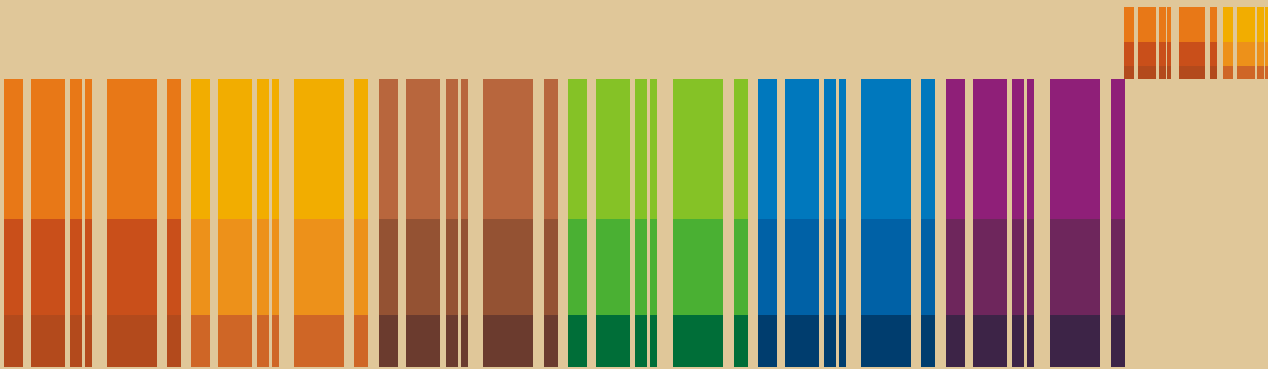




values@work



## values@work

Corporate culture is a product of people, values and responsibilities that include advocating social morale. In this era of globalisation, there has been a growing need to compete internationally for resources and move toward globally emerging economies. India is considered as one of the fastest growing economies in the world and is poised to address its development needs alongside addressing sustainability.

The development of sustainable practices in India has, over time, moved to higher levels of being integrated into corporate culture. Now, it has become widely accepted that sound sustainability policies and corporate governance are imperative to national economic welfare as well as to the stability of a global economic environment.

We are happy to present our fifth consecutive sustainability report. The theme for this year's report is "values@work", which is a reflection of our thoughts and actions on how we help transform our society in order to improve the quality of life even during difficult times.

During this reporting period (FY 2009-10) we have strived to overcome external turbulences that include economic and political issues, while continuing our efforts to protect and abide by our core ethos as values matter to us.

*A barcode is a unique pattern of lines and spaces that represents value. The MSPL barcodes developed for this report represent values that are integrated in the group and define our approach towards each bottom line - social, environment and economic; values that we drive and the values that drive us.*


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Values are not just words,  
values are what we live by.  
They're about the causes that  
we champion and  
the people we fight for.

John Kerry

## MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR



It gives me great pride to present our fifth Sustainability Report which enumerates our sustainability performance and progress over actions and achievements hitherto. This report is in accordance with GRI G3 guidelines. Furthermore, we have rendered our efforts to improve upon initiatives that add value to operations and are also aligned with the International Council on Mining and Metals' Sustainable Development Framework as well as the United Nations Global Compact to guide us in addressing various issues across the triple bottom line.

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Our theme for this year's report focuses on "Value at Work", and depicts our vision and approach.

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Our theme for this year's report focuses on "Value at Work", and depicts our vision and approach. Over the years, the adherence to our core ethos within the Baldota Group has been a sacrosanct practice not only in our business but also in our day-to-day activities.

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Our emphasis is on employee welfare which holds precedence over all our other business actions.

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2009-10 was a challenging year for us - wherein we had to face bottlenecks in our mining operations due to the local political scenario and rampant illegal mining. In the midst of this turbulent scenario, we pride ourselves in being steadfast to our principles and integrity in business, loyalty to employees, customers and other stakeholders. Our commitment to our employees is of the highest degree.

Our production activities were marred by political and other external factors. Thus we were not able to match our earlier financial performances. In this light as well, we did not compromise with our ethics and high business values. This has helped us in being recognised as a preferred employer and has enabled us to retain employees within MSPL. Our businesses are centered on our core values. Our emphasis is on employee welfare which holds precedence over all our other business actions thereby ensuring that MSPL remains

untouched with environmental and/or political turmoil surrounding us from time to time.

Even amidst such external pressures and barriers, we persisted with initiatives that contribute to social development. This was reaffirmation of our unwavering vision towards contributing to society and sustainable development.

Various social and welfare programs available within MSPL have given employees a new perspective towards sustainable development, empowered them to make a difference and shown them a way to apply their skills for the good of society. This has also reinforced our bonding with our employees which have continuously grown in strength since the inception of the Baldota Group.

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We persisted with the vertical integration plans of our new ventures, and fully realised our vision of erecting the 1.2 MTPA pellet plant at Koppal, Karnataka.

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Managing growth opportunities in line with our vision was a tough task during these uncertain times. But we persisted with the vertical integration plans of our new ventures, and fully realised our vision of erecting the 1.2MTPA pellet plant at Koppal, Karnataka. This pellet plant is expected to be fully operational in the very near future.

We have always wanted to improve the quality of life in our surrounding communities and feel proud of our contribution to be in line with our vision of enhancing education infrastructure, providing of basic amenities, improving sanitation facilities etc. This year we have constructed over



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We have also been constantly focusing on improving basic education for primary and secondary school students.

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650 individual toilets to improve health and sanitation of our communities and provided LPG connections to households, which would reduce indoor air pollution and improve quality of life for the ever neglected womenfolk of the society. Besides, we have also been constantly focusing on improving basic education for primary and secondary school students.

These actions stem from the belief that just as our employees grow, so should the community we live in.



Our continuous efforts in reducing our carbon footprint across operations and our investments in Green energy have yielded green laurels for us across the country. We have been adjudged as the "Best Performing Wind Farm" by IWPA amongst all wind farms located in Karnataka / Andhra region.

Our unflinching commitment to bring about positive social change and work towards a negative environmental impact, is a manifestation of Core Values in action.



**Narendrakumar A. Baldota**  
Chairman and Managing Director  
MSPL Limited

# INTRODUCTION



During this phase where we are faced with political challenges, we continue to attempt and distill some of the decision making process in actions towards safeguarding our customers, employees and our social contributions; as we firmly believe in upholding good corporate governance and values at all times. What distinguishes good corporate citizens from others is their perseverance in upholding their core values and ethos at all times. We continue to do this during these challenging times because values matter to us.

---

**We firmly believe and have learnt to uphold good corporate governance and values at all times.**

---

While we may continue to grapple with measures to overcome exceptional situations, we always question our methods to improve on our contribution to communities. We do this by listening to and addressing any feedback we receive from our stakeholders.

We adhere to highest level of integrity and governance. Our values in business conduct is covered under the Code of Business Conduct and our employees are encouraged to report any misconduct, illegal activity, fraud or abuse of company assets. Such employees are suitably protected and they are assured that no unjust action would be taken against them for such reports.





Apart from our core business objectives, our values govern our action to address our stakeholder needs. We hope to tide over the current situation and are interested in focusing more on our social contributions and to value the needs of our community. We are also very keen on understanding just how our values relate to the decision making process within our operating model. The factor that distinguishes us from our peers is our constant focus on social initiatives and the safety of our communities and employees.



Even during this period of recession we have continued to maintain our employee strength and provide for all their needs, training, promotions and awards.

MSPL management respects its employees and recognizes the value they add to the company. Even during this period of recession we have continued to maintain our employee strength and provide for all their needs, training, promotions and awards. We keep our employees encouraged and motivated by giving them greater roles and by rewarding their performance.

Standing by our commitment to quality, we produce quality products with a strong emphasis on customer satisfaction. Our focus is on delighting our customers by looking for new ways to meet their expectations. We carry out our mining operations in total conformity with applicable regulations. Some of our key contributions that reflect our values include continual focus on environmental safeguard and contribution to mitigate global climate change. To address this we are developing an alternative energy strategy and are aggressively pursuing renewable energy options. We have also taken a proactive and pioneering step towards mapping and further reducing our carbon footprint.

We have, over the years, been driven by our values that are focused on improving conditions around us - providing assistance for education, health facilities, and infrastructure.

In terms of contributing to the development of the area in which we are located, we follow a simple rule - 'needs of the people'. We have, over the years, been driven by our values that are focused on improving conditions around us - providing assistance for education, health facilities, and infrastructure. We have also sought ways and means by which we can cater beyond these critical needs to enhance the quality of life of people in this region, both urban and rural. Our attempts have been towards providing better quality of life through subtler yet important aspects such as enabling access to entertainment options similar to those of bigger cities; awareness on healthy living and lifestyle options through spiritual and yoga camps.



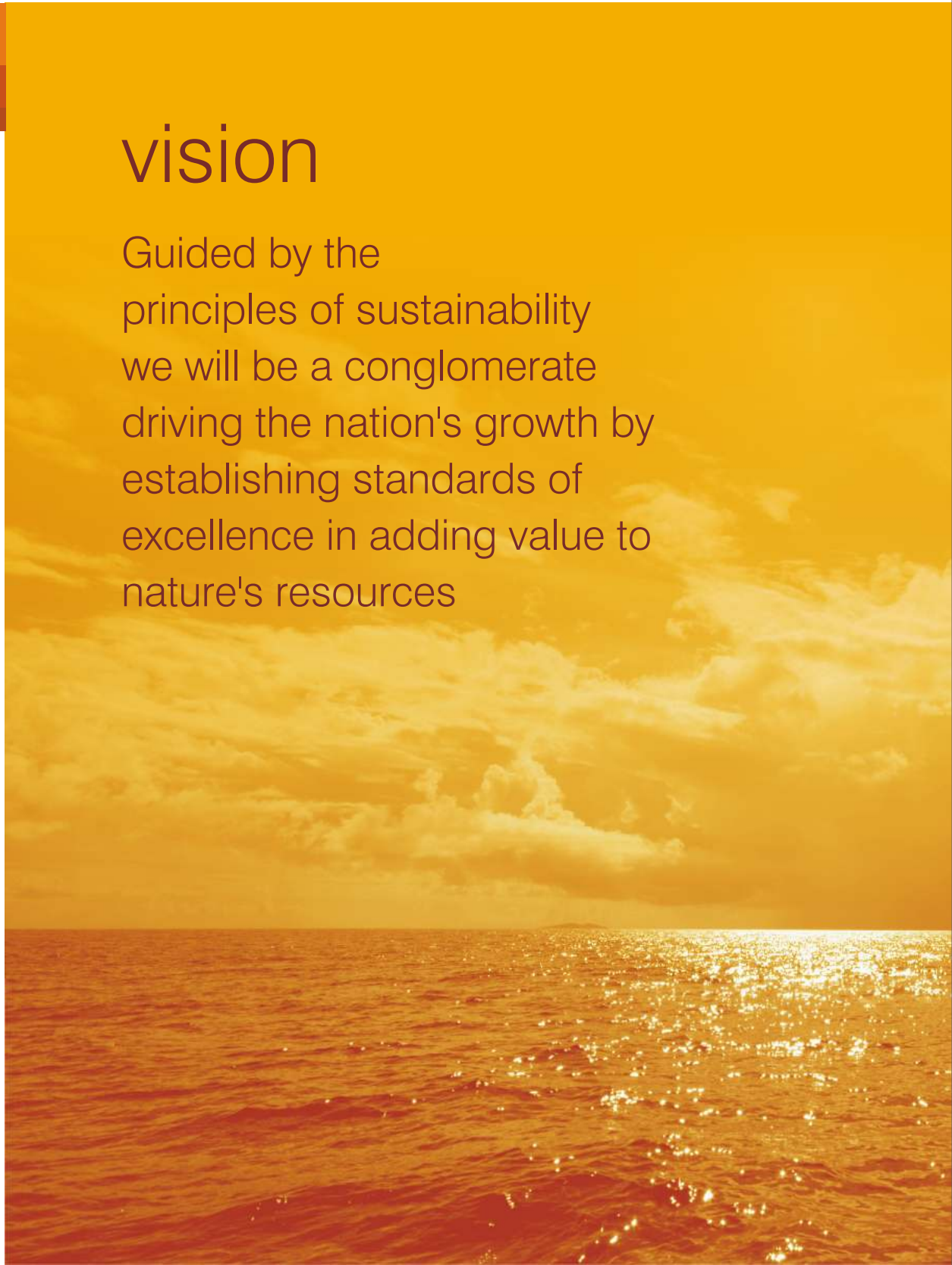
This year, our most important contribution to address community needs was our effort to bring in clean and affordable energy to rural homes by providing LPG stoves. This is one of MSPL's initiatives to address women empowerment, which again is a value driven objective.

Looking back, we are proud to have always upheld our values at every stage of MSPL's growth and we are determined to be uncompromising in terms of our focus and attention to all our stakeholder needs.



## vision

Guided by the principles of sustainability we will be a conglomerate driving the nation's growth by establishing standards of excellence in adding value to nature's resources



# mission

To become the leading supplier of iron ore and wind energy in the country by meeting the direct and implied needs of domestic and global customers to their best satisfaction, through the employment of and services of committed and knowledgeable team members

## 5 CARDINALS



### Creativity

---

Innovatively harnessing the resources to find creative solutions that augment business operations.



### Commitment

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An unflinching promise of providing nothing short of the best in quality and quantity through state-of-the-art R&D and continuously upgrading the skill quotient of managers and workers.



### Concern

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A genuine and meaningful interest in the environment, by embracing green technologies, afforestation programs and air, water and soil management.



### Care

---

For the community we work in, by taking initiatives that make a real difference at the grass roots level in the areas of education, healthcare and overall enhancement in the living standards of the community.



### Core Values

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These are quality, customer relations, safety, care for environment, ethical business practices, forming the basis on which the group functions and supports the framework of its operations.

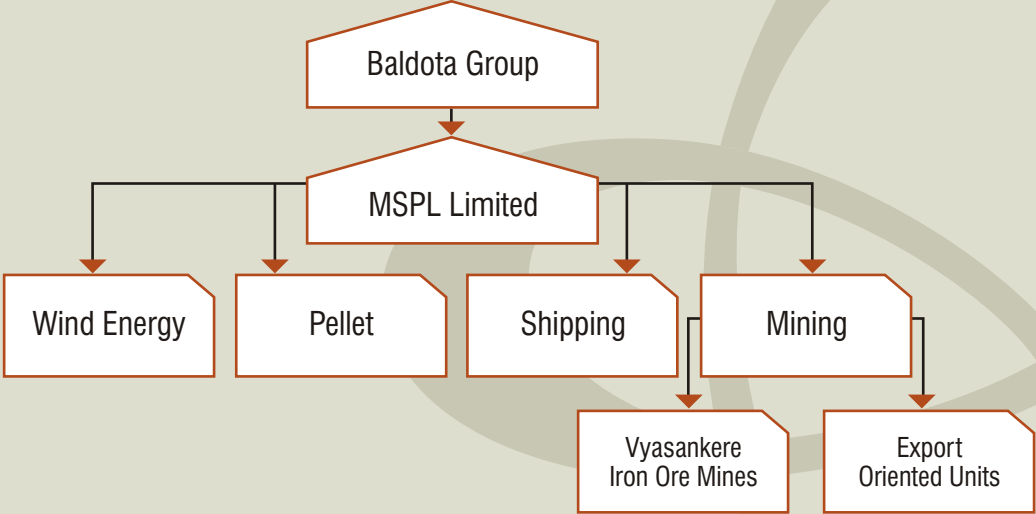
# GOVERNANCE STRUCTURE



## OUR ORGANISATIONAL STRUCTURE

MSPL Limited is a four decade old iron ore mining, processing company. We were the first private company in India to receive a license to export high grade iron ore (where the iron content is 64% or more). Even today, we are one of India's leading exporters of high-grade processed Iron Ore.

We are a flagship company of the Baldota Group of Companies, which is privately owned by the Baldota family.



We have a strong and skilled management team, with a vast experience in the mining and natural resources industry. This team combines extensive operational, management and technical skills along with strong marketing and sales capabilities. Ore from our Vysnakere Iron Ore Mines (VIOM) is processed at our Export Oriented Units (EOUs) to dispatch high quality products to our customers.

Strategic and substantial investments in wind farms have given us a significant presence across some of the best wind regimes in India. We are one of the largest private

sector investors in wind energy in the country and operate wind farms in the Indian states of Karnataka, Gujarat and Maharashtra.

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Our management team combines extensive operational management and technical skills along with strong marketing and sales capabilities.

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## INTERNAL GOVERNANCE, COMMITTEE AND BOARD STRUCTURE



### INTERNAL GOVERNANCE

The compliance of clause 49 of listing agreement is not applicable to us as we are not a listed company. Yet, we have voluntarily embraced Corporate Governance requirements as mandated under the listing agreement in order to showcase our best practices founded upon the principles of fairness, ethics and transparency in governance. The corporate governance framework adopted by us shows our sincere commitment to follow good Corporate Governance practices. Our governance practice ensures that no conflict of interest arises while employing experts to lead the organisation's strategy in the social, economic and environment areas. Our internal Audit Committee ensures that all applicable laws and provisions are complied with. The Audit Committee functions within the power and scope, as envisaged in the Companies Act 1956. Our Code of Conduct articulates the values and principles that must be adhered to.

## COMMITTEE OF DIRECTORS

Sr. No.	Name of the Director	Designation
1.	Narendrakumar A. Baldota	Chairman & Managing Director & Chairman of the Committee
2.	Rahul Kumar N. Baldota	Executive Director & Member of the Committee
3.	Shrenik Kumar N. Baldota	Executive Director & Member of the Committee



### The scope of the Committee is as under:

- Liquidity management and deployment of surplus funds in terms of Investment Guidelines approved by the Board of Directors at the meeting held on 16th December, 2006.
- To open and close banking accounts of the Company and to alter the operating instructions thereof.
- In respect of securities held by the Company, to open and close dematerialization accounts with a depository / depository participant, Subsidiary General Ledger Account (SGL account) with a bank / depository / depository participant and to alter the operating instructions thereof.
- To grant authority to, and/or issue specific Powers of Attorney in favour of employees / agents / legal counsel / consultants and other similar persons to enable them to act on behalf and for the purpose of business of the Company.
- To approve donations to be made by the Company.
- To raise funds of up to INR 300 lacs through borrowing, provided the funds already borrowed by the Committee during any financial year shall not exceed Rs. 3000 lacs.
- Any other matters for efficiently carrying on the affairs of the Company which are not statutorily obligatory to be carried out by the Board of Directors of the Company.

## AUDIT COMMITTEE

Sr. No.	Name of the Member	Designation
1.	Anirudha R. Barwe	Independent Director & Chairman of the Committee
2.	R.H. Sawkar	Independent Director & Chairman of the Committee
3.	M. Ravindra	Independent Director & Chairman of the Committee
4.	Shrenik Kumar N. Baldota	Executive Director & Permanent Invitee



The terms of Reference of the Audit Committee (Regulations, Functions, Roles & Powers of the Audit Committee) shall be as under:

### Regulations:

- Quorum for the Committee shall be higher of one-third and 2 of its members, with a minimum of 2 Independent Directors.
- The Audit Committee shall meet at least 4 times during a year and not more than four months shall elapse between two meetings.

- The Committee shall call the following persons to attend & participate, but not vote, at the meetings of the Committee:
  - Statutory auditors of the Company.
  - Internal auditors of the Company, if any.
  - Managing Director / Chief Executive Officer, Director (Finance) or Head of Finance function.
- In addition to the above, the Committee may call such directors, executives and outside experts, if and when considered appropriate by the Committee.
- The Secretary of the Company shall act as Secretary to the Committee.



### Functions / Role / Powers

The following shall be the functions / role / powers of the Committee:

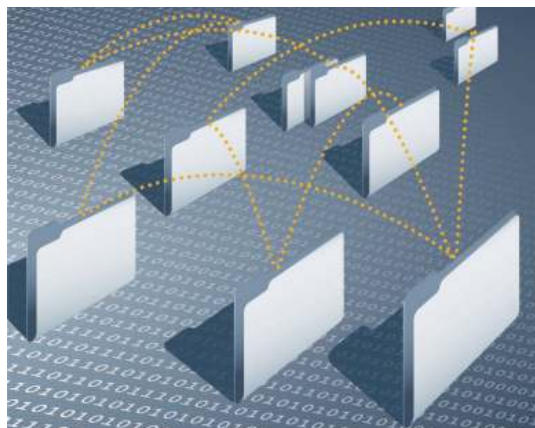
- Reviewing internal controls and internal audit function and their adequacy with the management / internal auditors.
- Reviewing with the management, performance of statutory and internal auditors.
- Oversight of the financial reporting process / disclosures and review of interim & annual financial statements before Board approval.
- Recommending to the Board, the appointment / reappointment/ replacement/ removal of statutory auditors & fixation of their audit fees & fees for other services.
- Periodic discussions with the statutory auditors of the Company (whether before, during or after the audit) on internal control systems, nature & scope of audit, audit observations and areas of concern, if any.
- Investigate any matter referred to it by the Board or within its terms of reference.

- Review the outcome of internal investigations of material fraud, irregularity & failure of internal control system.
- To look into substantial defaults, if any, in payments to depositors, debenture-holders, creditors & shareholders.
- Discussion with the internal auditors, any significant findings and follow-up there on.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement of the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in draft audit report.



- To review the following information:
  - Management Discussion and Analysis of financial conditions and results of operations.
  - Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
  - Management letters / letters of internal control weaknesses issued by the statutory auditors.





- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Review of financial statements and in particular investments made by subsidiary.

- Recommending to the Board the appointment / reappointment of Cost Auditors.
- In addition to the above, the Committee shall have such functions / role / powers, if any, as may be specified in the Companies Act, Listing Agreement with stock exchanges or any other applicable law and as prescribed from time to time.
- The Committee shall have full access to information contained in the records of the Company and can seek information from any employee of the Company. The Committee may access external professional and legal advice, if so required in discharge of its functions.
- The Audit Committee may make recommendations to the Board on any matter within its purview, by passing appropriate resolutions in its meetings".



## REMUNERATION COMMITTEE

Sr. No.	Name of the Director	Designation
1.	R.H. Sawkar	Independent Director & Chairman of the Committee
2.	M. Ravindra	Independent Director & Member of the Committee
3.	Anirudha R. Barwe	Independent Director & Member of the Committee



The Committee will determine the remuneration, review performance and decide on variable pay of Executive Directors.

## SECURITIES, TRANSFER AND SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Sr. No.	Name of the Director	Designation
1.	M. Ravindra	Independent Director & Chairman of the Committee
2.	Rahul Kumar N. Baldota	Executive Director & Member of the Committee
3.	Shrenik Kumar N. Baldota	Executive Director & Member of the Committee



The Committee looks after all the matters relating to Share Transfer - Investors Grievance etc. These were previously being looked after by the Share Transfer Committee and the Shareholders'/Investors' Grievance Committee.

