned activities

11.1.4. Regular interaction with the beneficiary communities to obtain feedback

11.1.5. Recommendations for any other CSR activity based on feedback received or in the larger interests of its CSR initiatives

CSR Monitoring Committee shall be responsible for Monitoring of CSR activities. It shall also submit a half-yearly report on CSR activities to the Board level CSR Committee. Such report would indicate

11.2.1. Achievement since last progress report or during the last 6 months

11.2.2. Plans to overcome shortfalls if any and support required from the Board level CSR Committee to overcome the shortfalls.

11.2.3. Actual year-to-date spends compared to the budget and reasons for variance.

11.2.4. Recommendations for additional CSR Activity

12. CSR REPORTING:

The board of Directors of the Corporation shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Corporation and disclose the contents of such policy



in its report and the same shall be displayed on the Corporation's Website in the manner specified in Corporate Social Responsibility Rules, 2014

APMDC shall give disclosure of its CSR projects / programmes undertaken during the previous year in the format prescribed for the "Annual Report on CSR Activities to be included in the Board's Report" in the Companies (CSR Policy) Rules, which is in consonance with section 134(3)(o) of the Act.

13. CONCLUSION

In case of any doubt with regard to any provision (s) of the policy, a reference can be made to the Board level CSR Committee. In all such matters, the interpretation and decision of the Board level CSR Committee shall be deemed final.

Any or all provisions of the CSR policy would be subject to revision/amendments in accordance with the guidelines issued by Government. The Board will review the policy, from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
