

## BUSINESS RESPONSIBILITY REPORT FOR FY 2017-18

### About the Company

MMTC Ltd is a Mini Ratna Category-I Central Public Sector Undertaking (CPSE) was incorporated in 1963 and is one of the largest International trading companies in the country. The registered office of the Company is situated at Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003, India. The Company has 09 Regional Offices in major cities and ports of India and a wholly owned subsidiary – MMTC Transnational Pte. Ltd (MTPL), Singapore.

The major business activities of the Company are export of Minerals and import of Precious metals, Non-Ferrous Metals, Fertilizers, Agro Products, Coal and Hydrocarbon etc. MMTC also deals in Engineering products, Joint Ventures in steel, retailing, free trade warehousing and commodity exchanges etc

The Company's trade activities span across various countries in Asia, Europe, Africa and Middle East.

It is the first Central Public Sector Enterprise to be accorded the status of "FIVE STAR EXPORT HOUSE" by Government of India for long standing contribution to exports.

MMTC has promoted various joint ventures like Neelachal Ispat Nigam Ltd., MMTC PAMP India Pvt Ltd, MMTC Gitanjali Ltd, TM Mining Company Ltd., SICAL Iron Ore Terminal Ltd., Free Trade Warehousing Pvt. Ltd. and Indian Commodity Exchange Ltd etc following the public-private partnership (PPP) route to take advantage of new opportunities emerging in the free market environment.

### Corporate Mission

As the largest trading company of India and a major trading company of Asia, MMTC aims at improving its position further by achieving sustainable and viable growth rate through excellence in all its activities, generating optimum profits through total satisfaction of shareholders, customers, suppliers, employees and society.

### Corporate Objectives

- To be a leading International Trading House in India operating in the competitive global trading environment, with focus on "bulk" as core competency and to improve returns on capital employed.
- To retain the position of single largest trader in the country for product lines like minerals, metals and precious metals.
- To promote development of trade-related infrastructure.

- To provide support services to the medium and small scale sectors.
- To render high quality of service to all categories of customers with professionalism and efficiency.
- To streamline system within the Company for settlement of commercial disputes.
- To upgrade employees' skills for achieving higher productivity.

### Business Responsibility Report – FY 2017-18

As per the Clause 55 of the Listing Agreement of the Securities Exchange Board of India [SEBI] introduced in 2012, the top Five Hundred listed companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report [BRR].

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company  
**L51909DL1963G0I004033**
2. Name of the Company  
**MMTC LIMITED**
3. Registered address  
**Core-1, Scope Complex, 7 Institutional Area, Lodhi Road, New Delhi -110003**
4. Website  
**www.mmtclimited.com**
5. E-mail id  
**mmtc@mmtclimited.com**
6. Financial Year reported  
**2017-18**
7. Sector(s) that the Company is engaged in (industrial activity code-wise)  
**Trading**
8. List three key products/services that the Company manufactures/provides (as in balance sheet)  
**(i) Gold**  
**(ii) Urea**  
**(iii) Silver**
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5)  
**1 Subsidiary Company in Singapore**
  - ii. Number of National Locations  
**9 Regional Offices in India**
10. Markets served by the Company – Local / State / National / International

**Asia, Europe, Africa, Middle East, Latin America and North America**

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	<b>100 Crores</b>
2.	Total Turnover (INR)	<b>16,496.67 Crores</b>
3.	Total profit after taxes 2017-18 (INR)	<b>37.52 Crores</b>
4.	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year 2017-18, a sum of <b>Rs. 125.90 lakhs</b> was allocated for undertaking the CSR activities which was equivalent to 2% of the average net profit of preceding three years
5.	List of activities in which expenditure in 4 above has been incurred	In terms of Sec. 135 of the Companies Act, an enterprise has to spend a minimum 2% of the average net profits of preceding 3 years calculated as per Sec. 198 of the Cos. Act. In line with said provision, CSR-Committee of Directors and Board of Directors, approved an annual CSR budget of Rs. 125.90 lakhs for expenditure during the year 2017-18. In terms of the Board approved CSR plan, 33% was allocated for Swachh Bharat/Clean Ganga; 11.91% for Sports Development; 22.35% in Skill Development & Health sectors; and 32.74% in other listed items under Schedule-VII of Company's Act' 2013