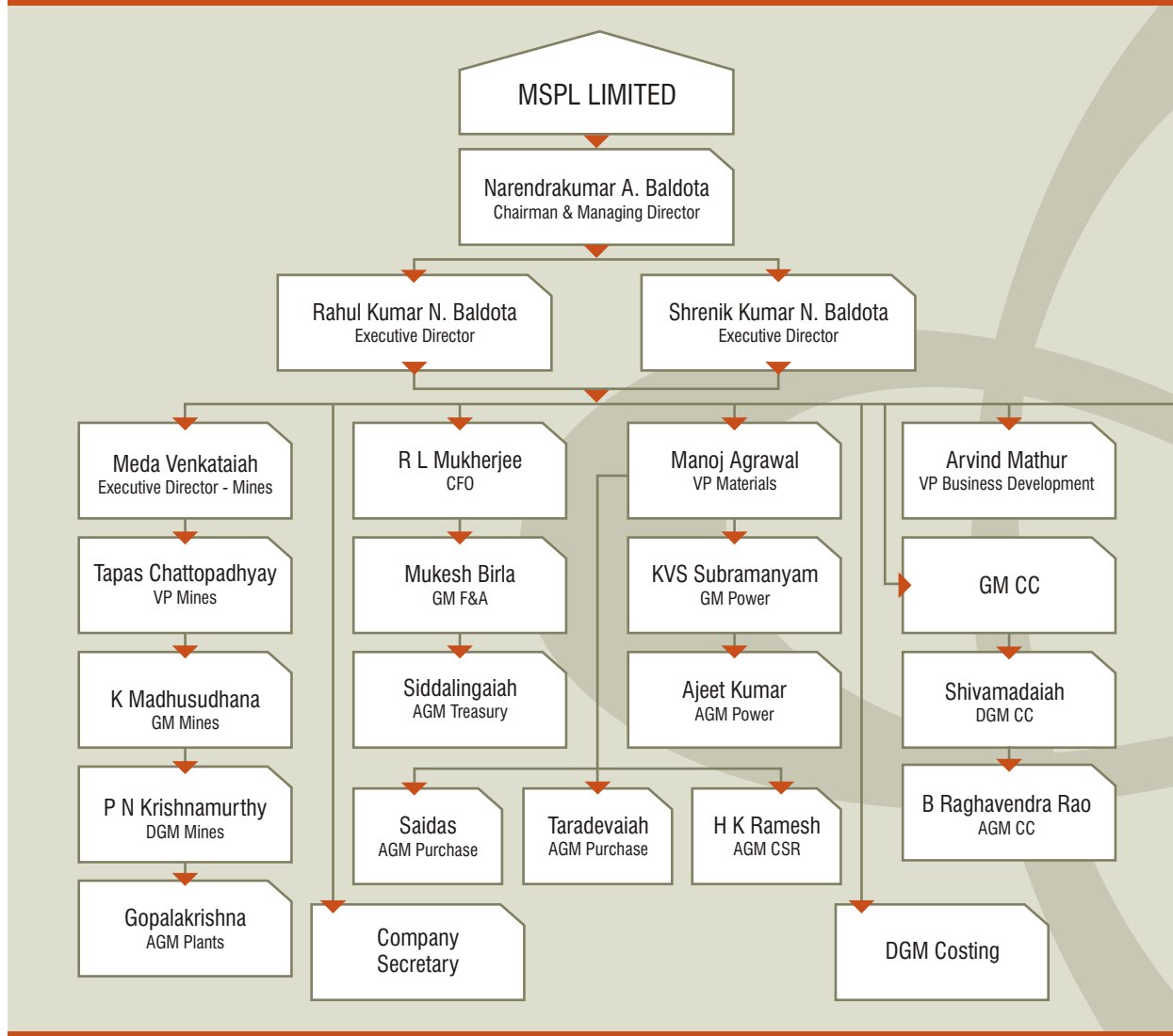
## INITIAL PUBLIC OFFER COMMITTEE

Sr. No.	Name of the Member	Designation
1.	Narendrakumar A. Baldota	Chairman & Managing Director & Chairman of the Committee
2.	R.H. Sawkar	Independent Director & Member of the Committee
3.	M. Ravindra	Independent Director & Member of the Committee
4.	Anirudha R. Barve	Independent Director & Member of the Committee
5.	Rahul Kumar N. Baldota	Executive Director & Permanent Invitee



The IPO Committee is authorised to take care of offer for sale up to a limit of 1,80,00,000 equity shares of INR 5/- each for cash by the selling shareholders.

## ORGANISATIONAL FLOW CHART



# OUR OPERATIONS

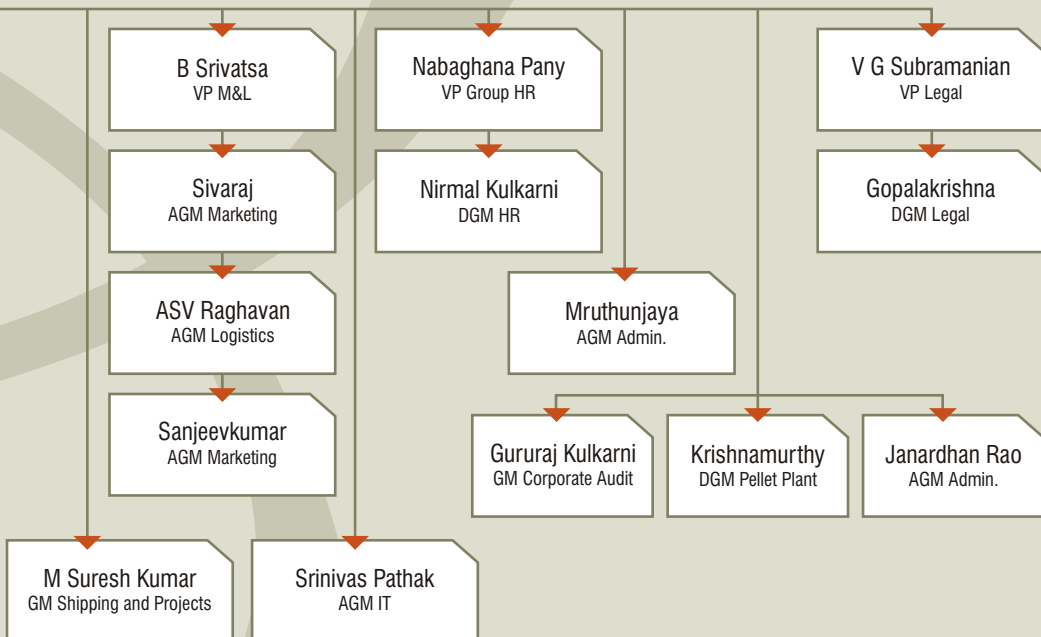


## MINING OPERATIONS

### Vyasanakere Iron Ore Mine (VIOM)

VIOM is an open cast iron ore mine and is one of the largest in the private sector in the Bellary-Hospet region of Karnataka State. It has a mining lease area of 347.22 hectares. Fully mechanized, open-cast mine with a downhill conveyer system that transports iron ore from the mine directly to our on-site processing facilities, which includes two primary processing plants with throughputs of 350 and 150 metric tons per hour, respectively, and a reprocessing plant with a throughput of 200 metric tons per hour.

VIOM has a mining lease area of 347.22 hectares.



### Export Oriented Unit-I

EOU – I processes iron ore excavated from VIOM and is located in close proximity to the mine area.

### Export Oriented Unit-II

EOU-II processes iron ore excavated from mines leased / operated by other companies of the Baldota Group.

These are 100% export units established at VIOM for crushing and screening. In the primary processing plants the ore is initially crushed and screened into three categories of material:

1	Fines		0-10 mm
2	Calibrated Lump Ore		10-35 mm
3	Oversize		+35 mm



Oversize ore is sent to our secondary crusher, where it is further crushed into fines and calibrated lump ore. This calibrated lump ore is sent to the reprocessing plant, where excess fines are removed. These fines are further wet screened and classified into;

Aggregates • 1-10 mm	Concentrates • 0-1 mm
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We continually strive to improve environmental management across our operations. Our practices are committed towards addressing environmental issues that may arise from our mining operations, particularly air, water, wastes and noise pollution. In recognition of our environmental management, our VIOM is ISO 14001 certified.

In recognition of our environmental management, our VIOM is ISO 14001 certified.

Iron ore from our mines are transported to the Vyasankere railway siding and then from here transported by rail to the Goa or Chennai sea ports, we have six captive rakes which operate to Goa or Chennai seaports and forms the major share of our ore transportation. At a maximum capacity, around 5.66 million tonnes of iron ore are can be transported per annum.

During the course of the reporting period, we were forced to cease operations at our mines because of political and other barriers. But it was our deliberate decision to continue to serve our clients without disruption, even during our troubled times. We decided to also trade in iron ore directly purchased either from traders or from other mines. For our direct trading purposes, we purchase cargo from Goa, Eastern India and also from Karnataka and these are moved to different ports by rail, road or barges.

### WIND FARMS

Our wind power division is engaged in the generation and sale of electricity from our wind farms. We operate eight wind farms in India with a total installed rated capacity of 127.8 MW as on March 31, 2010. Due to a multitude of reasons, economic being one of the prominent ones, we have not increased our installed capacity as compared to the previous year.

We operate eight wind farms in India with a total installed rated capacity of 127.8 MW as on March 31, 2010

Wind Farm Location		Installed Capacity MW
Site	State	
Satara	Maharashtra	1.00
Harihar	Karnataka	6.00
Jogimatti	Karnataka	11.25
Surajbari	Gujarat	16.20
Dhule	Maharashtra	20.00
Jajjikalgudda	Karnataka	21.25
Sogi	Karnataka	25.00
GR Halli	Karnataka	27.10

## VALUED ACCOLADES



### EXPORT EXCELLENCE AWARD

We were adjudged as the “Best Manufacturer Exporter, Mineral Category” for the third year in a row at the FKCCI Export Excellence Award 2009.



### BEST PERFORMING WIND FARM

We were awarded the “Best Performing Wind Farm” (above 2 MW category) among all wind farms in Karnataka and Andhra Pradesh by the Indian Wind Power Association (IWPA).



## PRCI AWARDS

The Public Relations Council of India (PRCI) held its 4th Global Meet Seminar and Annual Awards Gala Events at New Delhi on 3 April, 2010. We were conferred four awards for excellence in public relations - the Chanakya Award, Silver Award, Gold Award and the Most promising PR person award.

### Chanakya Award



Public Relation Council of India (PRCI) conferred the Chanakya Award 2010 to MSPL Limited for Women Empowerment Initiatives. The award was presented by Shri Manishankar Aiyar, Former Union Minister, Petroleum & Natural Gas and Advisor to the Bureau of Parliamentary Studies and Training.

### Gold Award



The Best Public Service Campaign for the year 2010.

## GCA SPECIAL AWARD (EDUCATION)

Our initiatives and contribution in the field of education have been applauded with a special award from the Global Communication Association (GCA) at the 3rd International GCA India Conference held at Bangalore on 26 November, 2009.



At MSPL, we continue to have a presence in some of the major business associations that are relevant to our business. The Federation of Indian Mineral Industry (FIMI) and the Indian Wind Power Association (IWPA) are the premier industry associations pertaining to the mining and wind energy industries in India. We are represented at the highest levels at both these industry associations. Mr. Rahul Kumar N. Baldota (Executive Director, MSPL) is the President of FIMI and Mr. Manoj Agrawal is the National Council Member of IWPA). Through these memberships, we play a constructive role in strengthening the mining and wind power industry performance and respond to issues, through leading, exchange of information and introducing global best practices in terms of operational, economic, social and environmental performances. Listed below are the other associations with which we are strongly associated.

- India Wind Power Association (IWPA)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Chemicals & Allied Products Export Promotion Council (CAPEXIL)
- Council for Fair Business Practices
- Karnataka State Council Membership
- Business and Community Foundation (BCF)
- Mines Safety Association Karnataka
- Federation of Karnataka Chambers of Commerce & Industry (FKCCI)
- Mining Engineers Association of India (MEAI)
- Federation of Indian Mineral Industry (FIMI)





# report parameters



It's not hard to make decisions  
when you know what your values are.

Roy Disney

# ABOUT THIS REPORT

## SUSTAINABILITY REPORT 2009 - 2010

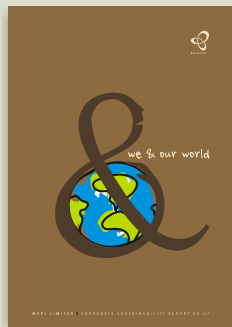
We started our sustainability reporting journey in the year 2005-2006. Till 2006-07, we reported in accordance with application level 'A' of the GRI G2 reporting framework. From 2007-08 to our most recent report of 2009-10, we have been reporting in accordance with the application level 'A+' of the GRI G3 reporting guidelines. This is our fifth consecutive year of sustainability reporting in line with the GRI reporting guidelines.

The themes that we choose each year for our report aptly reflect our thoughts and actions. They are also driven by the market scenario and our response to fulfill our commitments and promises to our stakeholders.

We take it as our responsibility to develop a society where all our employees and concerned stakeholders play an important role in ensuring a sustainable environment.



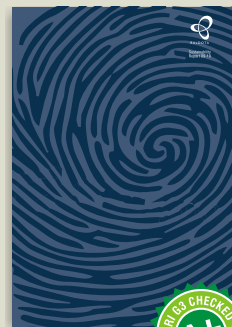
FY 05-06



FY 06-07



FY 07-08



FY 08-09



FY 09-10

Our 2009-2010 Sustainability Report provides details on our management and key performances across the triple bottom lines - social, economic and environment. It aims at promoting meaningful communication to all our stakeholders.

The themes that we choose each year for our report aptly reflect our thoughts and actions.

## REPORTING PRINCIPLES

This report was guided by the GRI (Global Reporting Initiative) G3 guidelines, with the purpose of documenting the most important information pertaining to all our stakeholders through materiality analysis, hence being balanced, open, transparent and honest to all stakeholders.

## OUR APPROACH TOWARDS IDENTIFICATION OF MATERIAL ISSUES

We are aware that materiality analysis helps us to clarify issues and drives our long-term business values. It also helps in identifying, prioritising and addressing risks. Issues that are considered to have a significant impact in terms of nature, scale or type of impact, have been considered as material to us.

Through a top down approach, our management has prioritised materiality issues by examining several factors, including the levels of stakeholder, societal concern of our activities, our policies, objectives, and the level of control we have over these issues. For more details refer to the section on materiality issues.

## INTENT OF OUR REPORTING

Our report is designed to communicate to a diverse set of stakeholders. Our identified stakeholder groups are employees, suppliers, customers, local communities, regulatory authorities and lenders. However, the audience for our report includes but is not limited to our identified stakeholders. Other stakeholders to whom we wish to communicate on our commitment to sustainability through this report are non-government organisations (NGOs), research organisations and to our peers in the industry.

The broad objective of our reporting is to:

- Provide detailed and balanced information on our activities across economic, environmental and social performance during the reporting period.
- Transparently disclose our intent and ethos toward sustainable development.
- Communicate the link between sustainability strategy and overall business strategy.
- Articulate our governance and management perspective to employees.
- Present our innovative thinking, commitment to sustainability and translation of sustainability into our business model.

## REPORTING CYCLE, SCOPE AND PERIOD

Since we initiated our sustainability reporting exercise, we have been following an annual reporting cycle. The scope of the report covers all significant activities, data and information for the period from 1 April, 2009 to 31 March, 2010. The boundary of the report includes Vyasnakere Iron Ore Mines (VIOM), Export Oriented processing Units (EOUs) and our Wind Energy Business.



## EXTERNAL ASSURANCE

Our sustainability report has been assured by a third-party agency. Please refer the assurance statement provided by M/s Ernst & Young Private Limited.

## ADDITIONAL INFORMATION AND FEEDBACK

For additional information on our earlier sustainability reports please refer to our corporate website (<http://www.mspllimited.com>). For further enquiries and for giving feedback on our report, we request you to contact :

### **Shrenik Kumar N Baldota**

MSPL Limited

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## ACCOUNTABILITY & RESPONSIBILITY



### UNITED NATIONS GLOBAL COMPACT (UNGC) AND UNITED NATIONS MILLENNIUM DEVELOPMENT GOALS (UNMDG)

The UNGC and UNMDG's are a set of principles and goals designed to encourage companies for adhering to social responsibilities and improve corporate practices through voluntary participation. The aim is to realise a sustainable global economy and solve issues related to globalisation.

In 2009, we strategised our initiatives to address the principles and goals of UNGC and UNMDG. These include human rights, labour, environment, social, anti-corruption, etc. In fact, anti-corruption is part of MSPL's core values.

All our employees are communicated and guided on conducting ethical business. Our code of conduct forms the Bible for our employee's ethical conduct. Although we do not have a written policy for anti-corruption, it does not hinder us to address corruption-related issues as this is imbibed in our values and is translated into our code of conduct. In the reporting period, there were no corruption related cases in MSPL. We do not make any financial and in kind contributions to political parties, politicians and related institutions.

### ADDRESSING SUSTAINABILITY IN MINING INDUSTRY

Sustainability in mining industry is an utmost need as India is recording a continuous growth in industrial development, leaving an impression that the country has potential to beat most of the industrially developed countries of the world in a few years from now. This growth is achievable with a pool of resources in our country viz

natural, mineral and technical, skilled and productive work force. But the real challenge lies in choosing a sustainable growth path. Mining has been traditionally associated with negative environmental impacts by varied stakeholders and we are in the path to prove that mining activity is an aide towards development.

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India is recording a continuous growth in industrial development - leaving an impression that the country has potential to beat most of the industrially developed countries of the world in a few years from now.

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According to Federation of Indian Mining Industries (FIMI, 2009), mining in India promotes industrial growth substantially; however it has led to negatively impacting the environment and the communities located nearby mine areas. It also points out that sustainability initiatives and reporting in mining companies is important and it should be voluntary to bring improvement in the standard of

Evidence suggests that mining companies will increasingly be obliged through public pressure to make pledges and set targets regarding environmental and social responsibility within the spheres of triple bottom line - economic, environmental and social.

performance and as well as the standards of stakeholders including communities in which mining companies operate. At MSPL, sustainability is of primary importance and we are one of the early movers in the mining sectors to have voluntary practices in place before a formal reporting format for external communication was adopted. Our sustainability strategy and policy goes beyond just compliance and sets itself as an example in the mining sector to undertake voluntary endeavours in order to minimise the adverse impacts of our activities on environment and specifically to communities around our mining areas.

Evidence suggests that mining companies will increasingly be obliged through public pressure to make pledges and set targets regarding environmental and social responsibility within the spheres of triple bottom lines - economic, environmental and social (FIMI, 2009). At MSPL, we have put in place robust strategies to achieve the set goals and evaluate our performance over time.

FIMI addresses some of the issues involved with mining operations which come under the realm of sustainable development and that requires utmost attention. We have explained how our sustainability practices are in line with FIMI's requirements. FIMI also developed step-wise activities for mining industries to institutionalise Corporate Social Responsibility (CSR) that leads to sustainability. At MSPL, CSR is part of the overall sustainability framework, and stakeholder involvement framework which is ingrained in our Sustainability Policy. We strive to comply with this step wise approach.



At MSPL, we consider sustainability as an integral business activity and have infused sustainability culture into our business processes including formulation of a policy, development of programs, practising sustainability and reporting. Also, we perceive sustainable development as a long term commitment than a short term initiative to grow as a sustainable mining company.

## MINISTRY OF CORPORATE AFFAIRS (MoCA) CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES 2009

The MoCA in December 2009 released the CSR Voluntary Guidelines. The fundamental principle of these guidelines lies in formulating a CSR policy to guide strategic planning and provide a roadmap for CSR initiatives for companies. These policies are entailed to be an integral part of overall business policy and are to be aligned with business goals and also demands all executive's participation.

Ethical functioning is important to us and hence our sustainability initiatives and policy addresses most of the factors that have been mentioned in the voluntary guidelines rolled out by MoCA. We are happy that we have been the forerunners in addressing CSR and also have communicated our progress through our sustainability reporting.

At MSPL, we do not believe in treating sustainability as a budgetary responsibility but consider it a way of life and do

not compromise in achieving the same. MSPL is integrating the interest of the business with that of communities in which it operates. We share experiences and network with other organisations to establish and recognise program / platforms which encourage responsible business and sustainability practices.

Our sustainability strategies and initiatives effectively project that we are socially responsible. With a CSR focus, currently we are firm to move towards a holistic sustainability strategy.

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Our sustainability strategies and initiatives effectively project that we are socially responsible.

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## STAKEHOLDER ENGAGEMENT & ISSUES IDENTIFICATION

### MSPL'S KEY STAKEHOLDERS



Identified Stakeholders	Method of Communication	Frequency of Communication
Employees	HR Policy	Continual
Suppliers	Purchase Orders and Offer Letters	Regular
Customers	Customer Feedback / Satisfaction Survey	Annual Feedback
Local Community	Field Officer Interaction	Regular
Regulatory Authorities	Compliance Adherence	Half-yearly/Annual
Lenders	Formal Financial Application & Request	Annual

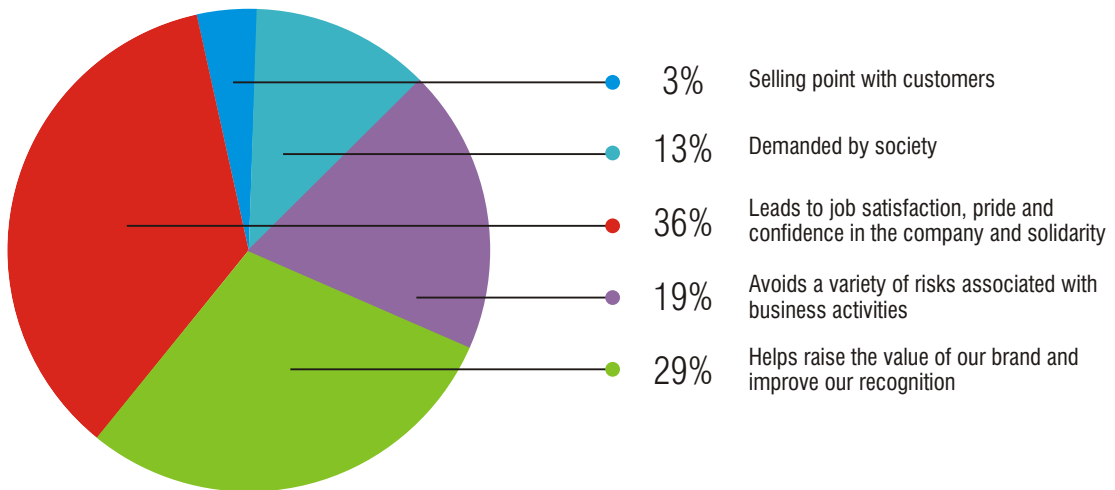
We engage with our stakeholders in all aspects of our business activities and believe in transparency, disclosure, ethical business practices and equitable treatment of all our stakeholders. We are aware that building mutual trust with stakeholders is the most important factor for assuring long-term sustainable growth of our company.

## WHAT OUR EMPLOYEES THINK OF MSPL'S SUSTAINABILITY REPORTING EXERCISE?

We conducted a sample survey comprising of 35 employees of MSPL in various employee categories. The aim was to gauge how employees perceived our actions to address sustainability at all levels. The results of the survey indicated that:

**36%** of our employees feel that MSPL's actions to address sustainability leads to their job satisfaction, pride and confidence in the company and gives them a sense of solidarity

**19%** feel that the addressing Sustainability and MSPL's CSR activity avoids a variety of risks associated with business activities



## DEVELOPMENT OF A SUSTAINABILITY FRAMEWORK

To ensure high level of stakeholder engagement, we at MSPL have developed a framework to enhance our sustainability values with stakeholders. In continuation to the sustainability policy that was rolled out last year, the framework is developed to identify the areas of impact across the triple bottom line (economical, environmental and social) and the issues pertaining to it so as to align and integrate our actions across our operations in line with the policy.

Going forward the framework will be implemented and may be redeveloped according to our business needs. The framework thus developed will enable us to communicate our sustainability policy, values and outcome in an open and transparent manner.

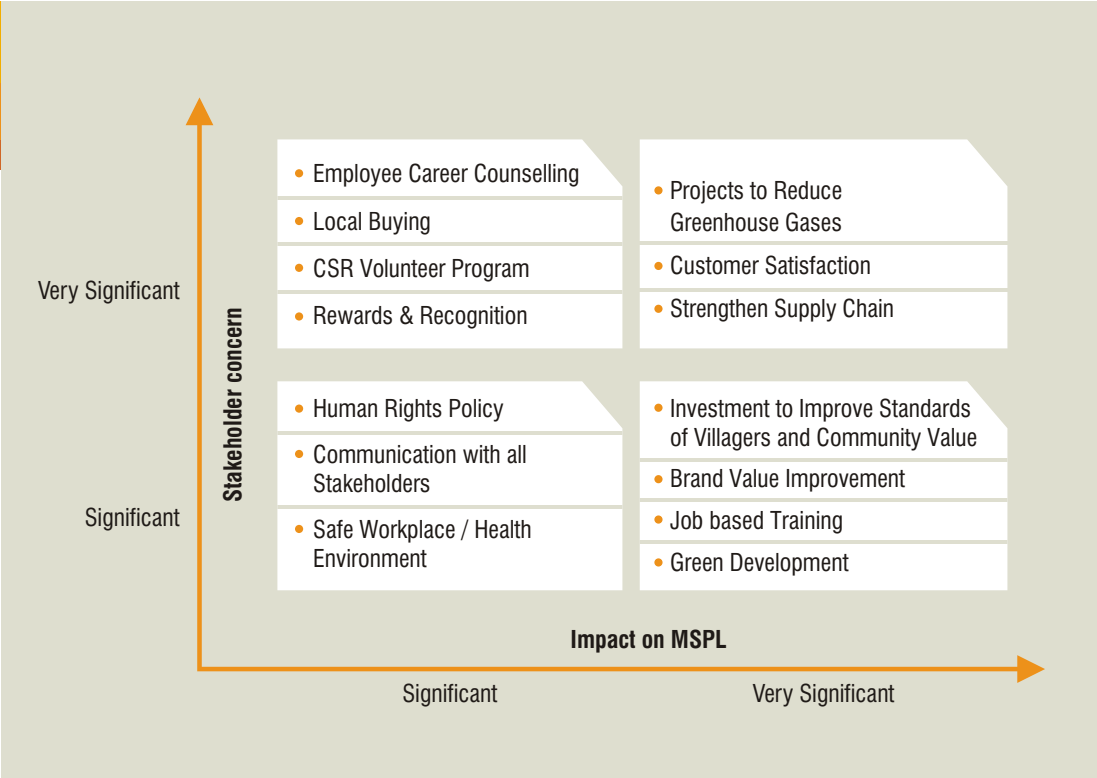
## ISSUES IDENTIFICATION

Issues identification is important to us and it is an integral part of our sustainability strategy development and planning. During the reporting period, we undertook a survey to obtain feedback from our employees. The responses received were analysed and considered for future action. The survey was based on the broad area of analysis for sustainable development as mentioned below:

- Human Rights and Human Resource Policies
- Community and Company Values
- Corporate Responsibility Values across Triple Bottom Line

The identified material issues are discussed in the following pages.









# MSPL STRATEGY & APPROACH – MATERIALITY ISSUES





8 GOALS			
United Nations Millennium Development Goals	Reference Page No.	United Nations Millennium Development Goals	Reference Page No.
Eradicate extreme poverty and hunger	59	Improve maternal health	61
Achieve universal primary education	65	Combat HIV/AIDS, malaria and other diseases	68
Promote gender equality and empower women	59-63	Ensure environmental sustainability	48-49, 68-69
Reduce child mortality rate	-	Develop a global partnership or development	63, 65

							
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10 PRINCIPLES	
United Nations Global Compact	Reference Page No.
<b>Human Rights</b>	
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	81, 82
<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses	11
<b>Labour Standards</b>	
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	82
<b>Principle 4:</b> Elimination of all forms of forced and compulsory labour	82
<b>Principle 5:</b> Effective abolition of child labour	82
<b>Principle 6:</b> Elimination of discrimination in respect of employment and occupation	82
<b>Environment</b>	
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	17
<b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility	50
<b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies	17
<b>Anti-corruption</b>	
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	25

10 PRINCIPLES	
International Council on Mining and Metals	Reference Page No.
Implement and maintain ethical business practices and sound systems of corporate governance	10-18 56
Integrate sustainable development considerations within the corporate decision-making process	28, 56
Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities	81, 82
Implement risk management strategies based on valid data and sound science	31, 32 38, 61
Seek continual improvement of our health and safety performance	79
Seek continual improvement of our environmental performance	51
Contribute to conservation of biodiversity and integrated approaches to land use planning	48
Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products	-
Contribute to the social, economic and institutional development of the communities	56
Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders	27,28

## SUSTAINABILITY CHALLENGES & OPPORTUNITIES

The concept of sustainability is the nucleus of our vision and business activities. Identifying, prioritising and managing sustainability challenges are part of our business activities for sustainable and inclusive growth. For this, we often interact with our community and other stakeholders to track implementation plans.

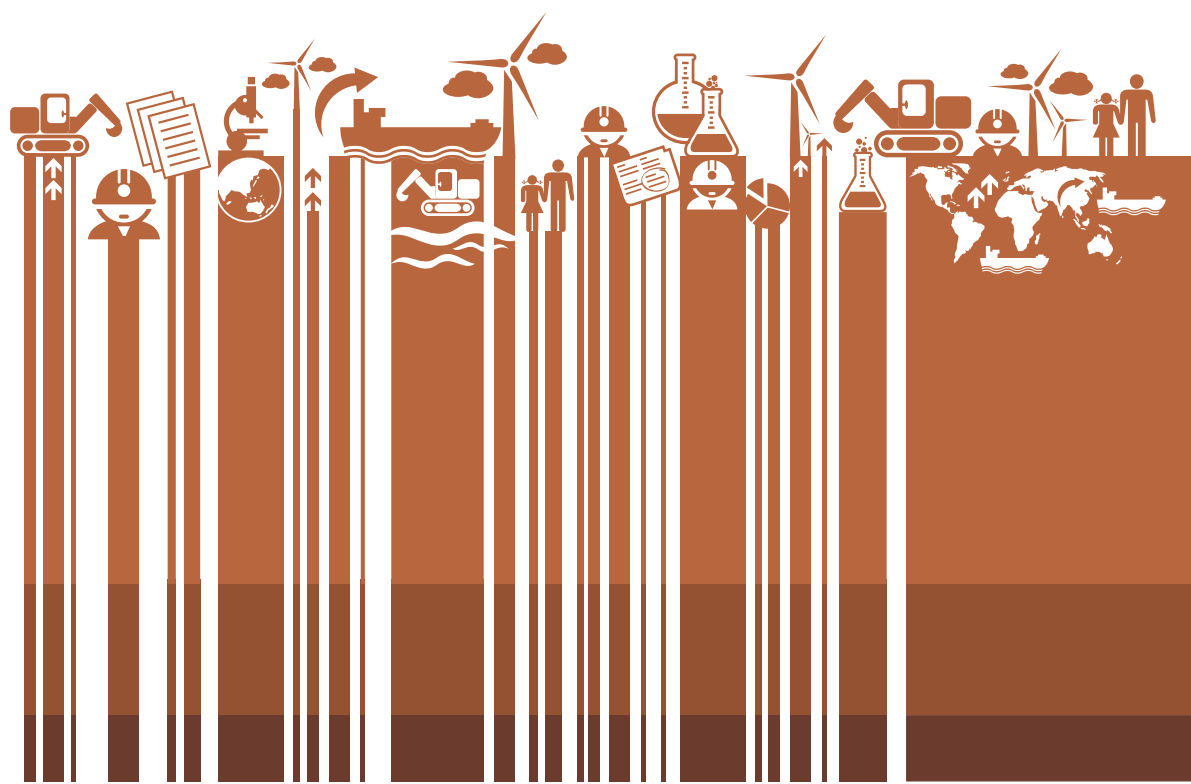
We deployed the sustainability policy last year and this was communicated to all of our stakeholders. Within MSPL Limited, sustainability challenges and opportunities are assessed by our CSR team. The team adopts a holistic, aligned and integrated triple bottom line approach covering the 5 Cardinal Cs of MSPL's Vision (Creativity, Commitment, Concern, Care and Core values) in indentifying risks and opportunities.

We consider issues raised by the key stakeholders and also benchmark our performance against internal standards and guidelines. These findings are reported to the top management and the strategic planning to address the same will be decided during the board meet.

Challenges	Opportunity and Response
<b>Managing financial crisis despite political turbulence</b>	Effective business management and utilisation of resources to manage financial crisis that we are facing. Creation of opportunities to retain, and continued endeavours towards snapping up high-quality talent from the market.
<b>Addressing economic and adverse impacts of climate change</b>	Investment in green renewable energy generation to strengthen the existing capacity. Initiation of the carbon footprint exercise to manage business and energy conservation more efficiently.
<b>Compliance and stakeholder expectations and operation with low environmental impact</b>	Our focus on eliminating environmental impacts of processes and products to create new areas of competitive advantage and reduce costs.
<b>Enhance occupational health and safety standards across our activities</b>	Commitment to maintain an injury free workplace as safety is part of our organisation's culture. We strive to get recognised for our safety work practices.
<b>Employee welfare and human resource management</b>	Committing to our employees and ensuring that their employment and benefits are not affected by the prevailing political turmoil. This commitment and employee engagement recognised us as an employer of choice, thus allowing us to retain and enhance our talent pool.
<b>License to operate - community and society support for performing operations</b>	Developing community and improving quality of life in the villages, is an ongoing activity at MSPL. We develop effective partnerships and seek constructive dialogue with the communities in which we operate.
<b>High standards of health &amp; safety and human rights across operations</b>	Our efforts involve investing invaluable time and money resulting in improved safety and health performance across operations.

Challenges	Opportunity and Response
<p><b>Community involvement and improving the standards and quality living practices of communities</b></p>	<p>Our approach has had a positive impact on the society and has resulted in incremental growth of the local economy. CSR and contributions to society is the key component for community development and our activities have been contributions alongside capacity development for long term sustainability of the interventions made.</p>
<p><b>Growth opportunities</b></p>	<p>Managing growth opportunities was difficult for us due to prevailing regulatory and political conditions. However to sustain, we developed successful integration of new ventures to fully realize the strategic, financial and operational benefits.</p>
<p><b>Enhanced corporate governance standards and stakeholders value</b></p>	<p>We maintain highest standards of corporate governance and ensure the standards are maintained across the group. Our core values are integral to how we conduct business to deliver value to all our stakeholders.</p>
<p><b>To operate at all times with the values of being concerned, reliable, responsive, and transparent</b></p>	<p>At MSPL, we ensure better and long term relationship by being transparent, responsive and reliable. In the long run, enhancing our core values will add value to our supply chain for sustainable development which is now ingrained in every action of ours.</p>
<p><b>Addressing the impact of operations across triple bottom line performances</b></p>	<p>We have a commitment for operational excellence and mining quality iron ore alongside addressing our triple bottom line (social, economic and environmental) expectations of all stakeholders. We also ensure that all legislative requirements are complied with on time.</p>
<p><b>Biodiversity conservation</b></p>	<p>Our operations are carried out to minimise negative effects of our operations on the health and ecosystem, namely air and water, soil and land.</p>





# economic bottom line



Do not value money for any more  
nor any less than its worth;  
it is a good servant but a bad master.

Alexandre Dumas

# OUR CONTINUING BUSINESS PERFORMANCE & REPORTING

## MANAGEMENT APPROACH

Our business strategy and core decisions focus on responsibly increasing profit margins and thus maximising our ability to generate and redistribute wealth among those responsible for its creation. A large section of our workforce is recruited locally; these employees have their roots in the local region and are also aware of grass-root issues and local conditions. This plays an important part in smooth and successful operations. We are developing an alternative energy strategy and aggressively pursuing renewable energy options as a source of regular and secure income as well as a means of contributing to the global effort towards mitigating climate change.



## VALUE CHAIN

Our businesses are centered around our five cardinal values or 5 Cs. The impact of our business process and operations can be understood from our value chain.



## MSPL'S FINANCIAL PERFORMANCE OVER THE PAST YEAR

The principal market for our iron ore products is China. Approximately 99% of our core products, by volume, are exported. The remaining products are sold domestically. In the reporting period, due to various economical and political factors, our market performance and associated sales came to a near halt. We hope the economic and political flux prevailing will improve.



## IRON ORE MARKETING

The marketing aspect is predominantly concerned with export of material. We also supply material in the domestic market but the quantity is insignificant. By and large, our exports are confined to China though we are looking at other countries as well.

The market prices are tracked on daily basis as prices are very volatile. China gets supplies from seven to eight countries, the major being Australia & Brazil, followed by India. Hence the supply-demand equations keep changing which in turn affects the prices.



## FINANCIAL PERFORMANCE (FY 09-10)

Financial Parameter	Value (INR million)
Revenue from net sales	
Sale of iron ore	6,616.32
Sale of wind power	919.63
<b>Total revenue</b>	<b>7,535.95</b>
Revenue from financial investments (inclusive of long term financial investments, barge hire and income from aircraft)	728.66
Revenue from sale of assets	0.17
<b>Total revenue*</b>	<b>8,264.79</b>
Operating cost	1,004.41
Employee wages	297.64
Employee benefits	3.29
Donation	19.28
Payment to providers of capital (interest payments)	110.05
Payment to Government	175.37
Earnings per share	(21.37)
Net worth per share	146
Shareholder fund	11,200.98

\*MSPL did not receive any significant financial assistance from the government in the reporting period.

## IRON ORE STATISTICS

Parameter	Value (metric tonnes)
Iron ore quantity produced	649,748
Iron ore quantity purchased	1,964,531
Iron ore quantity sold	2,249,509
Export of iron ore	2,148,333
Distribution of sales (nationally)	101,176



## PER TON IRON ORE REALISATION

Parameter	Value
Turnover (quantity of iron ore in metric tonnes)	2,249,509
Turnover (INR million)	6616.32
Average per tonne realisation (INR/metric tonne)	2941.22



# INNOVATION IN TECHNOLOGY AND FOSTERING RESEARCH & DEVELOPMENT

## MANAGEMENT APPROACH

We ensure that our products and services are in compliance with all applicable legal requirements of the markets in which it has a presence in. In the minerals business, a product's environmental performance is primarily linked to natural resource conservation. To this end, we have an established R&D program that also leverages on external expertise, which is aimed at maximising resource productivity.

According to the Ministry of Mines - India, Karnataka is the second largest producer of iron ore after Orissa. Bellary district of Karnataka produces more iron ore than any other district of the state. Our mine is one of the largest mine out of the 50 existing mines in the Bellary district of Karnataka. We are committed to excellence in implementing product responsibility standards that respond to the social, economic and environmental expectations of all stakeholders. We also ensure that all legislative requirements are complied with. At MSPL, we do not follow any standard life cycle methods, however we consider health and safety in all stages of process starting from mining to disposal, reuse and recycling, as we believe that eternal safety and rich environment benefits everyone and delivers increased value to our business and all our stakeholders. At MSPL, employees consider product responsibility as a primary part of their daily activities to deliver quality product.

Our mining activity involves extraction of minerals from

natural resources. We adhere and comply with necessary environmental legislations. At MSPL, excavation and processing are the major activities performed. Due to the nature of our product (iron ore), there is no requirement for any packaging and labeling prior to customer delivery. However, we adhere strictly to quality standards in terms of product quality.

Everything that moves out of MSPL, bears the stamp of quality. Though the properties of the mining cannot be altered, we still follow our guiding principle of monitoring quality. Even before mining, an elaborate exploration of the mine is undertaken. Samples are drawn and analysed at the time of excavation to confirm the results of the exploration. The process plant is the next stage of sampling whereby proper working of the plant is assessed. The final product is then analysed before dispatch and the proper blend is ascertained. The product specification of our processed iron ore can be accessed online <http://www.mspllimited.com/ProductSpecifications.htm>.

We are minimising the risks and impacts associated with mining (including waste management) through our R&D efforts that are aimed at reducing the environmental impact and enhance sustainability. We have implemented a 'Zero-Waste Management' plan at all our Mining and Processing Operations, to recover 100% of the minerals through systematic mining, processing and stocking of minerals.



## CUSTOMER RELATIONSHIP

Customer service and satisfaction are of utmost importance to us. To measure our service and customer satisfaction, we follow a protocol which involves receiving feedback from customers every two years to address concerns raised by them pertaining to our products and services. Maintaining a good relationship with customers is vital to us in terms of our market presence and access. We develop relationships with customers on the basis of transparency, trust and the exchange of information and always look forward to identifying areas to improve customer satisfaction and service. During the reporting period, we did not receive any significant feedback from our key customers.

We have a good track record in satisfying the customers so far, even though we do not follow any voluntary standards to measure our customer satisfaction. Hence there is no associated non-compliance, legal or penalty issues.

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Maintaining a good relationship with customers is vital to us in terms of our market presence and access.

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## ADVERTISING POLICY, MARKETS AND SPONSORSHIP

Our business interests are primarily focused on B2B and hence do not require advertising or similar activities. We operate in a seller's market as customer seeks for our product based on prevailing market demand conditions for the iron ore.

As far as advertising is concerned we do not have a laid down policy. However, we understand the importance of an organisation to have such a policy in place. A comprehensive advertising policy helps formulate the organisation's annual plan on brand promotion and structured planned activity which will take the brand to greater heights. As an industry practice iron ore business is a supplier driven market and to avoid de-marketing we do not advertise our product in the larger media.

In terms of sponsorships, there have been a few events during the reporting period, wherein MSPL participated and contributed on continual and regular basis. These have served as a platform for brand recall. FIMI, FIEO, Public Relations Council of India, Mines Safety Association of Karnataka, Indian Wind Power Association and the like are a few to name.

## NEW VENTURES



Our recent diversification into the shipping business has seen considerable progress. Our shipping company MSPL Diamond Pte. Ltd. is in the process of engaging a ship management company for technical management of the ships. Documentation required for compliance with HSQE norms and regulations as laid out by the International Maritime Organisation (IMO) have been prepared and the company is expected to have its HSQE in place at the appropriate time.

An update on the major progress made by our shipping business in the current year is given below:

OWNED TONNAGE	CHARTERING BUSINESS
<p>The first vessel MV Indus Prosperity (Hull No. SF060137) was launched on 1st Nov, 2010 and is expected to be delivered by end of February 2011.</p> <p>The second vessel MV Indus Fortune (Hull No. SF060138) whose keel was laid on 25th August was subsequently launched on 10th Dec, 2010. It is expected to be delivered by end of March 2011.</p>	<p>In view of regulatory requirements ACE MARITIME PTE. LTD., a wholly owned subsidiary of MSPL MARITIME, was incorporated on 22nd November, 2010 and the Chartering business is likely to commence in February 2011.</p>

An office premise has been leased in Singapore for conducting the business and is expected to be fully functional by November, 2010.

All our ships have been named to evoke a nationalistic fervor and are derived from the Indus valley civilisation, the oldest and one of the most pioneering civilizations in history. In fact

the name India is drawn from Indus and thus the prefix of all our ship names is Indus, while the individual names are synonyms of success. All ships will transport dry bulk cargo like iron ore, coal, agricultural products, fertilisers, etc. The area of operation would primarily be the Asia - Pacific region, which will subsequently expand to the Atlantic region.

Indus Prosperity	Indus Fortune	Indus Triumph	Indus Victory
92,500 DWT	92,500 DWT	92,500 DWT	92,500 DWT
Ship is under construction. Likely date of delivery 15 February, 2011	Ship under construction. Likely date of delivery 15 March, 2011	Steel cutting is yet to commence. Likely month of delivery - March 2012.	Steel cutting is yet to commence. Likely month of delivery - June 2012.

## PELLET PLANT

Construction of our 1.2 MTPA pellet plant at Koppal, Karnataka is in full swing and is expected to be operational by December 2010. The pellet plant will predominantly supply its pellets to upcoming steel plants in the region.

On being fully operational, the pellet plant is expected to create direct employment opportunities for over a thousand people.





# environment bottom line

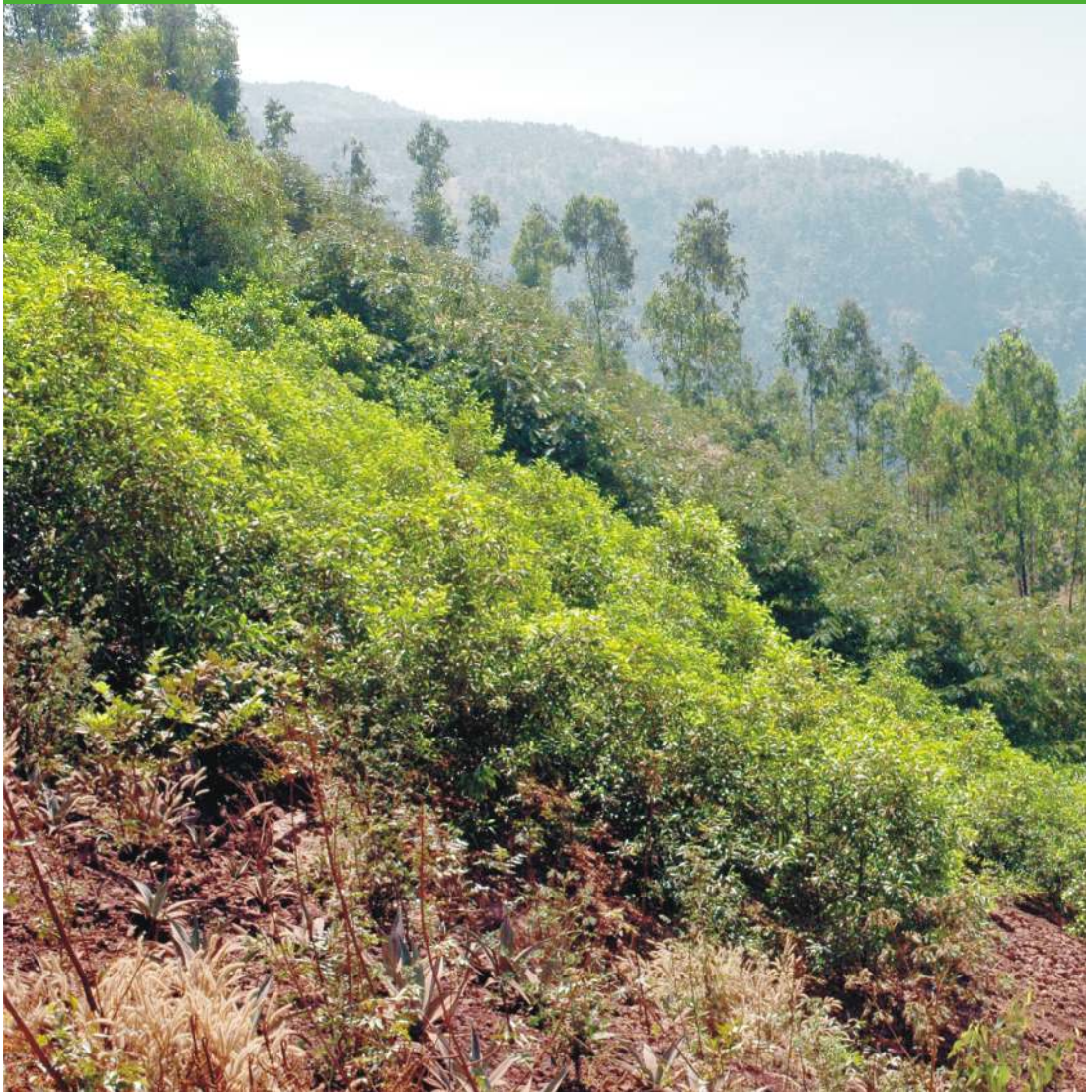


When you realise the value of all life,  
you dwell less on what is past and  
concentrate more on the preservation  
of the future.

Dian Fossey

## MANAGEMENT APPROACH

The simple ideology of restoring the environment to a state of green serenity and minimising our footprint in terms of material consumption has been ingrained into our systems and has greatly influenced the management decisions. We conduct frequent assessments to ensure that we are in compliance with environmental requirements and implement measures to keep these systems in line. Across all our operations and initiatives we strive to keep our practices at par with our sustainability policy. We ensure monitoring of energy, water, waste and materials utilised or processed. Furthermore, legal compliance is always met and never compromised. In fact, our endeavour has always transcended statutory compliance.



## MINING VALUES AT MSPL

Goal 7 of the Millennium Development Goals focuses on Environmental Sustainability and defines Target 1 as "Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources". We have been one of the pioneers in this regard and have taken several strides towards the green road to sustainable development.

Any form of mining affects the environment directly by its need to use nature's resources such as land, air and water.



We have been tracking the effect of our iron ore mining activities on the resources and have been working towards negating the effects of our operations on the environment. Our mines have been certified for ISO 14001:2004 and maintained strict environmental management systems to monitor performance.

At MSPL, we have state-of-the-art technology to reduce manual intervention in our mining activities. An illustration is the downhill conveyor system at our operations which continues to enhance ore transportation. Our efforts to move towards rail transport from roadways have further reduced pollution levels in the mines as well as reducing fuel usage in our transportation.

Being in the natural resource extractive business, our major raw material requirements are water, energy, explosives, oil and lubricants.