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

Yes. MMTC TRANSNATIONAL Pte LTD, SINGAPORE (Overseas Subsidiary Company)

**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

- No

### 2. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]

- No

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a. Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number - **07696766**
- Name - **Shri T. K. Sengupta**
- Designation - **Director (Personnel)**

#### b. Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	
2.	Name	V. K. Pandey
3.	Designation	Chief General Manager (Personnel)
4.	Telephone number	011-24381256
5.	e-mail id	vkp@mmtclimited.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

**Principle 1** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**Principle 2** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**Principle 3** – Businesses should promote the well being of all the employees.

**Principle 4** – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**Principle 5** – Businesses should respect and promote human rights.

**Principle 6** – Businesses should respect, protect and make efforts to restore the environment.

**Principle 7** – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

**Principle 8** – Businesses should promote inclusive growth and equitable development.

**Principle 9** – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y			Y	
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	N		N	Y	Y			Y	
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y		Y	Y	Y			Y	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y			Y	
6.	Indicate the link for the policy to be viewed online?	www. mmtclimited.com		www. mmtclimited.com						
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y			Y	
8.	Does the company have in-house structure to implement the policy/ policies	Y		Y	Y	Y			Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Y	Y	Y			Y	
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N		N		Y				

2 (a). If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓					✓		
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

### 3. Governance related to BR

**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year ?**

The Board of MMTC meets regularly at a quarterly frequency. The meetings of the Board are governed by a structured agenda for discussions. Detailed agenda papers including other explanatory notes are circulated in advance on all major issues to enable the Board to take informed and independent decisions.

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The top management reviews the performance of the organization in every meeting that is held on quarterly basis. During the year 2017-18 MMTC's Management has discussed and reviewed following:

- Corporate Plan/ Draft MoU with MoC&I
- HR related issues/HR Audit/Pay Revision/Succession Plan
- Investments in JVs
- NINL related matters
- Annual Budget
- Share price & shareholding pattern of MMTC
- Status of placement of surplus funds
- Approval of financial statements/results
- Annual Report on CSR/ BRR for 2017-18
- Implementation of CSR activities as per Schedule VII of Companies Act-2013.

**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

As per the mandate by SEBI top 500 companies by market capital have to prepare the BRR. MMTC has been publishing its BRR since 2012-13 regularly despite not being positioned in the top 100 listed Companies. The BRR forms a part of the annual report, and can be viewed on the Company's official website [www.mmtclimited.com](http://www.mmtclimited.com).

The organization is also a member of the United Nations Global Compact Network(UNGCN) and submits its Communication on Progress [COP] report annually. This is available to all these stakeholders on UNGC's website.

### SECTION E – PRINCIPLE WISE PERFORMANCE

**Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the company?**

Yes. The ethical conduct of the Company is reflected in the various policy initiatives. While the Employees Conduct, Discipline & Appeal Rules cover the employees at all levels in the organization, a separate guideline in the form of “Code of Business Conduct & Ethics for Board Members and Senior Management” of MMTC Limited is given for governing the conduct of Senior Management (including Board level executives). In addition, to promote ethical business, Policies like Integrity Pact, Whistle Blower Policy and Citizen Charter have been put into operation.

**Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others? -**

Yes, the Integrity Pact adopted for all the procurement tenders beyond a threshold value, Citizen Charter extends its purview to vendors, buyers, suppliers, contractors etc. while the code of conduct; whistle blower policy and Audit Committee Vigil Mechanism covers only the employees of the company.