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In the reporting year, we invested over INR 1.445 million in environmental activities to ensure compliance with necessary environmental laws and regulations.

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## OUR MAIN RAW MATERIAL CONSUMPTION

Raw Material	Units	VIOM / EOU - I	EOU - II	Corporate office	Total
High Speed Diesel (HSD)	kl	1,443.41	100.85	102.73	1,647
Petrol	kl	-	-	24.91	24.91
Water Consumption Bore Wells	Litres	-	26,493	21,794	164,148,287
Water Consumption Tankers	Litres	164,100,000	-	-	
Grease	kg	0	576	0	576
Oil	Litres	56,332	7,708	0	64,040
Electricity Purchased from Grid	MWh	648.63	336.5	523.9	1,509

## CONSUMPTION OF EXPLOSIVES IN OUR MINES

Explosives	Unit	Value
Slurry	kg	25,850
Detonator + Relay	Numbers	1,810
Cardex Fuse	Meters	223,900
Safety Fuse	Meters	1,676
Ammonium Nitrate	kg	93,060
Liquid Oxygen	kg	213,010

We are in the planning phase to improve environmental performance across all our operations by extending it to our supply chain. This will ensure that all environmental practices are aligned with our sustainability policy.

## WASTE MANAGEMENT

Waste management is given utmost importance across our 350.78 Ha of mining area including 3.56 Ha of our leased mining area under reserve forest land and approach roads. Waste from extraction and processing of mineral resources is one of the largest waste streams in our process. Through the process of excavation and mine extraction over burden/waste rock is generated. Over burden waste during the reporting period was 566,714 metric tons.



To ensure better waste management systems, we engage excavators to remove waste material and dumpers to transport the waste to designated dump sites. Also dumping of waste material in non-ore bearing areas is carried out as per approved mining plans. The old dump yards are terraced

into different platforms and planted with different tree species. Active dumps are terraced and plantations undertaken for quick stabilization. As a precautionary measure to conserve soil erosion we have constructed bunds, gully plugs and check dams.

As a precautionary measure to restrict soil erosion, we have constructed bunds, gully plugs and check dams.

Mineral/synthetic oil used as lubricants in hydraulic systems and other applications is the only category of hazardous waste (as per KSPCB norms) that we generate. We monitor the quantity of waste oil that is generated and the same is sent to dealers authorised by Karnataka State Pollution Control Board. This year, the quantum of waste oil generated was around 1.33 kl.



Other wastes from our activities include scrap metal, rubber, tyres and cotton waste. We are in the process of streamlining data collection system for the same. These wastes are being generated from activities including the use of equipment and machinery. These wastes are managed, segregated and stored at specified locations until they are responsibly disposed to government certified agents. We adhere to the Hazardous Wastes (Management and Handling) Amendment Rules, 1989 of MoEF, India for the use, handling & management and transport of all of our hazardous wastes. We keep strict vigil on the implementation of correct and safe procedures. This has resulted in zero spillages of oil in our mines.



## TAILINGS

Tailings is a waste stream of ground rock and process effluent that is rich in minerals, chemicals and organic compounds. As a part of the beneficiation process in our export unit, tailing wastes constitute the major waste. This waste product is collected in a settling tank and stored for future use.

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The tailings accumulated over the last one year are approximately 3,571 tonnes.

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Our export processing unit (EOU II) has recently employed a hydrocyclone that has resulted in an additional 6% recovery of valuable material from the tailings, thus making our iron ore extraction process more efficient. The water discharged from the beneficiation unit is efficiently reused and hence there is no effluent discharge into any of the natural water bodies in and around the mine area.

## WATER USAGE AND MANAGEMENT

We source water from bore wells, which is procured and transported to meet our process needs and domestic use. Our major consumption of water is for dust suppression, plantations and domestic needs at our mines. In addition to these needs, the water consumption at processing unit (EOU-II) is predominantly for the wet beneficiation process. In the reporting period, to further streamline and quantify the amount of water used, we have installed water meters at each of the 5 bore wells at EOU II (these were installed in the month of July 2009 and hence the water consumption reported for EOU II reflect the water consumption from July 2009 to March 2010). We have also installed a water meter for the bore well at our corporate office to monitor water consumption.

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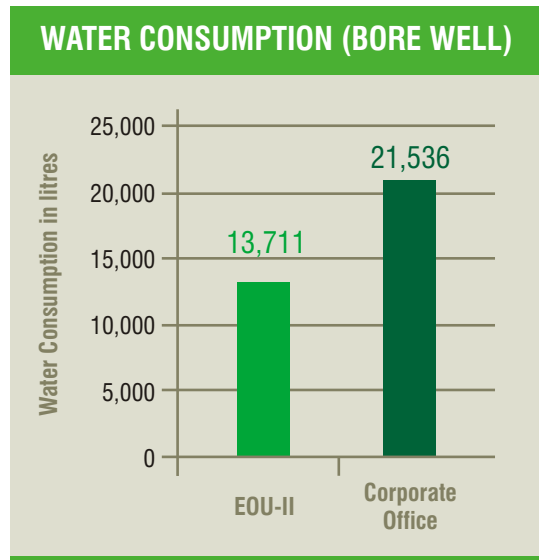
Our major consumption of water is for dust suppression, plantations and domestic needs at our mines.

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Water for our mine activities is purchased from outside. This water is supplied for our mine and EOU-I usage predominantly through water tankers. Water procurement records are maintained and thus water consumption for our mines is arrived at through calculation of number of water tankers trips to the mine area.

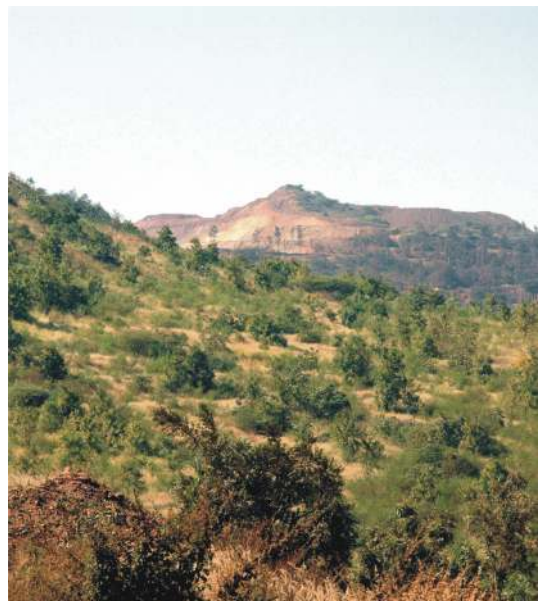
The total water utilised at our mines in the year was around 164,100,000 litres.

However, we plan to develop a system that records water usage. Along with that, we are developing systems that can give us individual water consumption details at the mines, EOU-I and our villages as and when required.



Note: Water consumption in kl (one kl=1,000 litres)

In addition, as part of rainwater harvesting system we have, till date, constructed 54 gully plugs and 25 check bunds to plug water runoffs and store rainwater. The rainwater thus harvested and stored in these structures which is reused for green development and dust suppression, thereby reducing our water footprint in terms of demand for fresh water procurement.



Optimising usage of water and minimising environmental impact is an integral part of our environmental conservation measures. We do not source water directly from any natural reservoirs and hence avoid associated impacts. We employ a dry mining process at VIOM and hence our usage of water in the mining activity is reasonably low.

In our export processing unit (EQU-II), after beneficiation, the effluent from the process is recycled and reused to the maximum extent. Over the years we have progressively improved our systems to meet the requirements of national standards for water use and effluent discharge. Also in the reporting period, we have installed water flow meters to measure and monitor the quality of groundwater withdrawal, which will further assist us in effective water management.

In the reporting period, we installed water flow meters to measure and monitor the quality of groundwater withdrawal which will further assist us in effective water management.

The water consumed for domestic purpose in VIOM is discharged and treated in septic tanks with soak pits. The water consumed in the corporate office is discharged in five soak pits and the treated water is then used for gardening.

## EMISSION CONTROL AND MANAGEMENT

Clean air and environment is our primary concern. We have effective systems in place to address the issue of air pollution and its management. Also our systems meet the requirement of national standards for air emission management and pollutant discharge.

To address air pollution, we have adopted a number of control measures accordingly.

<b>Drilling</b>	Wet drilling process
<b>Blasting</b>	Sprinkle water for dust suppression in the mine area and haul roads
<b>Ore Screening &amp; Segregation</b>	Spraying of water in Unit Operation areas
<b>Transportation &amp; Storage</b>	Dust extraction system at the processing unit
<b>Use of DG sets</b>	Covered transportation system

In compliance with Air (Prevention and Control of Pollution) Act 1981 by the Central Pollution Control Board, we monitor air pollutants such as RSPM, SPM, SO<sub>2</sub> and NO<sub>x</sub>. We have nine ambient air quality monitoring locations in the mine area and processing units respectively. We also have a laboratory where pollutant analyses are carried out.



Ambient Air Quality Data (mg/m <sup>3</sup> )			
Air Pollutant Monitored	Facility	Annual Average	Compliance Limit
<b>SPM</b>	VIOM	272.0	500
	EQU-II	303.8	500
<b>RSPM</b>	VIOM	57.4	150
	EQU-II	48.0	150
<b>SO<sub>2</sub></b>	VIOM	31.0	120
	EQU-II	32.0	120
<b>NO<sub>x</sub></b>	VIOM	33.5	120
	EQU-II	34.0	120

Our industrial or commercial process/operations do not involve any ozone depleting substances.

## NOISE MANAGEMENT

We adhere to noise pollution monitoring and management norms. Day and night noise levels are monitored on a weekly basis at 10 core locations in our mines and 4 core locations in our ore processing units. The noise levels have been observed to be well within the limit of 75 dB as stipulated by Pollution Control Board standards.

Noise (dB)		
Business Unit	Annual Average	Compliance Limit
VIOM	60	75
EOU-II	65	75

We have a health and safety policy that is committed to achieve zero accident levels and train all our employees on safe work practices. As a part of the safety initiative, we mandate the use of personal protective equipment by all our employees working in the mine and ore-processing areas.

## BIODIVERSITY CONSERVATION

Located in the Ramanamalai hill range of Gunda forest near Vyasankere village, our Vyasankere Iron Ore Mines (VIOM) is nestled in the middle of a forested land. Over the years, we have learnt to respect the environment in and around the mines and have helped in the development and maintenance of biodiversity through our various afforestation and wildlife conservation initiatives.



## AFFORESTATION INITIATIVES

At MSPL, we have received continuous guidance from our top management for implementation of afforestation programs which were initiated four decades ago when there were no mandatory requirements for such activities.

Till date, we have planted 1.76 million trees. In the reporting period, we have planted 51,500 trees and ensured a tree survival rate of 80 - 85%. We are also in the process of transforming 240 hectares of harsh mining terrain into lush green landscape.

In the reporting period we planted 51,500 trees and ensured a survival rate of 80 - 85%.



### Our highlights for the year include:

- 6,000 saplings were planted in house by our employees
- A budget of INR 2.5 million was allocated for maintenance
- We continued green development activities in the surrounding villages

## WILDLIFE CONSERVATION

To add value and commitment to wildlife conservation, we have been associated with an NGO - the Society for Wildlife and Nature (SWaN) for many years now. SWaN has been working towards its objective of conserving wildlife and nature for sustainable human society in and around the Bellary region. During this reporting period, through SWaN, we have organised 50 awareness programmes across schools covering 20,255 students. This year we witnessed a tremendous increase in the level of participation.

SWaN conducted a program for the villagers highlighting the importance of the scaly ant eater or Pangolin which is listed in the IUCN's Red List of Threatened Species and is dwindling in numbers. These species will now be protected with the help of local villagers who practiced wildlife hunting earlier.

# MSPL'S COMMITMENT TO CLIMATE CHANGE, RENEWABLE ENERGY AND ENERGY MANAGEMENT



India, owing to its large population and increased industrialisation, is the world's sixth largest energy consumer accounting for 3.4% of global energy consumption. Due to India's economic rise, the demand for energy has grown at an average of 3.6% per annum over the past 30 years. India still has a strong hold on coal with more than 50% of India's commercial energy demand being met through the country's vast coal reserves. With an increasing population that has an overburdening effect on the environment, there is a greater need to generate power through a more green and clean method.

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Due to India's economic rise, the demand for energy has grown at an average of 3.6% per annum over the past 30 years.

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The importance and need for green power motivated us to invest in green - renewable energy a decade ago. Our investment in renewable energy has grown over the years and currently totals to 127.8 MW of installed wind energy

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The Baldota Group aims to achieve over 400 MW of wind power by 2012.

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capacity across India. The Baldota Group aims to achieve over 400 MW of wind power by 2012. Our recent analysis shows that the quantum of electricity generated from our wind farms accounts for 0.82% of India's total renewable energy based electricity generation.

We have undertaken many initiatives to improve the generating efficiency of our wind farms. Reputed O&M contractors and their robust environmental health and safety systems are in place to extend our sustainability policy to our supply chain as well.

Clean Development Mechanism (CDM) is one of the Kyoto Protocol's market-based mechanisms. This permits industrialised countries to earn emission credits through investment in sustainable development projects, to reduce GHG emissions in developing countries. We are one of the forerunners with 84.90 MW of our total capacity registered with the UNFCCC.

## MSPL WIND DIVISION PERFORMANCE 2009-10

Wind farm	O&M contractor	Installed capacity (MW)	Net Electricity exported during 2009-10 (MWh)
Satara Maharashtra	RRB Energy Limited	1	1,236.03
Harihar Karnataka	RRB Energy Limited	6	9,498.5
Jogimatti Karnataka	Suzlon Infrastructure Services Limited	11.25	27,386.5
Surajbari Gujarat	RRB Energy Limited	16.2	19,822.9
Dhule Maharashtra	Suzlon Infrastructure Services Limited	20	42,765.7
Jajjikalgudda Karnataka	Suzlon Infrastructure Services Limited	21.25	45,553.9
Sogi Karnataka	Suzlon Infrastructure Services Limited	25	62,080.3
GR Halli Karnataka	Vestas Wind Technology	27.1	55,136.2
<b>Total</b>		<b>127.8</b>	<b>263,479.9</b>



## MSPL'S CARBON FOOTPRINT

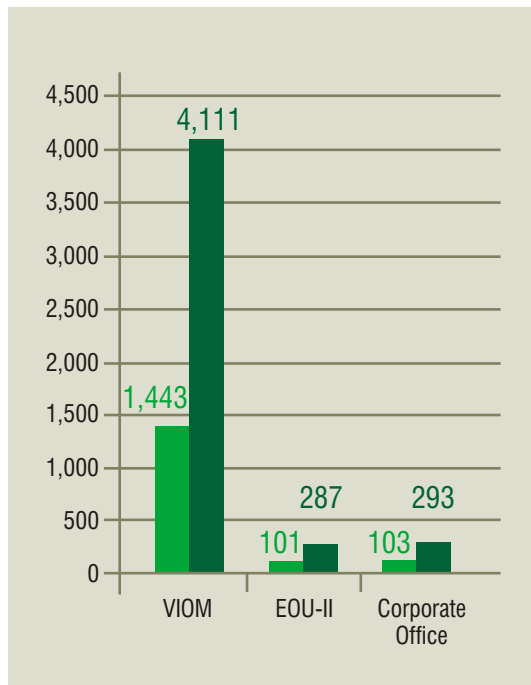
It has been estimated that India's GHG emissions could increase from 1.6 billion tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) in 2005 to 5 - 6.5 billion tCO<sub>2</sub>e in 2030. Apart from our active participation in the regulated carbon market, we also have a voluntary and proactive commitment and have ventured into calculating the carbon footprint of our facilities for the forthcoming year.

To protect our land from adverse effects of climate change, MSPL has adopted several methods to reduce the emission of carbon dioxide and other greenhouse gases.

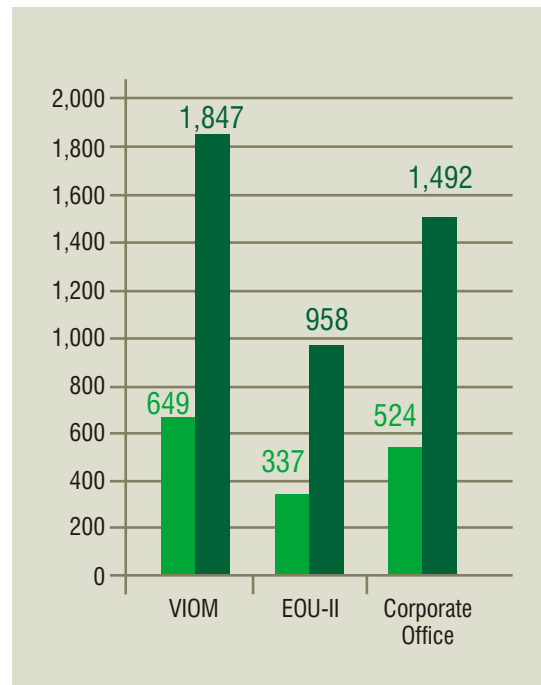
It has been estimated that GHG emissions of India could increase from 1.6 billion tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) in 2005 to 5 - 6.5 billion tCO<sub>2</sub>e in 2030 to meet its power requirements.

We understand that calculating and assessing one's carbon footprint is an important and essential step towards reducing the energy intensity as well as addressing climate change. In the reporting period we undertook extensive capacity building for our employees on the data requirement and management of a Carbon footprint exercise for the Company. Through this exercise, we hope to also account for all our direct and indirect emissions comprehensively and thereby also improve internal data systems.

We continue to account associated emissions with our use of primary fuels namely diesel and purchase of electricity. The direct emissions associated with our diesel and petrol consumption at our operations amounts to 4,747.6 tCO<sub>2</sub>e. The indirect emissions due to purchase of electricity is 1,361.6 tCO<sub>2</sub>e. This leads to a total GHG emissions of 6109.3 tCO<sub>2</sub>e.

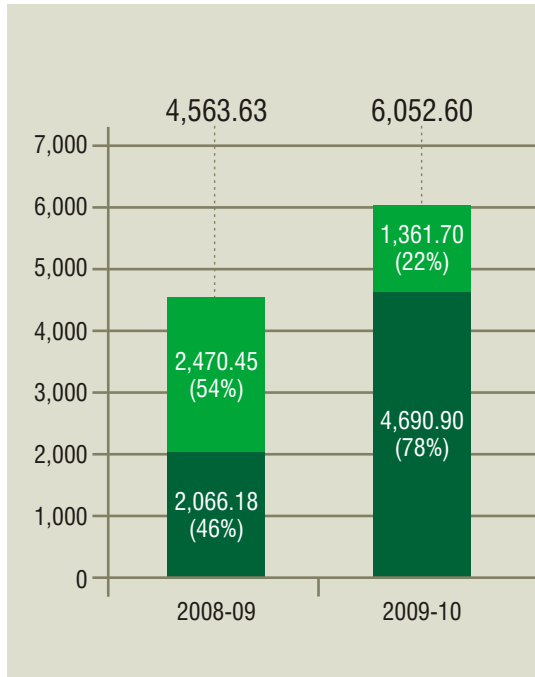


■ Diesel Consumption (kl) ■ Direct Emissions (tCO<sub>2</sub>e)



■ Electricity Purchased (MWh) ■ Indirect Emissions (tCO<sub>2</sub>e)

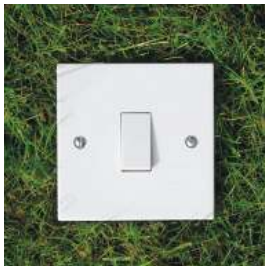
## GHG EMISSIONS



Values reported in tCO<sub>2</sub>e    ■ Indirect    ■ Direct

## ENERGY MANAGEMENT

Diesel Generator sets act as backup for our corporate office for meeting electricity requirements. To further understand the energy consumption patterns and identify conservation measures, we undertook an energy audit study for our corporate office. As a result, we have implemented a number of energy conservation initiatives to further reduce our dependence on diesel and electricity. Accordingly, the DG set ratings were reduced from 750 KVA to 500 KVA. We are also working towards implementing more energy efficient measures to further conserve energy and thereby reduce associated costs and emissions. Few of the measures in the reporting period are:



**Switching lights off when not in use**



**Temperature controlled air conditioners**



**Providing our east wing with solar light during the night time**



**Encouraging the use of stairs among employees**





# social bottom line



For change to be of any true value,  
it has got to be lasting and consistent.

Tony Robbins

# DIALOGUE & CONTINUAL EFFORT IN BUILDING SUSTAINABLE COMMUNITIES

## MANAGEMENT APPROACH

Corporate citizenship and constructive contribution to society forms a vital component of our planned expenditures. Our community plans are aligned with the United Nations' Millennium Development Goals and have also been designed to address the Prime Minister Manmohan Singh's, 10 Point Social Charter. It is also based on the ICMM and its Indian counterpart and the Federation of Indian Mining Industries (FIMI). The principles of Indian Mining Initiatives are to be formalised. Our approach to societal welfare is through the creation of incremental growth in the local economy and by the integration of social responsibility with our business imperatives.

In 2007, we conducted a needs assessment study in our community which has been a platform for aligning our initiatives with the needs of the society. Participatory rural appraisal techniques were used to conduct these assessments. These were carried out on a regular basis with the local communities to evaluate, prioritise and implement community development initiatives.

An essential part of our sustainability strategy is the continual commitment to community welfare which is instrumental in promoting ethical behavior. Through our initiatives, we not only contribute to economic development but also enable and ensure improvement

in the quality of life for our workforce, their families, the local community and the society at large.

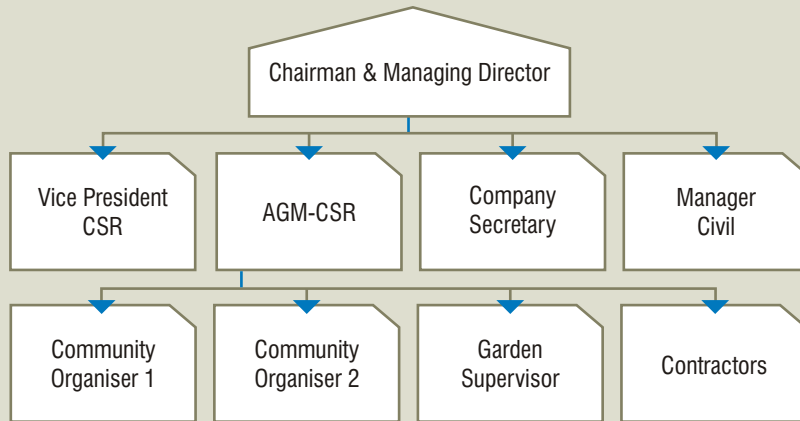
Our sustainability initiatives target both our ethical behavior and corporate citizenship practices to our internal and external stakeholders. We have developed sensibility towards the importance of social responsibility, which has gradually evolved into prompt voluntary efforts and progressive initiatives. We believe that by acting in a socially responsible manner, we add value to the environment in which we operate and through our commitment to social causes, our employees feel a sense of pride and personal commitment which in turn reflects in our management's views toward Corporate Social Responsibility and towards sustainability as a whole.

Our sustainability framework has evolved to encompass all our stakeholders and to address key sustainability issues in the areas of human rights, health and safety at work, consumer protection, climate protection and caring for the environment, community development and sustainable management of natural resources.

Keeping in mind and adhering to our Code of Conduct, MSPL believes in fair trade and does not practice monopoly.



## OUR SUSTAINABILITY COMMITTEE



What started as a humanitarian initiative has now developed into a corporate social initiative drive providing need-based support to the community, which is much more than just charity. We plan to fortify this committee to address sustainability issues beyond CSR activities.

## RAISING STANDARDS – COMMUNITY ENGAGEMENT

To align our business with values and culture, we strongly believe that community initiatives are essential and are an integral part of our business practice. We recognised the need to support community along with conducting business, long before it was articulated. Our initiatives towards alleviating community issues are predominant in the following areas:

Community Engagement - Highlights			
Infrastructure and Social Development	Empowering Villages	Education	Health and Hygiene
Village adoption	Women empowerment	Responsible education	Eye camps and treatment
Road widening	Youth development	The Baldota Fellowship Program	Yoga fitness camp
LPG connection to facilitate better cooking conditions for women	Sports for youth	Distribution of learning essentials	Providing clean drinking water
Human Rights intervention	Educational facilities	Special tuition classes	Blood donation
Poverty reduction		Environmental awareness through radio campaign	Sanitation
Public infrastructure development programs			

## INFRASTRUCTURE AND SOCIETAL DEVELOPMENT



### Road Widening

The Abheraj Baldota Foundation sponsored the reconstruction of the Tungabhadra dam road near railway gate crossing, Hospet. The new road now aids the smooth flow of traffic and we estimate that it benefits more than 10,000 people every day.

### Facilitating LPG Connections

Many families who live in rural areas primarily depend on wood as a source of fuel for cooking. This poses a health risk to women and their family members and also adds to the problem of deforestation. To address such issues, this year we supported 103 families in sourcing LPG connections in the villages of Hanumanahalli, Jaishingpur, Galemmanagudi and Danapur with the help of our women Self Help Groups (SHGs).

### Village Adoption

To effectively contribute towards rural development and improve the standard of living of local communities, we have identified ten villages where we would provide basic amenities and train women so that they can support themselves and their families.

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Taluka	Villages adopted
<b>Hospet</b>	Danapur Galemmanagudi Ingaligi Hanumanahalli Shankarnagar
<b>Harpanahalli</b>	Kanavihally
<b>Sandur</b>	Jaishingpur
<b>Koppal District</b>	Basapura Halavarthi Hosahalli

We supported 103 families in sourcing LPG connections in the villages of Hanumanahalli, Jaishingpur, Galemmanagudi and Danapur with the help of our women Self Help Groups (SHGs).



## Smoke-free Kitchen

**Name: Fakhruma**

**Age: 42 years**

**Village: Hanumanahalli**

I am a member of the Self Help Group formed by MSPL. The SHG has been supportive in addressing various problems and issues faced by women. In these rural areas, women collect firewood from the field and use it as fuel for cooking. The smoke emitted by the firewood caused serious health hazards. Through SHG, we were able to share this problem and voice our opinion to find a better solution. We approached MSPL to lend us financial support in order to facilitate ourselves with LPG gas for cooking so as to avoid firewood. MSPL helped each of us with INR 4,200 to purchase individual LPG connections. Thanks to MSPL, I no longer need to collect firewood. Today, I cook in a hygienic and smoke-free kitchen, and my health too has improved.

## Public Infrastructure Development Projects

During the reporting year, following public infrastructure development works were carried out to improve public commute and sanitation facilities.

- Streetlights for a 2 km stretch of Abheraj Baldota road
- Renovation of the Tungabhadra Dam circle at Hospet
- Construction of drainage facility at Kalahally village to drain wastewater and avoid water stagnation and waterborne diseases

## Human Rights Intervention

Human trafficking is one of the gravest violations of Human Rights. The Constitution of India prohibits trafficking in all forms. The growing momentum against human trafficking is visible from the fact that more individuals and organisations are vouching to eliminate human trafficking. The Abheraj Baldota Foundation (ABF) is in consonance with the vision of Prajwala. Prajwala is an NGO that envisions a trafficking-free society wherein no woman or child is sexually exploited.

ABF recognises the role of Prajwala in the fight for human rights by offering them financial support to carry out their activities. ABF is especially compassionate towards such activities and will continue to extend its support to such organisations.



## Poverty Reduction

MSPL supported the villages to set up Self Help Groups across villages to organise income generation programs. These programs helped villagers improve their lifestyle and become independent.

## EMPOWERING VILLAGERS



## Empowering Women

Women act as change agents for all community development initiatives. We believe that a progressive society is one where women are self-reliant and confident of their capabilities, judgment and ability to garner resources. The objective of the SHGs in our adopted villages is to empower women who display the power of self-reliance. During the reporting year, 115 women successfully completed the six-month tailoring training program and one sewing machine was provided to each participant. This will help women to generate income in years to come.

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## A Safer Home

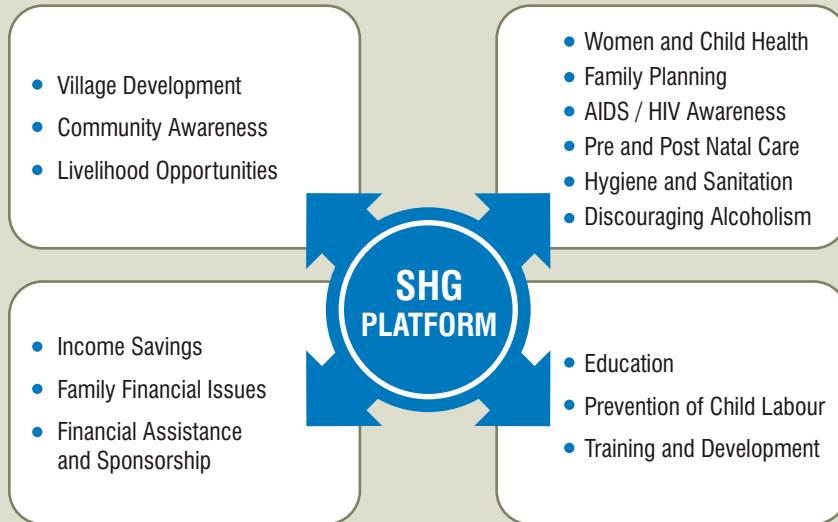
**Name:** Gauramma

**Age:** 28 years

**Village:** Galemmanagudi

I have a family of four which includes my husband, two children and me. We used to live in a small thatched house. Living in a thatched house is difficult and we had always yearned for a pukka house that will keep our family safe and comfortable. We applied for a loan to the Gram Panchayat and subsequently they sanctioned INR 35,000. In order to issue this amount, the panchayat asked us to construct the foundation on our own. We were unable to manage funds as it was difficult to make the ends meet. At this time, our friend Parvathy told us about MSPL Self Help Groups operating successfully across the village, and we decided to approach them. MSPL immediately sanctioned the amount of INR 10,000 as a revolving fund to SHG and hence helped us realise our dreams. Now, I have a house to keep my family safe and secure. Like me, MSPL has helped many families in making their dreams come true. I have already repaid the debt of INR 1,000. Thanks MSPL!

## WOMEN EMPOWERMENT THROUGH SELF HELP GROUPS (SHGs)



### SHG Platform

In this reporting period, 30 SHGs were given financial assistance on a revolving fund basis to further the goals of village development and improve economic status of women by creating income generation programs. As our SHG program has gained recognition and reception among women and the village communities, we have now mooted our efforts to further support such groups. Apart from the recognition that SHGs have brought in for MSPL in the villages, the real benefit has been witnessed in the better standards of living of people in the villages since they have been formed.

The following table depicts the families that were covered in adopted villages through SHGs:

Village Name	Total Families	No. of Families Covered	Percentage
Hanumanahalli	550	256	47
Danapur	320	96	30
Galemmanagudi	203	69	34
Ingaligi	210	38	18
Kanavihally	392	148	38
Basapura	235	84	36
Halavarthi	460	170	37
Jaishingpur	203	90	44
Vyasanakere (VIOM)	30	27	90
Ningapura	960	15	2
Shankarnagar	130	14	11
<b>Total</b>	<b>3,693</b>	<b>1,007</b>	<b>28</b>





## Woman Entrepreneur

**Name:** Kotramma

**Age:** 36 years

**Village:** Hanumanahalli

Three years ago, under the direction of MSPL, my family, along with 14 other families, formed a Self Help Group called "Shri Renuka Devi Mahila SHG". Our SHG has INR 2.5 lac in its account in the bank. We have balanced transactions and keep track of everything. I had a desire to open up a small shop in front of my house and it would cost me around INR 25,000. The members of my family gave me an amount of INR 15,000 to INR 20,000 on interest to help me do so. When it came to purchasing shop items and other accessories, there was a shortage of money. During that stage, I took a loan of INR 5,000 from the SHG. As the shop is situated next to a school, I have been able to make an average profit of INR 50 per day. This sustains my family, who also support me in running the business. MSPL has empowered us through SHGs and enabled us to invest more in Income Generation Programs through loans. They have also constructed toilets and provided LPG connections to the villagers. We shall always remain grateful to MSPL for their sincere efforts in making us self-reliant and confident.

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Since the beginning, so far, we have supported a total of 53 SHGs that have been able to mobilise INR4.5 million for the benefit of its group members.

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### Empowering the Girl Child

The principle of gender equality, which is enshrined in the Indian Constitution, has been a part of MSPL's core ethos. We aim to empower women by making them self-reliant through two basic tools - education and employment. Similarly special attention was also given to educate girls and reduce their school dropout rates. In this reporting year, we motivated 13 school dropouts to rejoin classes by supporting their families financially.

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### Youth Development

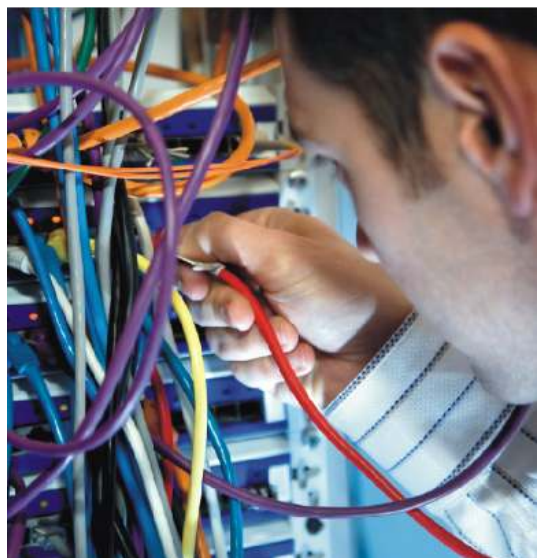
Most of the educated youth who live in the rural areas are unable to realise the full potential of their skills due to their

ignorance, poverty or lack of opportunity. Considering this, our CSR team actively interacts and engages with all categories of people in rural areas, to understand their needs, explore their strengths and enhance their skills with requisite support. We also provide financial support to youth in villages to help them pursue technical training and education. On completion of their training, some of them will be considered for employment at MSPL.

We also support village youth to explore various opportunities in the field of information technology and have accordingly established computer centers at Hanumanahalli. People from other villages such as Galemmanagudi and Danapur have also been benefited.

### Sports for the Youth

As a continuing endeavor to encourage sports among rural youth, we sponsored prizes and certificates for the sports meet held at the villages of Jaishingpur and Kalahalli. These sports meets organised every year by the villagers, aim to promote rural sports and create unity among the neighbouring villages.





## Encouraging Independence

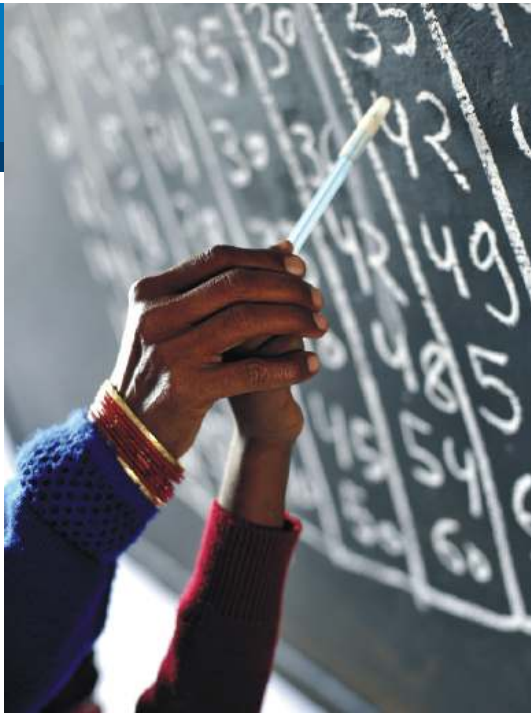
**Name:** Kudathinimaggi Laxmi

**Age:** 25 years

**Village:** Kanavihally

I hail from a family where my parents could not support my education after class 6. Our life continued with financial woes for many years. I was eventually married off at an early age. My responsibilities increased after marriage as we had to take care of two families. I had to work as a coolie (labour work) for daily wages. Despite working for over 10 hours a day, I used to earn a meager income. Fortunately, I discovered the tailoring training program offered by MSPL for rural women. I joined the course and learned the basic skills in six months. MSPL offered free sewing machines to all the successful candidates. This enhanced my confidence and empowered me to earn on my own. Today I am earning an average of INR 100 per day and around INR 2,500 per month. This also allows me to continue with my household work. This wonderful tailoring initiative by MSPL not only improved my standard of living but also enabled me to provide better education for my children - something that I had lost at an early age. I sincerely thank MSPL for bringing such a positive change in my life.

## EDUCATION



### Responsible Education

MSPL has been unwavering in its endeavor to help education percolate right to the grassroots level. In 2009, India brought about reforms in education with inking of the elimination of CBSE Class X Board Examination from 2011 and enactment of Right to Education Act. We continue to promote excellence in education through fellowships, gold medals to top rankers, financial support to students pursuing engineering and medical courses. We also distribute notebooks, computers and furniture to schools. In the reporting year, our education endeavors were recognised at the third International Global Communication Association (GCA) India Conference held at Bangalore, where the Baldota Group was conferred a special award for its contribution in the field of education. The conference was jointly held by GCA and the Public Relations Council of India (PRCI) on 26 November, 2009.

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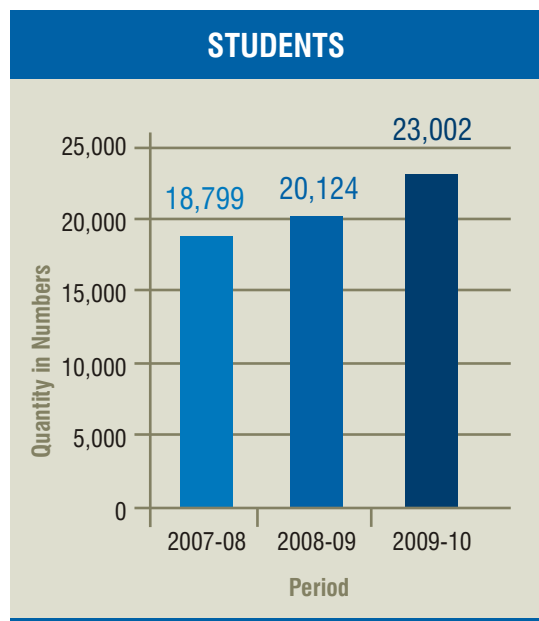
### The Baldota Fellowship Program

MSPL has remained a close partner to the University Centre for Earth and Space Sciences (UCESSE), Hyderabad. We offered four fellowships this year to promising students to pursue a post graduation program in the field of mineral exploration at UCESSE. The fellowship worth INR 0.3 million was provided to each of the students for tuition, hostel fees and fieldwork expenses. The students need to clear a competitive national level examination in order to win the fellowship of this program. We also provided laptops to the first batch of students who enrolled for the fellowship program. In total, we have offered 13 fellowships to UCESSE since its inception in 2006.

### Distribution of Learning Essentials

The Abheraj Baldota Foundation continued its notebook distribution program organised on 23 June, 2009. Inaugurated by Mr. Narendrakumar A. Baldota, CMD of MSPL, the event witnessed the distribution of 125,000 notebooks to 23,002 students in 88 schools of Hospet Taluka and 7 schools of Koppal Taluka. The students expressed their gratitude towards the foundation and shared the helpfulness of notebooks distributed last year.

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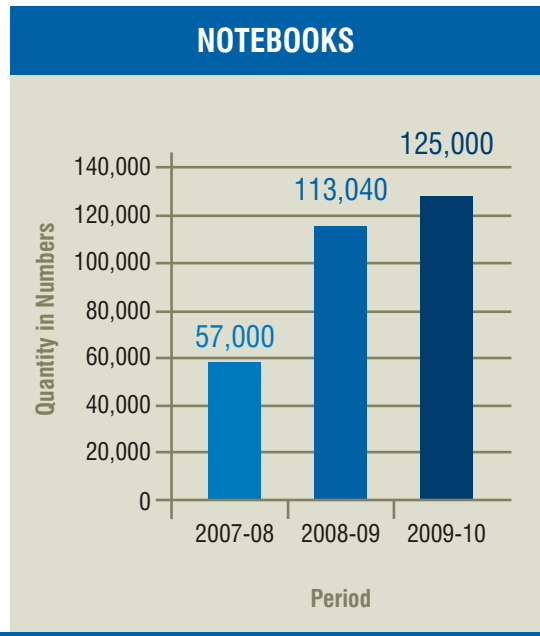
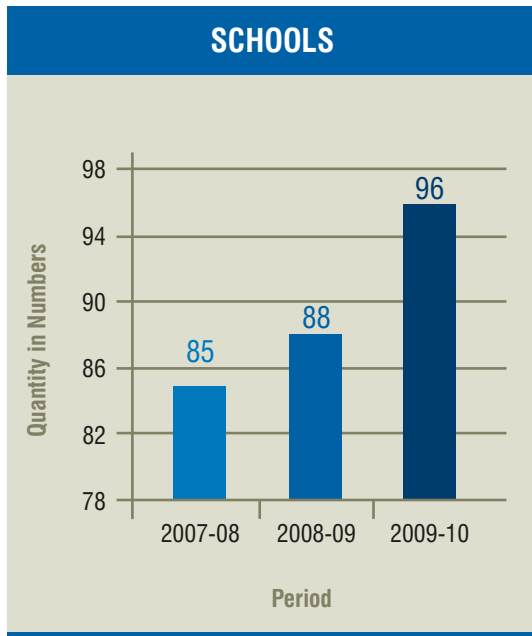
## Back to School

**Name: Vanitha**

**Age: 18 years**

**Village: Hanumanahalli**

Despite my interest to continue school education, after class 8 my family's financial situation forced me to support my mother in household work and discontinue further education. When it seemed the end of my academic life, MSPL not only helped my family financially but also supported me to resume education. Backed by the support of MSPL, I studied from home and appeared for the Class X Board examination. I had a hard time grasping subjects like English and Science due to lack of teachers and tutorial classes. I approached MSPL and they were quick to respond by appointing dedicated teachers and arranging free tuition classes for all village students like me. This timely help benefited over 25 students of our batch and it helped me and my classmates to clear all papers in board examination with good marks. I thank MSPL for improving the education standards of our village for a better future. MSPL's specific drive of identifying and encouraging school dropouts to rejoin school have received good response and motivated many to get back to school.

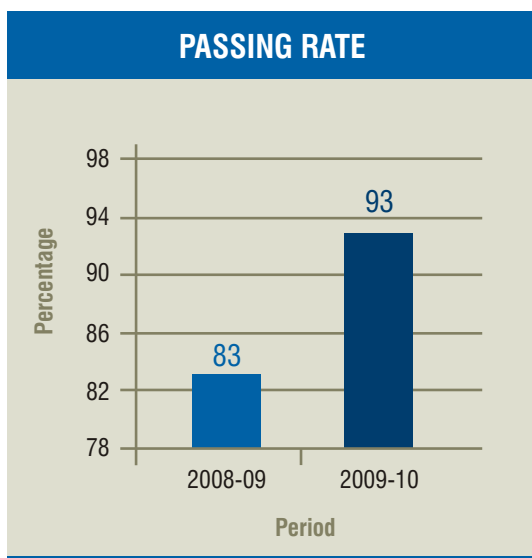


### Special Tuition Classes

We conduct special tuition classes for average-performing students to perform better in the board examination that is conducted by State Government. We have appointed dedicated teachers to conduct these special classes. Since its inception, 90 students from Hanumanahalli and Danapur villages had participated in the initiative and were benefited.

The percentage of students who cleared their examination successfully this year as compared with last year has increased by about 10 percent.

successful in orienting and motivating young minds to understand their responsibilities towards nature. The awareness programs focussed on wildlife conservation, environmental protection, energy and resource conservation and global warming.



### Environmental Awareness Education through Radio Campaign

We continue to broadcast 'Hasire Usiru', an infotainment program, to propagate environmental awareness among school children across the Taluka. The program was



### World Environment Day (WED) Celebrations on 9th June, 2009

9 June 2009 – Mr. Mahesh, Environmental Officer at MSPL Limited highlighted the activities carried out by MSPL on the occasion of WED 2009. It was a live phone-in program open to public for queries / clarifications / suggestions on the subject.

### Experts Speak

At the Environment Awareness program held on 18 October 2009, Dr. Suresh Heblikar and Dr. Sharatchandra Aravinda, renowned Environmentalists shared knowledge and emphasised the need for awareness among communities, especially students.

## HEALTH, HYGIENE AND SANITATION



enlighten our communities toward the adoption of this new way of life. Around 200 residents of Hospet had participated and appreciated the initiative. Following the success of these programs, we have initiated regular yoga training camps for our neighbouring communities and for school students. Apart from this, regular yoga classes are being conducted on a daily basis at the Baldota Park where about 100 people continue to participate and benefit from the program.

### Providing Clean Drinking Water

Clean drinking water is indispensable to human life, yet 1.1 billion people across the globe lack access to clean drinking water, according to a report by the UN and the World Health Organisation (WHO). In fact the UN attributes to about 2.2 million deaths annually to poor quality of water and sanitation. We have set up a water purification plant (Reverse Osmosis systems) at VIOM to provide safe and sufficient drinking water to our staff and their families residing at the mines colony. This water purification plant has a capacity of 1,000 liters per hour, and provides safe potable water.

### Eye Camps and Treatment

Abheraj Baldota Foundation has been sponsoring free eye check-up camps since 2002 and conducts four such camps every year. In the reporting period, 290 patients were screened for eye diseases and 194 were operated for cataract.

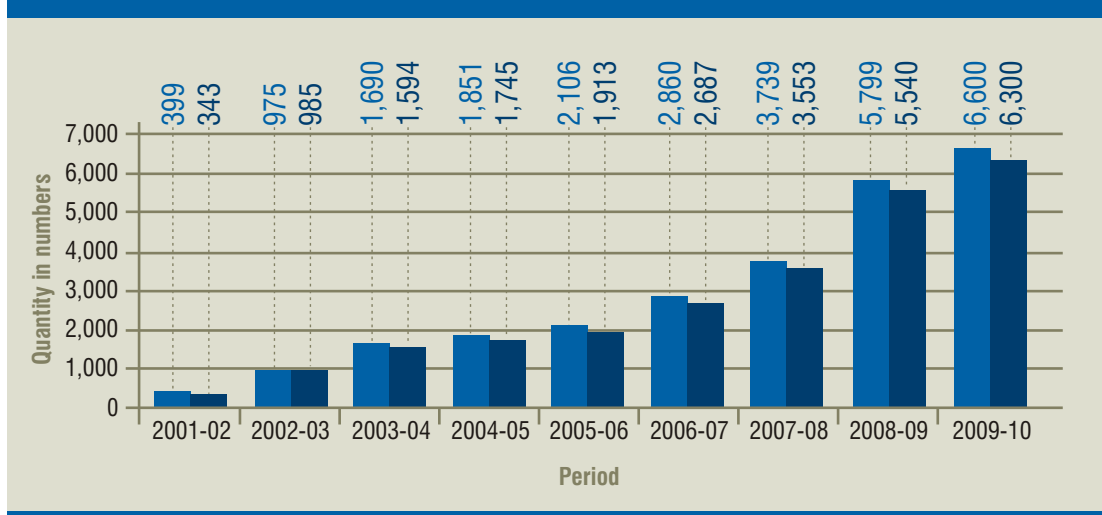
### Yoga Fitness Camps

We had organised a large-scale yoga training camp led by yoga guru Baba Ramdev. Subsequently, through a six-day yoga science camp at Baldota Park, Hospet and a five-day yoga camp at Danapur, we have been able to enrich and

### Donating Blood - Saving Lives

Our objective of creating the Smt. Vasantidevi Baldota Blood Bank is to provide blood to the needy, especially when there are no dedicated blood banks within 100 kilometer radius in the region of Hospet. Since its inception in 2001, the blood bank has been assisting many by providing blood in times of need. The quantum of blood collected by the blood bank has significantly increased over the years. We have a full time medical officer and trained medical staff to ensure safe and best practices. Our staff also counsels blood donors on HIV/AIDS and other communicable diseases to create awareness.