**2. How many stakeholder complaints have been**

received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

All the stakeholder complaints as and when received are addressed promptly as per the extent grievances redressal policy of the Company put on public domain. In the entire year most of the employee related / vendor grievances were resolved satisfactorily. There were certain grievances related to transfers and promotions among which the genuine requests were addressed in the right earnest. The grievances filed on CPGRAMS portal are addressed and responses for such queries are filed on line keeping the time lines. All other pending cases are under consideration and attempts are being made to resolve them satisfactorily.

**Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

MMTC is majorly in the business of trading and is also engaged in fabrication of gold and silver medallion of different denominations. MMTC ensures highest quality of the products it trades and ensures fabrication of medallion as per BIS.

**Principle 3 – Businesses should promote the well-being of all the employees**

**1. Please indicate the Total number of employees**

The total number of employees as on 31.3.2018 is 1127(including Board level executives)

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total of 283 employees have been engaged on contractual basis through various agencies / societies.

**3. Please indicate the Number of permanent women employees.**

Total number of permanent women employees – 236

**4. Please indicate the Number of permanent employees with disabilities**

Total number of permanent employees with disabilities – 21

**5. Do you have an employee association that is recognized by management ?**

Yes

**6. What percentage of your permanent employees is members of this recognized employee association?**

100%

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour,**

**sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category filed during the financial year	No. of complaints pending as on end of financial year	No. of complaints
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

**1. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Aiming towards further enhancing / upgrading the skills of employees in the constantly changing business scenario, 436 (43%) employees were imparted training in Centres of Excellence/in-house programs during the year in functional / behavioral skills and other spheres of company's activities. The employees deputed for training included 78 employees/ executives belonging to SC, 46 to ST and 180(17.68%) women employees. In terms of man days, such training works out to 688 training man days during the year 2017-18.

**Principle 4 – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. Over the years of its existence, the organization has identified & engaged with a varied group of stakeholders – both internal like employees, shareholders & external such as customers, communities etc.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the organisation has identified vulnerable and marginalised stakeholders in the communities and has engaged with them through its CSR activities.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes. MMTC follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/OBC/ PWD (Persons with Disabilities)/ Ex servicemen to promote inclusive growth. Grievance/ Complaint Registers are also maintained at Division/Region for registering grievances. Efforts are made to promptly dispose off representations / grievances received from SC/ ST employees. Employees belonging to PWD have been



assigned jobs which they can perform efficiently keeping in view their disability. A permanent ramp has been erected at the main entrance gate of Corporate Office for easy mobility of a PWD employee who uses wheel chair.

Office buildings have auditory signals announcing the floor destination. Some of them have floor requisition buttons in Braille Symbols.

In addition, CSR activities are planned to maximize benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done through local Government bodies and NGOs working in the area.

#### **Principle 5 – Businesses should respect and promote human rights**

##### **1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers/ Contractors/ NGOs / Others?**

The Company does not have any specific policy on Human Rights for the time being.

The Company is a member of the United Nations Global Compact Network (UNGCN) and submits its Communication on Progress [COP] report annually. This is available to all these stakeholders on UNGC's website.

However, being a Government of India Company, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. MMTC stands committed to support and respect the protection of internationally proclaimed human rights at its work places and ensure that its employees enjoy the fundamental human rights. MMTC has 3 tier grievance redressal systems called "Sahayata" for resolving employees grievances. MMTC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, MMTC has appropriate systems in place.

##### **2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There were 10 complaints and 9 were resolved.

#### **Principle 6 – Businesses should respect, protect and make efforts to restore the environment**

Manufacturing is not the main line of commercial activities of MMTC. This principle is therefore, not applicable.

##### **1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs / others.**

The organization does not have a written policy on environment. However, being the member of the UN Global Compact, the company functions in an environmentally responsible fashion.

##### **2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Even though manufacturing is not the main line of commercial activities of MMTC, it is committed towards environmental upkeep through afforestation in the mining areas, development of tribal areas and in and around operation areas and by supporting sustainability initiatives through its CSR programs. Also, the Organisation regularly reports on its various initiatives through the Communication on Progress [COP] for the UN Global Compact.