## BLOOD DONATION TREND SHEET



■ No. of Units collected

■ No. of Units issued

## Sanitation

Hygienic sanitation facilities are basic human necessities – something that many rural areas remain deprived of. Most of the communicable diseases affecting children are due to unhygienic sanitation practices. Our study on sanitation revealed that only 5% of the total families in the village had sanitation facilities. With our continued effort and dedication, we have constructed 250 toilets for 250 families in seven villages during the reporting period.

By March 2011 we expect to complete another 750 toilets. This program received good response from the residents, district administration and the village community as a whole and has made our intervention successful.

To improve the quality of mid-day meals, various kitchen utensils for grain storage, drinking water storage as well as furniture were provided to 6 schools and 15 pre-schools, which benefited 1,720 and 620 students respectively.

## Contributions and Sponsorships

Amount (INR)	Cause	Description
0.5 million	Eye Care	An event 'Hope for Light' was organised at New Delhi by Mahavir International - an NGO working to provide quality healthcare, especially for the underprivileged. This contribution will assist the organisation in their initiative to eradicate cataract problems.
0.3 million	Youth Education	We sponsored furniture and fixtures to the residential wing of Yuva Vikas Kendra. This will help further SEIL's cause of providing accommodation to 50 students.
0.1 million	Facilitating Higher Studies	The Baldota Group encourages budding students by ensuring that financial instability does not hamper their academic ability.
0.5 million	Rehabilitation of the sexually exploited	Prajwala, an NGO, envisions a trafficking-free society wherein no woman or child is sexually exploited. We contributed towards the rehabilitation of over 600 survivors of trafficking instances.
10,000	Community Healthcare	We facilitated medical treatment for people other than MSPL employees. Towards this, we assured healthcare for needy patients by contributing for their medical expenses.

## Abheraj Baldota Environment Award

In 1991, FIMI instituted various environment awards to recognise sustainability initiatives in the mining industry. One such award is the Abheraj Baldota Environment Award, presented every year to honour the forerunner of environmental stewardship in the mining industry.

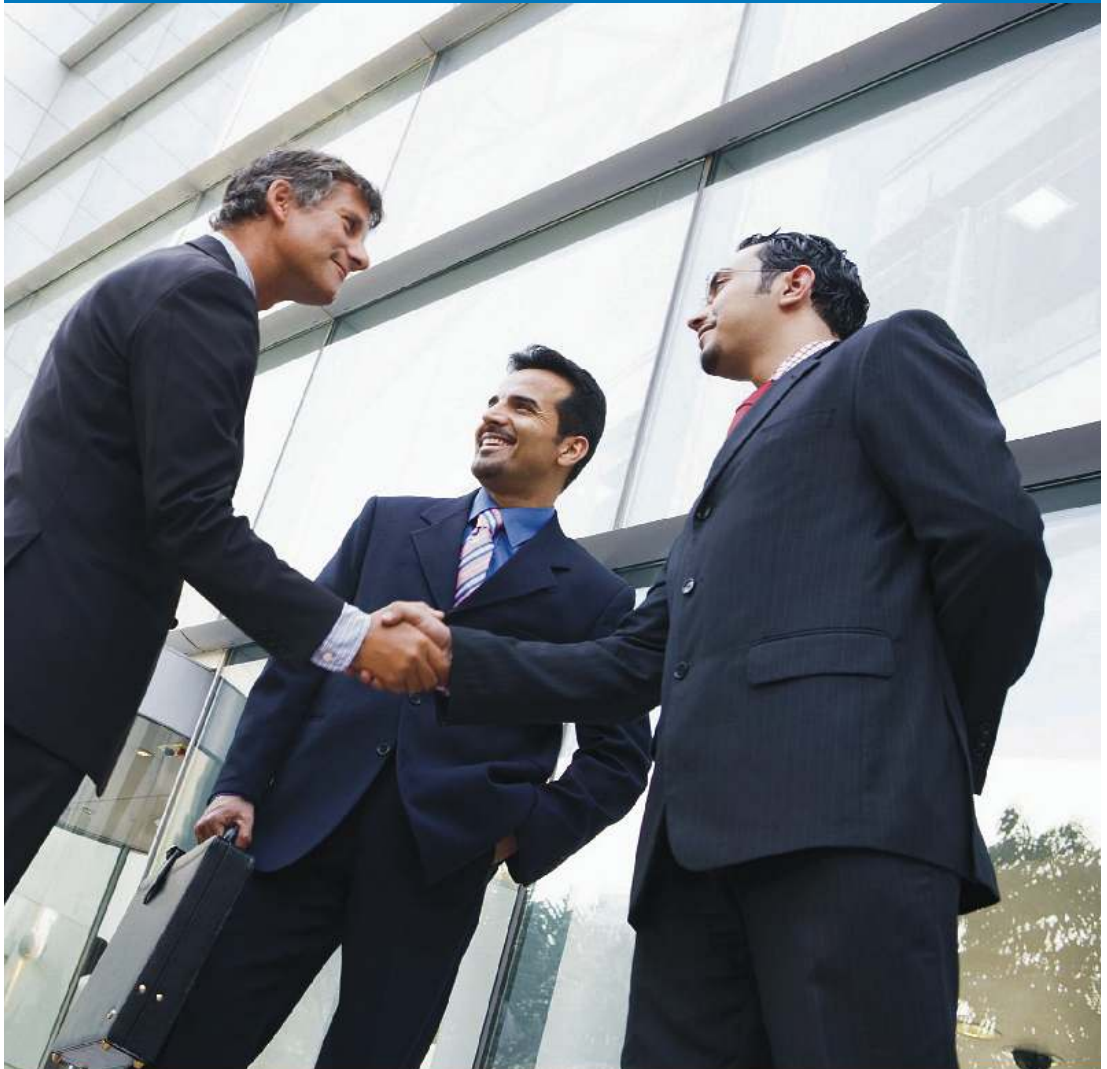
On 15th September, 2010, the Abheraj Baldota Environment Award 2009-10 was accorded to the Noamundi Iron Mine at New Delhi for its outstanding contribution towards sustainable development through responsible and holistically sound methodologies.



# A POSITIVE WORKPLACE AND CULTURE

## MANAGEMENT APPROACH

Employee safety, satisfaction and welfare are at the heart of our business. We practice non-discrimination and provide equal opportunities both in recruitment and employee performance assessment processes and associated remunerations, thus managing the risks of unfavourable attrition. We engage with our employees regularly and have mechanisms to assess career satisfaction and plan career enhancement.



## HUMAN RESOURCE MANAGEMENT

We, as an employer, believe in diversity within our organisation. We provide equal benefits to all our employees and adhere to our policy on non-discrimination. We have grown significantly in terms of people management skills over the years.

## RECOGNITION & BENEFITS

Our employees enjoy complete benefits ranging from life insurance to retirement provision. All our permanent employees are provided the required benefits as the law demands. Contractors take the responsibility of recruitment of labourers. We also make efforts to retain contract workers who have been associated with us for long.

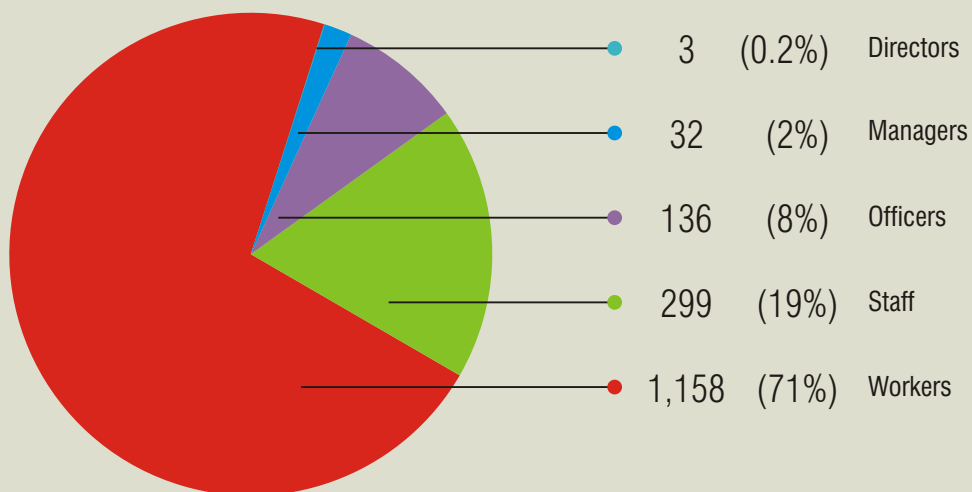
We strive for employee satisfaction and welfare and are open to have regular communication as and when required by the employees.



We are open, honest and transparent to all our employees in every business activity that we perform. We strive for employee satisfaction and welfare and are open to have regular communication as and when required by the employees. In order to improve employer-employee relationship and communication, we seek to provide our employees with constant feedback from the management. This is done through our leadership forum in which all managers from across our operations participate. At the forum operational level issues are discussed and communicated which in turn is shared with all other employees. This forum also serves as a platform where significant operational changes like restructuring, expansion, takeovers etc. are communicated. There were no significant operational changes during the reporting period.



## EMPLOYEES ON PERMANENT ROLE

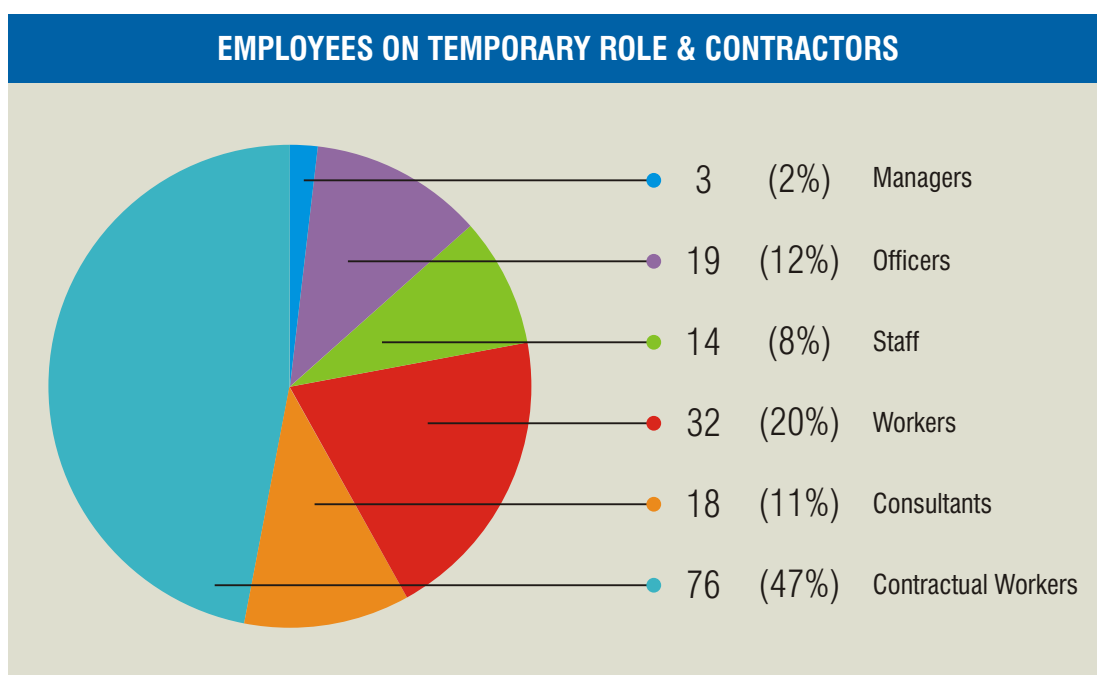
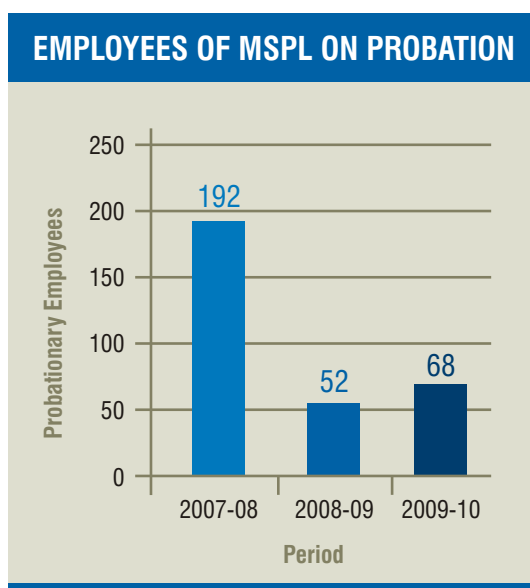
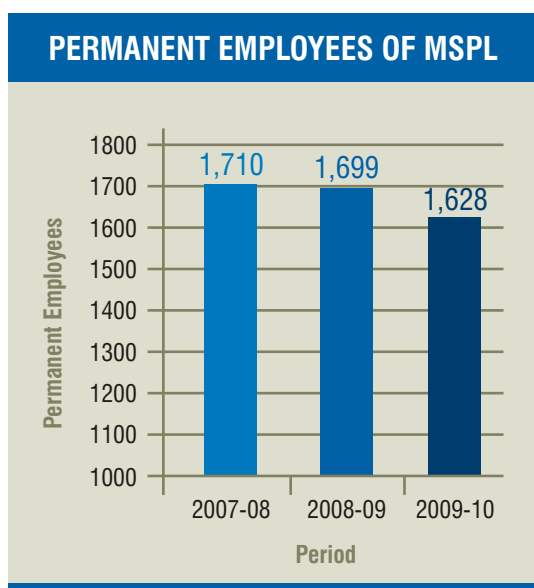


At the end of this reporting period, MSPL family consisted of 1,628 permanent employees. A majority of the employees at MSPL are workers, consisting 71% of the total employee strength.

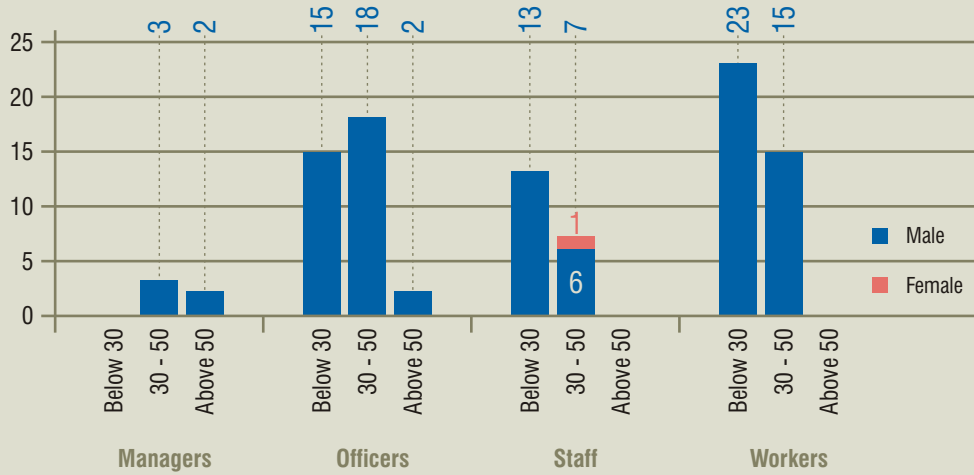
As our pellet plant is expected to be commissioned shortly, we are in the process of recruiting more people.

The number of employees who are on probation (employees who have joined MSPL within 6 months prior to 31 March, 2010) is 68. This brings the total number of employees (permanent and probationary employees) to 1696.

The number of contractual workers is 76 and these include only our contract workers in our mine area. This category accounts for 4.28% of the total employees (permanent, temporary and contractual).

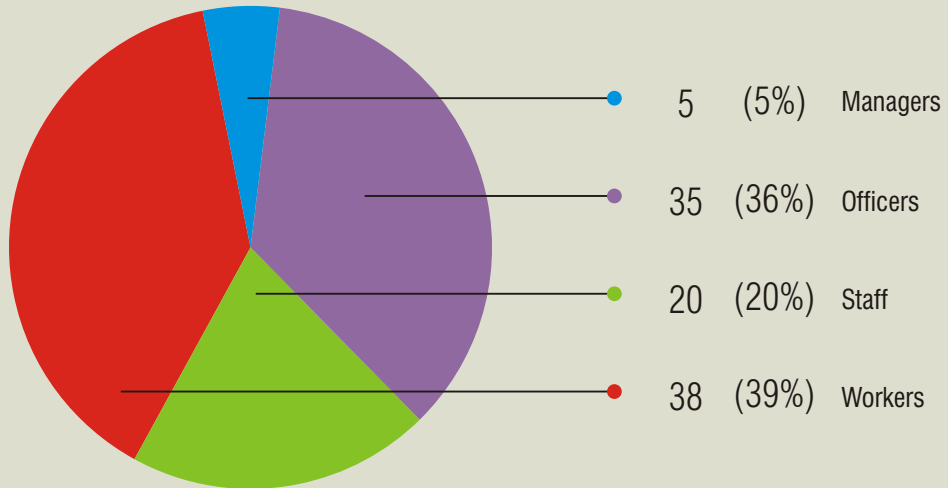


## TOTAL NUMBER OF EMPLOYEE ADDITION BY TYPE, AGE GROUP AND GENDER

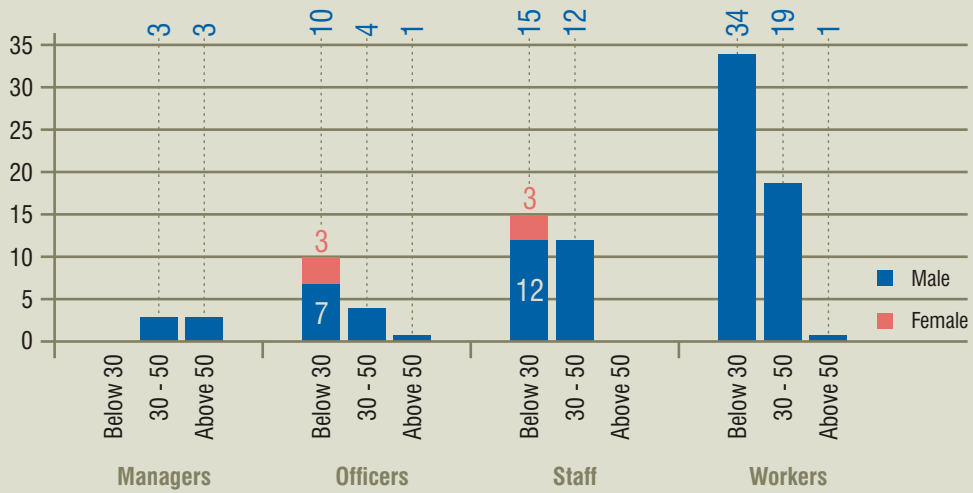


There were a total of 98 employees who joined the MSPL family in the previous year. Out of these employees, about 95% were below the manager's category. The break-up is indicated below.

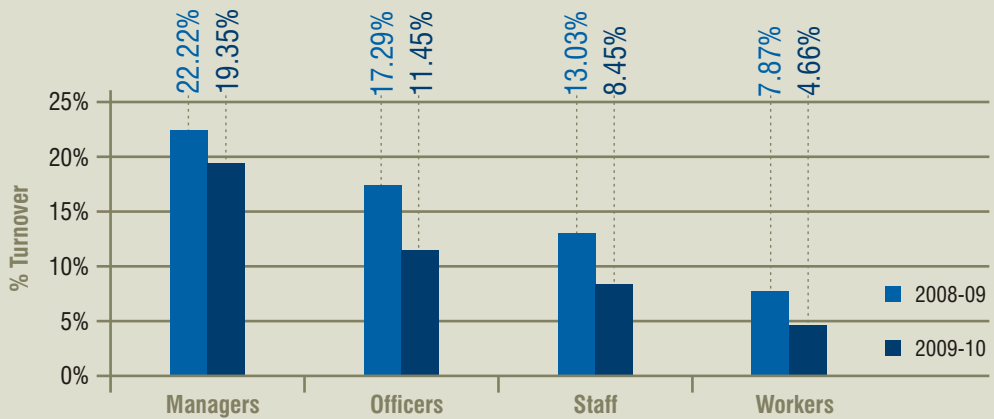
## EMPLOYEE CATEGORY BREAKUP



## TOTAL NUMBER OF EMPLOYEE TURNOVER BY TYPE, AGE GROUP AND GENDER

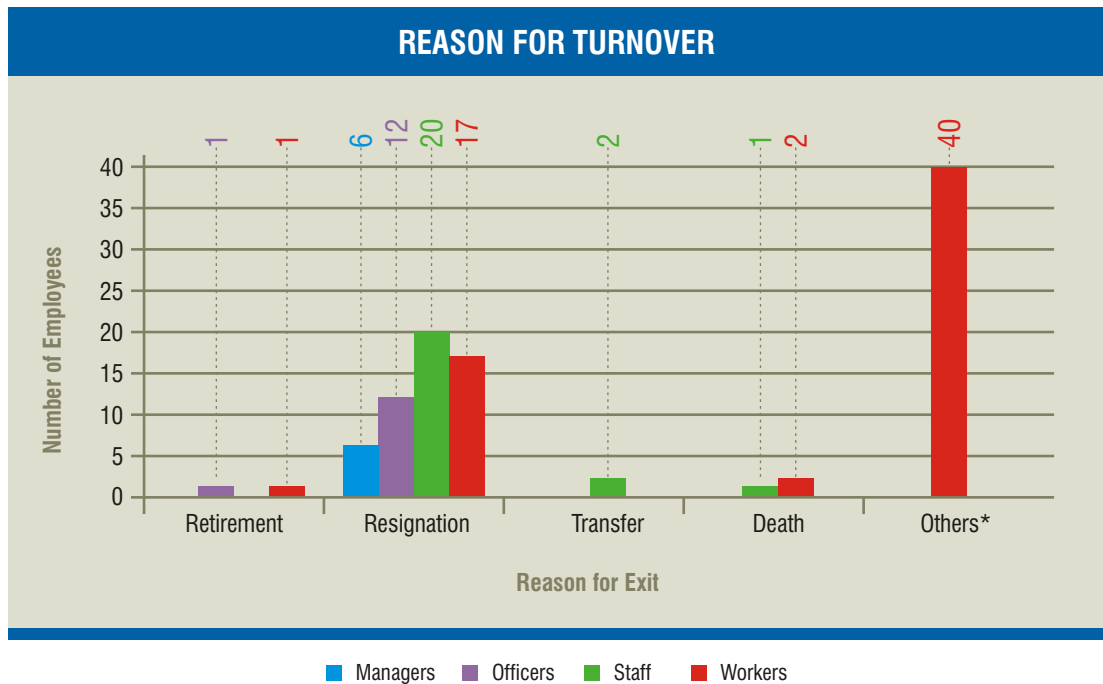


## EMPLOYEE CATEGORY



There were a total of 100 employees who discontinued their services at MSPL during the year 2009-10. This brings the turnover rate to 6.14%. In comparison to the previous year, this year MSPL has faced a lower turnover rate within each category.

During the reporting period, exit interviews were conducted for the employees moving out of the company.



\* Employees for whom the full & final settlement is not carried out in SAP and who have left MSPL without intimation.

All our contract employee wages and benefits are covered by the contractor, however we offer training to contractors to enhance their skills.

## LIST OF BENEFITS FOR PERMANENT AND CONTRACTUAL EMPLOYEES

Benefits	Permanent Employees	Contractual Employees*
Provident Fund	✓	✓
Bonus	✓	✓
Gratuity	✓	✗
Medical Insurance	✓	✗
Group Personal Accident Policy	✓	✓
Leave with wages	✓	✓
Holiday wages	✓	✓

\*Only the contract employees employed at VIOM are considered here

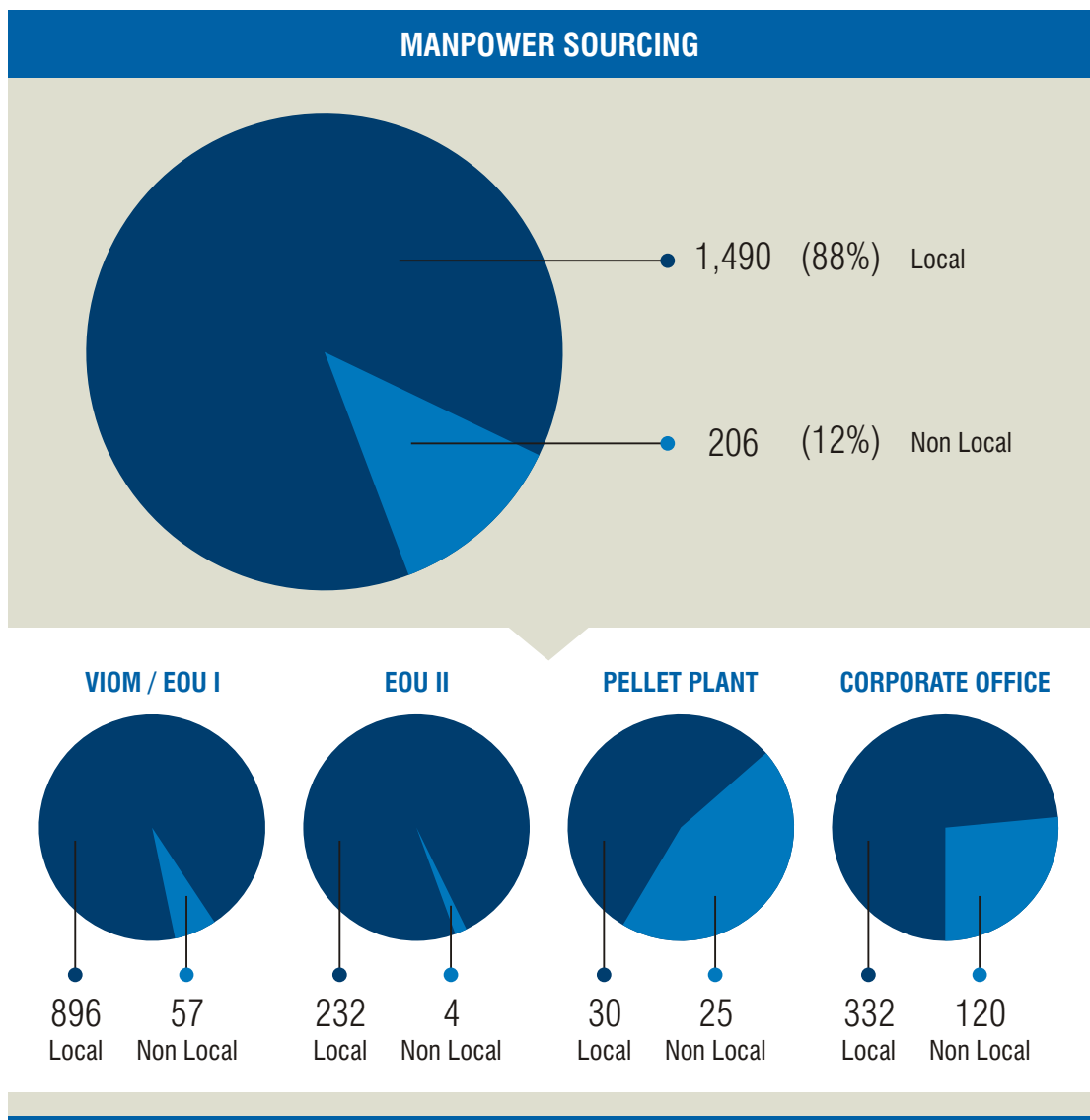
We understand that it is in our best interest to employ the best people for a given professional role regardless of their age, gender, religion, race or any other discriminatory parameter. Our employment and promotion decisions are solely made on the basis of merit and performance appraisals are carried out for all post-probationary employees. Our Performance Management System (PMS) is a performance driven process. During the year 2009-10, the system was revisited in consultation with a leading consultant. As a step to enhance our PMS we have a “Personal Profile Assessment” in place by a third party for the middle and senior management level. We encourage local hiring wherever possible to promote economic activity and opportunities in the region we operate.



## What does 'local' mean to MSPL?

Our primary preference is to candidates belonging to Hospet or Bellary district and other surrounding districts of North Karnataka. In the absence of required skill sets in the region, we extend our search to other districts of Karnataka and then to neighboring states and other parts of our country. In the reporting period, local people constituted about 88% of the work force.

In terms of our supplier selection and sourcing, though we do not have a written policy, we ensure maximum contribution to local suppliers. We have had long standing relationships with local suppliers over the years.



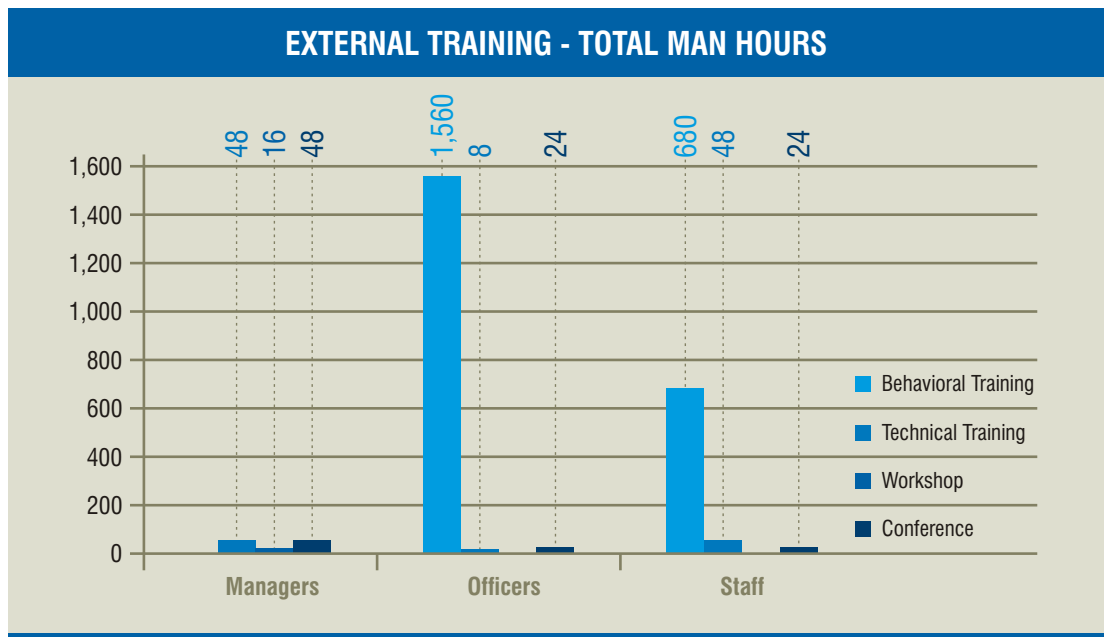
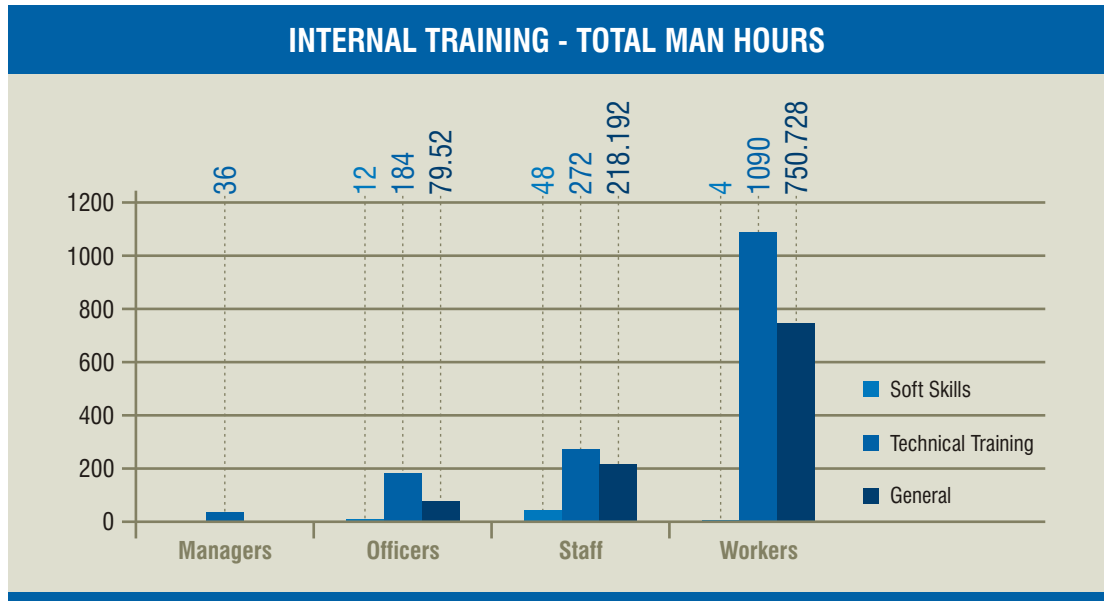
## TRAINING AND KNOWLEDGE DEVELOPMENT

People are carriers of knowledge and the organisation's most important asset. A continuous learning environment is provided to all our employees.

We encourage all our executives to participate in various workshops, seminars conducted by leading organisations

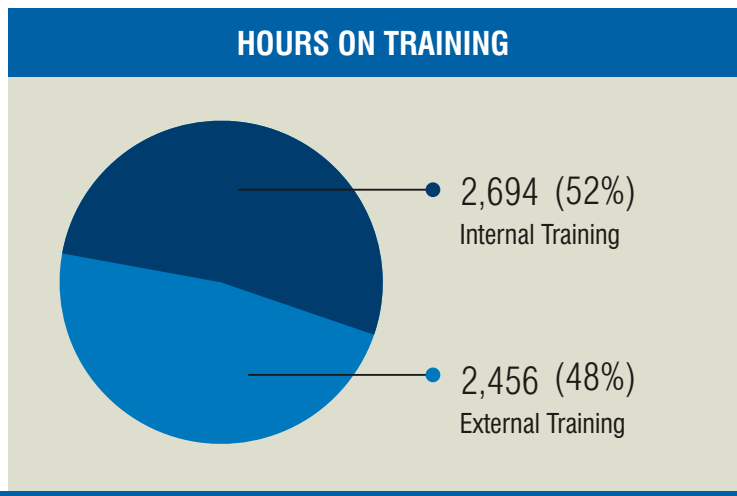
to update their knowledge and technological developments. Added to this, all employees are asked to complete mandatory trainings before they are authorised to perform any job that may have associated health or safety risks. Also within each of the company's business units we conduct safety and health trainings at sites as and when required.

Both internal and external training programmes were conducted during the reporting period.



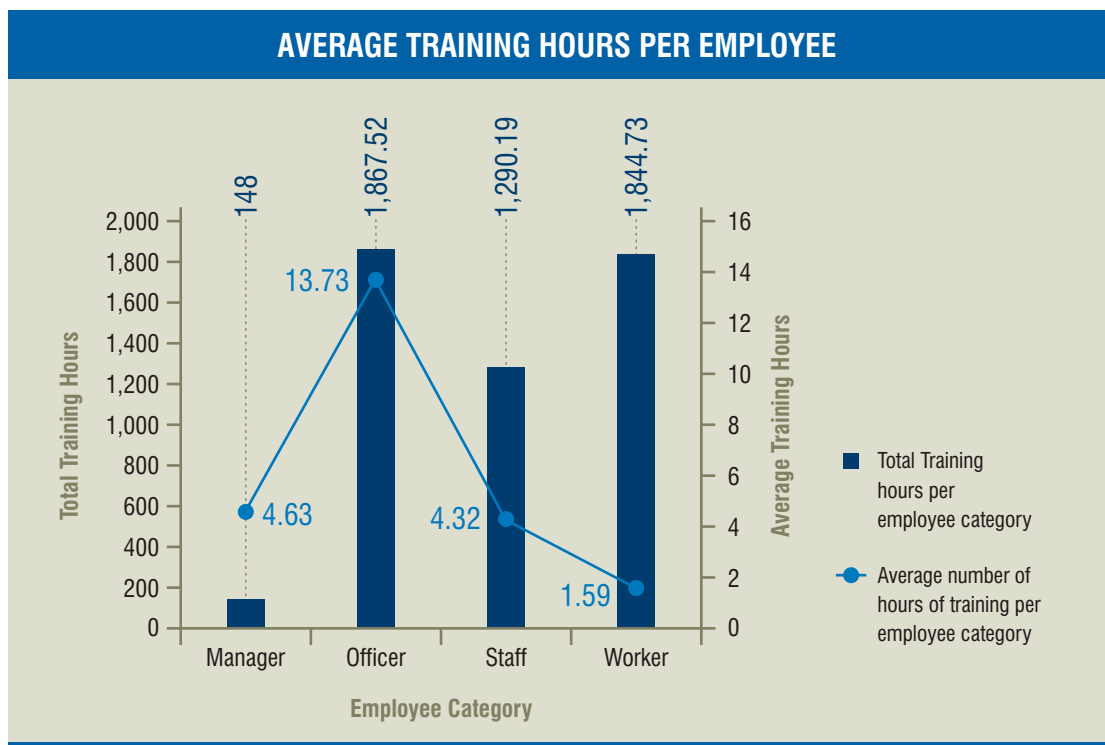


We feel our employees should be provided both internal and external training. The graph indicates the total man-hours between internal and external training programmes.



We believe that more skilled and aware work force enhances our human resources which further enhance our employee satisfaction and performance.

The figure below represents the total and average training hours per employee category. The training programmes cover technical, soft skills & general topics like safety, good housekeeping & general health related topics.



## MOTIVATION AND RECOGNITION

We recognise talents and suggestions and declare “Employee of the Month” regularly for employees' outstanding contribution in the field of pollution control, waste minimisation, resources conservation.

## HEALTH AND SAFETY

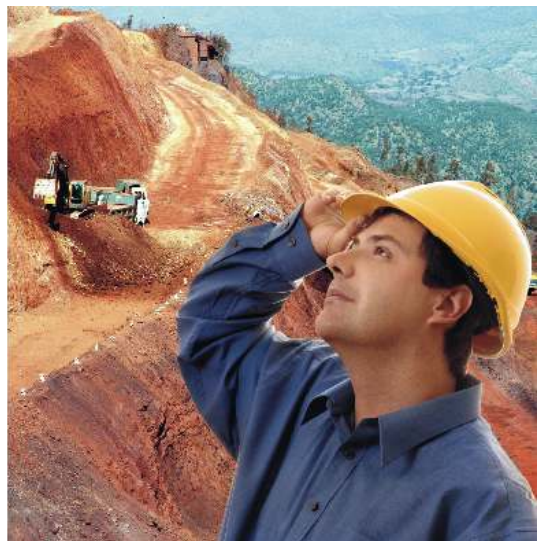
Caring, promoting and enhancing employees' health and well-being is of our primary concern. We support a healthy lifestyle for our employees against health related risks such as fatigue, stress, obesity and other diseases (HIV/AIDS/STD). Our efforts involve valuable time and money resulting in employee improved safety and health performance. We strive to have health risk management to enable us to be free from occupational related illness.

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Every employee undergoes a medical test prior to joining MSPL. An ongoing comprehensive health check-up is carried out for every employee once in five years that covers all aspects of general health. This check-up is carried out by our deputed medical staff at the mines, as well as the blood bank.

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We care for our community in which we operate in and recognise the importance of community health programmes. Our health management approach from workplace has been extended to the surrounding communities to create awareness on life threatening diseases like HIV/AIDS, community and public health.



We are committed in creating an injury free workplace where safety is considered as a part of our culture. Our mining activities involve working with large heavy equipments and explosives. We also face industrial hazards such as vehicular movement, working at heights and operating heavy machinery. Despite all these activities, we believe that all injuries and fatalities are preventable and have maintained no reportable accidents and incidents during the reporting period. We are in compliance with all required safety and health norms as safety is our prime importance across all our operations.

To further strengthen the safety at our mines, our workforce is represented in formal joint management-worker safety committee; the committee promotes the exchange of HSE information and enables management to implement HSE programs.

At present the safety committee comprises 16 members with representations from the management and non management staff and includes a Chairman and a Secretary. Currently at MSPL, the safety committee is only for VIOM.

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We believe that all injuries and fatalities can be prevented. There were no reportable accidents and incidents during the reporting period.

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**The safety committee functions with the following responsibilities:**

**Discuss remedial measures against unsafe conditions and practices in the mines**

**1**

**Discuss on installation or introduction of new mining technique, the proposed safety and health measures to make appropriate recommendations**

**2**

**Discuss report of inquiry into accident and make appropriate recommendations**

**3**

**Formulate and implement appropriate safety campaigns based on analysis of accidents**

**4**

**Meet at least once in a month to discuss on issues raised by committee members and make recommendations as it may deem fit**

**5**

**Serve as a forum for communication on safety and occupation health matters**

**6**



## HUMAN RIGHTS AND ETHICAL BEHAVIOUR

### MANAGEMENT APPROACH

We believe in the fundamental principles of upholding human dignity and respecting an individual's rights and freedom. We endeavour to adhere to the highest norms of health & safety and human rights across our operations. Our Code of Conduct, Sustainability Policy and the Human Rights Policy are being progressively implemented to provide detailed guidelines for ethical conduct and safeguarding human rights across our operations.

Human rights violation, in any form, is not tolerated at MSPL. Any case of violation is dealt with strong and definitive action. Our employees reserve the right to directly convey their grievances to the Chairman and Managing Director. As a professionally managed company, we have adopted the United Nations Universal Declaration of Human Rights in letter and spirit. It sets "common standards of achievement for all people and all nations".



## MSPL'S COMMITMENT

We conduct our business on the foundation of our core values with the support of communities in which we operate.

We are committed to improve and upgrade knowledge and skills of our employees at all levels.

We complement our work force through our policies, as human resource is our main capital.

We are committed to protect the human rights of everyone associated with our business.

A framework to assess all our suppliers and contractors with respect to human rights of their workers on issues such as minimum wage policy, forced labour, child labour, dispute settlements, etc is being planned. This framework when operational would act as a primary tool for screening our suppliers and contractors on their human rights policy.

At MSPL, we respect the rights of all our employees to form and join trade unions of their choice and to bargain collectively. Our progressively deployed policy on human rights includes freedom of association and right to collective bargaining "to permit the employees, without any direct or indirect impediments or negative consequences, for joining union membership including collective bargaining and to refrain from promoting competing workers organisations or seek control over the activities of workers organisation". However, during the reporting period no employee raised any concerns on the grounds of collective bargaining.

Being an equal opportunity employer, we recruit work force strictly on the basis of merit, need and abilities. At MSPL, we discourage discrimination of any form i.e. race, caste, nationality, origin, religion, disability, gender, sexual orientation, union membership or political affiliations or age. We also communicate and train all our employees on human rights policy to ensure that there are no discrimination in the process of employment, training,

increment, promotion, awards, rewards, and compensation. During the reporting period no employees raised any concern on the grounds of discrimination.

Our stance against child and forced labour is strong. At MSPL there are no child or forced laborers. Also we ensure no person below the age of 18 is employed through any kind of employment at MSPL. We uphold fundamental human rights and respect cultures, customs and values in dealings with our employees and others who are affected by our activities. We ensure that all work force, including security personnel, are provided with appropriate training and guidance and that safety is given priority. Security professionals at MSPL are employed on contract through third party. The security force are highly competent in performing their duties.

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At MSPL, we discourage discrimination of any form i.e. race, caste, nationality, origin, religion, disability, gender, sexual orientation, union membership or political affiliations or age.

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**STRATEGY & PROFILE**

**STRATEGY & ANALYSIS**

**ORGANISATIONAL PROFILE**

**REPORT PARAMETERS**

**GOVERNANCE & ENGAGEMENT**

**MANAGEMENT APPROACH**

**PERFORMANCE INDICATORS**

**ECONOMIC PERFORMANCE**

**ENVIRONMENTAL PERFORMANCE**

**LABOUR PRACTICES**

**DECENT WORK PERFORMANCE**

**HUMAN RIGHTS PERFORMANCE**

**SOCIETY PERFORMANCE**

**PRODUCT RESPONSIBILITY  
PERFORMANCE**

# GRI index & annexures

**ACRONYMS & ABBREVIATIONS**

**ANNEXURES - CODE OF CONDUCT**

**GLOSSARY OF MINING TERMS**

**INDEPENDENT  
ASSURANCE STATEMENT**

Give all the information to help judge the value of your contribution; not just the information that leads to judgment in one particular direction.

Richard P. Feynman

The Management and Board of Directors  
MSPL Limited  
Baldota Enclave  
Abheraj Baldota Road  
Hospet 583203  
Karnataka, India

## INDEPENDENT ASSURANCE STATEMENT

### OUR ENGAGEMENT

Ernst & Young Pvt. Ltd. (EY) was retained by MSPL Limited ('the Company') to provide independent assurance to its Sustainability Report ('the Report') for the financial year 2009-2010.

The Company's management is responsible for the contents of the Report, including identification of key sustainability issues, engagement with stakeholders and its presentation. The Company has stated in the Report that it has been prepared based on GRI-G3 guidelines. EY's responsibility is to provide independent assurance on the Report content as described in the scope of assurance.

Our responsibility in performing the assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. This assurance statement should not be taken as a basis for interpreting the Company's performance across the scope of issues covered in the Report.

### ASSURANCE STANDARD AND LIMITATION

Our assurance is in accordance with International Federation of Accountants - International Standard for Assurance Engagements 3000 (ISAE 3000) and our conclusions are for 'limited assurance'.

### OUR SCOPE

The scope of this assurance engagement covers the following aspects of the Report:

- Review of data and information related to the Company's sustainability performance considered significant to the Company's sustainability performance for the reporting period of 1st April 2009 to 31 March 2010;
- Review of Company's internal protocols, processes, and controls related to the collection and collation of sustainability performance data.

### EXCLUSIONS

Our scope excludes the following:

- Aspects of the Report other than those mentioned under 'Our Scope' above;
- Data and information outside the defined reporting period;
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided in the Report;
- Data and information pertaining to economic and financial performance of the Company, which, we understand have been taken from audited financial report of the Company.



## **OUR APPROACH**

The nature and scope of our work was based on our professional judgment and we have performed all the procedures deemed necessary to provide a basis for our conclusions. Within the scope of the engagement, we verified documentary evidence for all the selected key indicators and claims. Assumptions made by the Company for arriving at certain reported data and information against sustainability performance indicators were understood and necessary clarifications were sought and obtained.

## **OUR METHODOLOGY**

For our conclusions in this assurance statement, the procedure was based on the following key steps:

- Review of the Company's approach to stakeholder engagement and the processes for determining material issues through discussion and interviews with key members of the Company;
- Review of relevant documents provided and made available during our visit to Company's sites at Vyasankere Iron Ore Mines (VIOM) at Vyasankere and Export Oriented Units (EOUs 1&2) at Vyasankere and Ingalgi villages respectively;
- Review of relevant documents provided and made available at the Company's corporate office at Hospet;
- Review of the information flow across the Company to assess the data collection, consolidation and reporting procedures adopted by the Company;
- Challenging the information relating to Environment, Health and Safety (EHS), labour practices & decent work, human rights and social performance, specifically with respect to key performance indicators, to substantiate the assertions made in the Report, including review of evidences against selected claims and statements.

## **OBSERVATIONS AND SUGGESTED AREAS FOR IMPROVEMENT**

- The Company may further engage and educate its employees at all levels across the organization on sustainability issues through awareness creation and training programmes;
- The Company may further strengthen its stakeholder engagement process and have a management system to seek, record, monitor and address feedback from all identified stakeholders;
- The Company may strengthen its sustainability data management system and this could be through formulating a Management Information System (MIS) report pertaining to EHS and labour performances that would further facilitate access and smooth retrieval of data at all levels;
- Health and safety management including occupational health related aspects may be strengthened through having health and safety training programmes for all employees (permanent and contract) across the organization;
- The Company may have a clear communication and training strategy to communicate and train all employees (permanent and contract) across the organization on the Company's Human Rights policy and on Human Rights aspects.

## OUR CONCLUSIONS

On the basis of the work undertaken, nothing has come to our attention that would cause us not to believe that:

- The Report presents the Company's sustainability performance across its triple bottom line, covering the indicators mentioned in our scope above;
- The Report contents are presented fairly, in material aspects, in keeping with GRI G3 Sustainability reporting principles and criteria;
- The Company has demonstrated continued commitment to social initiatives through its consistent contribution to community development activities;
- The Company has initiated a number of proactive efforts to address its commitment towards addressing climate change.