##### **3. Does the company identify and assess potential environ-mental risks? Y/N**

While the organization is not directly involved in manufacturing, it functions in an environmentally responsible fashion. MMTC adheres to the guidelines issued by Department of Public Enterprise, Govt. of India, as per which projects related to environmental aspects are identified & implemented.

##### **4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

No

##### **5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

MMTC uses energy efficient star rated electrical equipments for energy conservation across the Organization.

MMTC has also installed a 50KWP Solar Power plant on the rooftop of its Delhi regional Office at Jhandewalan and at MMTC Residential Colony, New Delhi.

##### **6. Are the Emissions/Wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable

##### **7. Number of show cause/ legal notices received from**

**CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NotApplicable

**Principle 7 – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

- a. CII
- b. FIEO
- c. FICCI
- d. ASSOCHAM

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good ? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

The Organization has not advocated/lobbied through above Associations on any matters relating to public good.

**Principle 8 – Businesses should promote inclusive growth and equitable development**

**1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Although the organization is not involved in manufacturing products and therefore doesn't create any direct negative impact on the environment & society where it operates, still it has a CSR policy. MMTC also adopted Section 135 of the Companies Act, 2013, the CSR Rules of Ministry of Corporate Affairs and the CSR Guidelines issued by Department of Public Enterprises, Government of India. MMTC has structured process of spending a portion of its earnings in CSR activities that are directed towards the betterment of the society.

**2. Are the programmes / projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?**

MMTC has a Board Level Committee on CSR & Sustainability consisting of Independent Directors and Functional Directors with the Co. Secy. as Member Secretary. The CSR division thoroughly evaluates various CSR proposals received which are then forwarded to the CSR Committee. The proposals so considered by the CSR Committee are forwarded to the Board, for final approval. The status of its

implementation of projects so approved by the Board is put up for information on a quarterly basis.

Depending upon the geographical area in which the project will be undertaken, the concerned Regional/Sub-regional office is directed to monitor and implement the project either directly or in **association with a private /public partner**. For each project a nodal officer is duly appointed whose task is to monitor timely completion of the project and update the corporate office with respect to the status of completion of the project. Upon completion the projects are evaluated by an independent agency.

**3. Have you done any impact assessment of your initiative?**

The Impact Assessment is undertaken by an independent agency in order to assess the "social impact" of the CSR activities undertaken by MMTC.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

MMTC made an allocation of Rs. 125.90 lakhs for undertaking CSR activities during 2017-18.

The funds allocated during 2017-18 under CSR were spent towards activities majorly related to the Swachh Bharat Abhiyan, Clean Ganga Mission, Skill development, Promotion of healthcare, promotion of culture & heritage and Promotion of sports, facilities and equipments for differently abled persons. Besides this, MMTC supported distribution of artificial limbs and assistive devices to the differentlyabled.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

MMTC's CSR initiatives seek to strengthen community based organizations by engaging with the marginalized especially women, youth, and children in activities that would improve their quality of life. The projects implemented by MMTC are first identified through the need assessment survey carried out by a professional agency and we ensure the participation of local community in identifying their needs, developing plans to address them, engaging them in implementation and also seek their feedback for further planning.

**Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

There were no complaints of such nature in the reporting period.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

The company retails silver and gold medallions and silverware under the brand name SANCHI. The packaging of these items contains relevant product information. Further these items are bar coded.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words or so.**

One case is pending for redressal before District Consumer Disputes Redressal Forum at Kolkata.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes. Many Regional Offices organize regular Customers' Meet for Feedback and response. During Festival of Gold which is an annual event for MMTC, customer feedback is also taken which assumes utmost significance from the perspective of introducing new products of Sanchi/Gold medallions – Retailing segment. Such Feed back has helped organization in conducting future events in more satisfactory manner.