## OUR ASSURANCE TEAM

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. The assurance engagement has been performed by EY team in conformity with the standard.

**For Ernst & Young Private Limited**

A handwritten signature in blue ink, appearing to read 'Sudipta Das'.

**Sudipta Das**  
**Partner**

14 February 2011  
Kolkata



## Statement GRI Application Level Check

GRI hereby states that **MSPL Limited** has presented its report Values@work to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 5 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a light blue circular background that features a faint grid pattern.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because MSPL Limited has submitted this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 4 May 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

# GRI INDEX

## STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organisation.	Fully	3-4
1.2	Description of key impacts, risks, and opportunities.	Fully	31-32
<b>2. Organisational Profile</b>			
2.1	Name of the organisation.	Fully	10
2.2	Primary brands, products, and/or services.	Fully	10
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	10
2.4	Location of organisation's headquarters.	Fully	24
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	10
2.6	Nature of ownership and legal form.	Fully	10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	10
2.8	Scale of the reporting organisation.	Fully	10, 37
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	39-40
2.10	Awards received in the reporting period.	Fully	18-20
<b>3. Report Parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	23
3.2	Date of most recent previous report (if any).	Fully	23
3.3	Reporting cycle (annual, biennial, etc.)	Fully	24
3.4	Contact point for questions regarding the report or its contents.	Fully	24
3.5	Process for defining report content.	Fully	24, 29
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	24
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	The current sustainability report covers the full scope of MSPL operations and there are therefore no specific limitations.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	24
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	24
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	24
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	24
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	89
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	85
<b>4. Governance, Commitments, and Engagement</b>			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	10-15
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	10-15
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	10-15
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	14
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	14
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	11



	If applicable, indicate the part not reported	Reason for omission	Explanation
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Profile Disclosure	Description	Reported	Cross-reference/Direct answer
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	11
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	7-9
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	10-15
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	10-15
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	25-27
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	25-27
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	20
4.14	List of stakeholder groups engaged by the organisation.	Fully	27-28
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Process employed for identification of our key stakeholders has been elaborated in our earlier sustainability report 2008-09. As committed in our earlier report, it is through reviews and discussions with employees of the organisation who are in regular contact with various stakeholders that we refine and broaden the scope of stakeholders and their respective issues.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	27-28
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Partially	Refer: 27-28 We have consistently taken feedback from our key stakeholders, specifically our customers, community & our employees. Outcome topics and concerns were mapped in detail in our previous years sustainability report 2008-09.

## STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Reported	Cross-reference/Direct answer
<b>DMA EC</b>	<b>Disclosure on Management Approach EC</b>	Fully	35
Aspects	Economic performance	Fully	37
	Market presence	Fully	37
	Indirect economic impacts	Fully	32
<b>DMA EN</b>	<b>Disclosure on Management Approach EN</b>	Partially	43
Aspects	Materials	Fully	Refer: 44-45 Raw material consumption is detailed under the relevant KPI's. Our approach to material conservation and recycling have been detailed across various environmental aspects such as water, energy, waste etc.
	Energy	Fully	Refer: 49-52 The relevant KPI's detail on our approach towards energy use, conservation and our strategy and policies.
	Water	Fully	Refer: 46-47 The relevant KPI's detail on our approach towards water use, and management. As a part of our consent to operate we comply with all applicable standards of water quality and discharge parameters. Our Mines are ISO 14000 certified and all management systems are in place to address water quality, quantity and management aspects.

	If applicable, indicate the part not reported	Reason for omission	Explanation
	Comprehensive system for all stakeholder engagement mapping	Does not exist	We plan to have an integral system for stakeholder mapping by 2014. Through this system, we can, in a consistent, complete & transparent manner, take feedback from our identified set of stakeholders and respond to key topics and concerns raised.

	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in
	Procedures related to training and raising awareness in relation to each of the Environmental Aspects.	Not available	A comprehensive training programme covering all the environmental aspects related to MSPL will be planned and rolled-out 2014.	2014

	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in
	Procedures related to training and raising awareness in relation to each of the Environmental Aspects.	Not available	A comprehensive training programme covering all the environmental aspects related to MSPL will be planned and rolled-out 2014.	2014

G3 DMA	Description	Reported	Cross-reference/Direct answer
	Biodiversity	Fully	Refer: 48 Biodiversity aspects our strategy to address biodiversity conservation have been detailed under the relevant KPIs.
	Emissions, effluents and waste	Fully	Refer: 45-47, 51-52 The relevant KPI's detail on our approach towards emissions, effluents and waste. As a part of our consent to operate we comply with all applicable standards of air emissions, noise, effluent and wastes. Our Mines is ISO 14000 certified and all management systems are in place to address emissions, effluents and waste aspects.
	Products and services	Partially	Refer: 41 Our approach to product quality, product improvement and strategies have been addressed under the relevant KPI's.
	Compliance	Fully	We are 100% compliant to all applicable laws and relevant aspects have been detailed with reference to existing laws and our adherence to the same.
	Transport	Fully	Refer: 16, 44-45 Our approach to transportation of products have been detailed under various section of the report specifically under sections of "Our operations" & "Waste management".
	Overall	Fully	Refer: 43 Our Mines is ISO 14000 certified and all management systems are in place to address water quality, quantity and management aspects with respect to various environmental aspects.
<b>DMA LA</b>	<b>Disclosure on Management Approach LA</b>	Fully	Refer: 70 Our approach to employments has been detailed across the report.
Aspects	Employment	Fully	71
	Labor/management relations	Fully	71-72
	Occupational health and safety	Partially	48, 79
	Training and education	Fully	77
	Diversity and equal opportunity	Fully	70
<b>DMA HR</b>	<b>Disclosure on Management Approach HR</b>	Fully	81
Aspects	Investment and procurement practices	Partially	Refer: 76 Our approach to procurement practices especially local suppliers have been detailed on page no. 76.
	Non-discrimination	Fully	70-71, 75
	Freedom of association and collective bargaining	Fully	82
	Child labor	Fully	82
	Forced and compulsory labor	Fully	82
	Security practices	Fully	82
	Indigenous rights	Fully	The Government of India refers to indigenous people as "Scheduled Tribes". As per this definition, there are no indigenous communities located in sites where MSPL currently operates.
<b>DMA SO</b>	<b>Disclosure on Management Approach SO</b>	Fully	55
Aspects	Community	Fully	4, 6, 32
	Corruption	Fully	25
	Public policy	Fully	39
	Anti-competitive behavior	Fully	55



If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in
<p>Procedures related to monitoring and corrective and preventive actions, including those related to the supply chain.</p> <p>List of certifications for environment-related performance or certification systems, or other approaches to auditing/verification for the supply chain.</p>	Not available	MSPL is currently in the process of advocating good environmental performance and key environmental aspects across its supply chain. We plan to do this in a phased manner and aim to complete it by 2014.	2014
<p>System to track occupation related health and safety aspects</p>	Not available	MSPL plans to put in place an elaborate occupational health and safety management approach towards monitoring, training and reporting on occupational health aspects by 2014.	2014
<p>Quantification of percentage of local suppliers across significant operations</p>	Not available	MSPL plans to put in place a system to monitor, track and account for procurement from local suppliers for applicable materials at significant operations.	2014

G3 DMA	Description	Reported	Cross-reference/Direct answer
	Compliance	Fully	30
<b>DMA PR</b>	<b>Disclosure on Management Approach PR</b>	Fully	38
Aspects	Customer health and safety	Fully	38
	Product and service labeling	Fully	38
	Marketing communications	Fully	39
	Customer privacy	Fully	38
	Compliance	Fully	39

### STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Reported	Cross-reference/Direct answer
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#### Economic

##### Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	37
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	37, 49-52
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	37
EC4	Significant financial assistance received from government.	Fully	37

##### Market Presence

EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Fully	37, 82
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Partially	76
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Partially	76

##### Indirect Economic Impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	69
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	32

#### Environmental

##### Materials

EN1	Materials used by weight or volume.	Fully	44
EN2	Percentage of materials used that are recycled input materials.	Fully	46, 47

##### Energy

EN3	Direct energy consumption by primary energy source.	Fully	51
EN4	Indirect energy consumption by primary source.	Fully	Refer: 51 The indirect energy consumption for MSPL Limited is purchase of electricity from the state electricity grid (MSPL Limited's wind farms export the electricity generated to the state electricity grid and there is no direct wheeling of electricity from these wind farms to any of MSPL Limited's operations).
EN5	Energy saved due to conservation and efficiency improvements.	Partially	52
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	49-50, 52
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	50

	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in

	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in

	Percentage of the procurement budget used for significant locations of operations that is spent on suppliers local to that operation.	Not available	It is an organisation-wide followed practice, that MSPL first sources its suppliers locally. This primarily stems from MSPL's ethos to follow sustainable business practices. Most of MSPL's suppliers are sourced locally, though the quantification of the percentage of the procurement budget used for significant locations of operations that is spent on suppliers local to that operation is yet to be made. Please also refer to DMA Human Rights aspect Investment and procurement practices.	2014
	Proportion of senior management in significant locations of operation from the local community using data of full-time employees.	Not available	The total man power sourcing depicting local as opposed to non-local has been presented. In MSPL Limited's forthcoming sustainability report, we can individually present percentage of employee sourced locally for each of MSPL's employee categories including senior management.	2012




	Quantification of energy saved due to conservation and efficiency improvements	Not available	There have been various energy efficiency improvement initiatives at the corporate office which have been effected through an energy audit study internally and we have quantified the energy saved achieved post the implementation of these measures. Going forward, we will include the same in our sustainability report.	2012

Performance Indicator	Description	Reported	Cross-reference/Direct answer
<b>Water</b>			
EN8	Total water withdrawal by source.	Fully	Refer: 46 MSPL Limited predominantly uses ground water for its operations. The same has been presented in page no. 46 of the report. By the year 2014, MSPL Limited would account all other water consumption sources (which are currently marginal).
EN9	Water sources significantly affected by withdrawal of water.	Fully	46-47
EN10	Percentage and total volume of water recycled and reused.	Fully	47
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	16, 45, 48
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	48
EN13	Habitats protected or restored.	Fully	48
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	48
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	48
<b>Emissions, Effluents and Waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	51-52
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	51-52
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	49-52
EN19	Emissions of ozone-depleting substances by weight.	Fully	47
EN20	NOx, SOx, and other significant air emissions by type and weight.	Fully	47
EN21	Total water discharge by quality and destination.	Fully	46-47
EN22	Total weight of waste by type and disposal method.	Partially	Refer: 45-46 The quantification of one of the waste categories of hazardous waste, namely, waste oil has been included in page no. 45 of the report.
EN23	Total number and volume of significant spills.	Fully	45
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Fully	45
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Fully	46
<b>Products and Services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	43, 45, 47-48, 79
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Fully	
<b>Compliance</b>			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	103
<b>Transport</b>			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	51
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Fully	44
<b>Social: Labor Practices and Decent Work</b>			
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region.	Fully	71-72
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	73-74
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	75



Performance Indicator	Description	Reported	Cross-reference/Direct answer
<b>Labor/Management Relations</b>			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	MSPL believes in the fundamental principle of preserving human dignity and respect of individual's rights and freedom of association. However, in the reporting period there were no unions / collective bargaining. Hence, there were no collective bargaining agreements.
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	71
<b>Occupational Health and Safety</b>			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	79
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	Refer: 79 There have been nil injuries during the reporting period (which has been reported in page no. 79).
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	79
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	82
<b>Training and Education</b>			
LA10	Average hours of training per year per employee by employee category.	Fully	78
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	77-78
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	75
<b>Diversity and Equal Opportunity</b>			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	11-15
LA14	Ratio of basic salary of men to women by employee category.	Fully	82
<b>Social: Human Rights</b>			
<b>Diversity and Equal Opportunity</b>			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not	82
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	82
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	82
<b>Non-discrimination</b>			
HR4	Total number of incidents of discrimination and actions taken.	Fully	82
<b>Freedom of Association and Collective Bargaining</b>			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	82
<b>Child Labor</b>			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	82
<b>Forced and Compulsory Labor</b>			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Fully	82

	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in
	Quantification of rates of occupational diseases, lost days and absenteeism by region.	Not available	No system in place to quantify rates of occupational diseases, lost days and absenteeism by region.	2014
	Total number and percentage of significant investment agreements that include human rights clauses or that underwent human rights screening	Not available	MSPL is currently in the process of advocating and including specific human rights in our significant agreements as well as human rights screening across our supply chain. We plan to do this in a phased manner and aim to complete it by 2014. Please also refer to DMA Human Rights aspect Investment and procurement practices and EC6.	2014
	The percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Not available	MSPL is currently in the process of advocating and including specific human rights in our significant agreements as well as human rights screening across our supply chain. We plan to do this in a phased manner and aim to complete it by 2014. Please also refer to DMA Human Rights aspect Investment and procurement practices and EC6.	2014
	The total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained is not available.	Not available	Training has been imparted to our employees on human rights issues and going forward, MSPL will quantify the total hours and aspects of the training programme.	2012

Performance Indicator	Description	Reported	Cross-reference/Direct answer
<b>Security Practices</b>			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	82
<b>Indigenous Rights</b>			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	103
<b>Social: Society</b>			
<b>Community</b>			
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	55
<b>Corruption</b>			
S02	Percentage and total number of business units analyzed for risks related to corruption.	Not	25
S03	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	25
S04	Actions taken in response to incidents of corruption.	Fully	25
<b>Public Policy</b>			
S05	Public policy positions and participation in public policy development and lobbying.	Fully	20
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	25
<b>Anti-Competitive Behavior</b>			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	55
<b>Compliance</b>			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	39
<b>Social: Product Responsibility</b>			
<b>Customer Health and Safety</b>			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	38
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	38
<b>Product and Service Labeling</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	6, 38
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	39
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	39
<b>Marketing Communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	39
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	39
<b>Customer Privacy</b>			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	39
<b>Compliance</b>			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	39



	If applicable, indicate the part not reported	Reason for omission	Explanation	To be reported in
	The percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not available	MSPL is currently in the process of framing a specific training programme on human rights across its supply chain.	2014
	Total number and percentage of business units analysed for risks related to corruption.	Not available	A formalized system for identification and analysis of corruption across the organisation is being planned.	2014

## FURTHER INDICATOR DESCRIPTION

<b>EN</b>	EN28	There were no incidents of non-compliance, either with environmental laws and regulations or any other regulation. Keeping in mind the complex and sensitive nature of business, MSPL ensures compliance at all levels of mining operation. As a result of better practices in place it does not fall into any circumstances of non-compliance that may lead to clean-up obligations or other costly environmental liabilities.
<b>HR</b>	HR9	The villages and community, which come under vicinity of MSPL's operations, are being taken care and their needs are effectively addressed. There have been no incidents of human rights violation raised by local communities against MSPL. However, the category of indigenous people does not exist and hence this indicator is not applicable for MSPL.

## ACRONYMS & ABBREVIATIONS

<b>A</b>	AAQ	Ambient Air Quality	<b>F</b>	FIEO	Federation of India Export Organisations
	ABF	Abheraj Baldota Foundation		FIMI	Federation of Indian Mineral Industry
	AGM	Assistant General Manager		FKCCI	Federation of Karnataka Chambers of Commerce & Industry
	AIDS	Acquired Immuno Deficiency Syndrome		FY	Financial Year
	AIR	All India Radio			
<b>B</b>	B2B	Business to Business		GHG	GreenHouse Gases
	CMD	Chairman & Managing Director	<b>G</b>	GJ	Giga Joules
	CAPEXIL	Chemicals & Allied Export Promotion Council of India		Gol	Government of India
	Capt	Captain		GRI	Global Reporting Initiative
				GCA	Global Communication Association
<b>C</b>	CDM	Clean Development Mechanism		Ha	Hectare
	CFO	Chief Financial Officer		HDI	Human Development Index
	CPCB	Central Pollution Control Board	<b>H</b>	HIV	Human Immunodeficiency Virus
	CS	Company Secretary		HR	Human Rights
CSR	Corporate Social Responsibility	HSD		High Sulphur Diesel	
		HSE		Health, Safety & Environment	
<b>D</b>	db	Decibel		HSQE	Health, Safety, Quality & Environment
	DGM	Deputy General Manager	<b>I</b>	IBM	Indian Bureau of Mines
	DG	Diesel Generator		ICMM	International Council on Mining and Metals
	DWT	Deadweight Tonnage		ICU	Intensive Care Unit
		IFC		International Finance Corporation	
<b>E</b>	ED	Executive Director		ILO	International Labour Organisation
	EIA	Environmental Impact Assessment		IMF	International Monetary Fund
	EMS	Environmental Management Systems		IMO	International Maritime Organisation
	EOU	Export Oriented Unit		INR	Indian Rupees
<b>F</b>	Fe	Iron			
	FICCI	The Federation of Indian Chambers of Commerce & Industry			

<b>I</b>	IPCC	Intergovernmental Panel on Climate Change
	IPO	Initial Public Offering
	ISO	International Organisation for Standardisation
	ITI	Industrial Training Institutes
	IUCN	International Union for Conservation of Nature
	IWPA	Indian Wind Power Association
<b>K</b>	Kg	Kilograms
	KIAD	Karnataka Industrial Areas Development Board
	KPI	Key Performance Indicator
	KSPCB	Karnataka State Pollution Control Board
	KVA	Kilo Volt Ampere
	kWh	Kilo Watt Hour
	<b>L</b>	LPG
<b>M</b>	M Tech	Masters in Technology
	m <sup>3</sup>	Cubic Meter
	MD	Managing Director
	MEAI	Mining Engineers Association of India
	MoEF	Ministry of Environment and Forests
	MoCA	Ministry of Corporate Affairs
	MT	Metric Tonnes
	MTPA	Million Tonne Per Annum
	MW	Mega Watt
	<b>N</b>	NACO
NGO		Non Governmental Organisation
NOx		Oxides of Nitrogen
<b>O</b>	O&M	Operation & Maintenance
	OHSAS	Occupational Health & Safety Advisory Services
<b>P</b>	P.U.C	Pre University Course
	PCB	Pollution Control Board
	PHC	Public Health Centre
	PLF	Plant Load Factor
	PMS	Performance Management System
	PPE	Personal Protective Equipment
	PRA	Participative Research Assessment

<b>P</b>	PRCI	Public Relations Council of India
	PVS	P. Venganna Setty and Brothers
<b>R</b>	R&D	Research and Development
	RMML	Ramgad Mines and Minerals Limited
	RO	Reverse Osmosis
	RSPM	Respirable Suspended Particulate Matter
<b>S</b>	SHG	Self Help Group
	SMIOR	Sandur Manganese and Iron Ore Co. Ltd.
	SOx	Oxides of Sulphur
	SPM	Suspended Particulate Matter
	SPV	Special Purpose Vehicle
	STD	Sexually Transmitted Disease
<b>U</b>	SWaN	Society for Wildlife and Nature
	UN	United Nations
	UNCESS	University Centre for Earth and Space Sciences
	UNFCCC	United Nations Framework Convention on Climate Change
	UNGC	United Nations Global Compact
	UNICEF	United Nations International Children's Emergency Fund (now known as, United Nations Children's Fund)
	UNMDG	United Nations Millennium Development Goals
	UNUDHR	United Nations Universal Declaration of Human Rights
	USD	United States Dollar
	<b>V</b>	VIOM
<b>W</b>	WHO	World Health Organisation

## GLOSSARY OF MINING TERMS

	Beneficiation	The treatment of ore & increasing its mineral content.
<b>B</b>	Blasting	Process of detonating explosives to loosen rock for excavation.
	Byproduct	A secondary metal or mineral product recovered in the milling process.
<b>D</b>	Drill	There are various types of drills for exploration such as a diamond drill (produces core) or reverse circulation drill (produces chips). Other types of drills are used in the mining process which do not produce a core, but are used to make circular holes in the rock which are filled with explosives for blasting to loosen the rocks.
	<b>E</b> Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.
<b>M</b>	Mineral	A naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favourable conditions, a definite crystal form.
	Open pit	A mine that is entirely on the surface and not underground. Also referred to as, open-cut or open-cast mine.
<b>O</b>	Ore reserves	The calculated tonnage and grade of mineralisation which can be extracted profitably; classified as possible, probable and proven according to the level of confidence that can be placed in the data.
	Overburden	The associated waste rocks occurring with Iron Ore is termed as overburden. Stripping is the operation of removing the overburden prior to the working of the mineral.
<b>P</b>	Pellet	A marble-sized ball made from iron ore fused with additives clay and coke. It is intermediate product for use in steelmaking.
<b>R</b>	Reclamation	The process of returning the land to another productive use after mining has been completed. (or) The restoration of land and environmental values to a surface mine site after the ore is extracted. Reclamation operations are usually underway as soon as the ore has been removed from a mine site. The process includes restoring the land to its approximate original appearance by restoring topsoil and planting native grasses and ground covers.
	Recovery	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.
	Resource	The calculated amount of material in a mineral deposit, based on limited drill information.
	Run of mines	The iron ore mined in its natural unprocessed state at the pit head prior to treatment of any sort.
<b>T</b>	Tailings	Material rejected from a mill after most of the recoverable valuable minerals have been extracted.
<b>Z</b>	Zone	An area of distinct mineralisation.

# ANNEX - I

## CODE OF CONDUCT

### Corporate and Organisational Values

#### 1 Integrity - doing what is right

Personal integrity, upheld on a day-to-day basis, is the unshakeable foundation for corporate integrity. Long-term, trusting business relationships are built by being honest, open and fair.

Employees are expected to uphold the highest professional standards.

#### 2 Gifts

Employees will not solicit any gifts from their business relationships. Employees shall reject unsolicited gifts that may be perceived as intended to / likely to influence any business decision. Acceptance of cash gift is prohibited.

#### 3 Conflict of Interest

Employees, whether dealing in personal or official capacity, are expected to avoid activities, agreements, positions, business investments or interests, and other situations that are in conflict or appear conflicting with interests of the Company or that may interfere with their individual performance. Towards this, employee are required to make disclosures to the Compliance Officer (Company Secretary) relating to all material, financial and commercial transactions, where their personal interest may have potential conflict with the interest of the Company at large (e.g. Dealing with Company's shares, commercial dealings with Baldota Group Companies). Such disclosure should be made as soon as an employee develops personal interest in any transaction conflicting with the interest of the Company at large.

Employees may not knowingly engage in any conduct or activities that are inconsistent with the Company's best interests.

Concerns about conflicts of interest may be addressed through either:

- Prior approval in writing or
- Complete and timely disclosure to appropriate organisational authority.

It is always conflict of interest to work simultaneously for a competitor, material customer or supplier.

#### 4 Legal Compliance

The Company's policy on legal compliance requires every employee to adhere to the legal and regulatory requirements, in all material respects, that affects his or her job. Employees must adhere to this policy on legal compliance and associated reporting.

It is essential that information provided to the regulators is accurate and not misleading.

#### 5 Respect for People

Employees are expected to treat co-employees and business associates fairly and, irrespective of hierarchical level, with dignity and respect. Being treated fairly means that employees shall be judged on merits.

Senior Management Cadre must maintain an open line of communication and must listen to all employees.

#### 6 Environmental Commitment

The Company's business will be conducted in an environmentally friendly and responsible manner.

Employees shall:

- ensure compliance with the spirit and intent of environmental laws, regulations and standards;
- incorporate environmental protection as an integral part of the design, production, operation and maintenance of Company's facilities.

#### 7 Safety

Company assigns highest priority to the safety of its employees and all those who are influenced by the operations of the Company. No job is important enough to justify unsafe operations. Supervisors and managers are responsible for monitoring the use of all reasonable safeguards in the workplace including adherence to Company procedures, safe work practices, and wearing personal protective equipment so as to ensure health, safety and welfare of all concerned.

However, ultimately all employees are responsible for their own safety. Every employee must, for his or her own and fellow workers' health, safety and welfare, abide by the Company procedures and safe work practices, and use all appropriate personal protective equipment.

## 8 Confidential and Proprietary Information

Company information, including self-generated computer software applications, may be confidential or proprietary. Employees have to be careful about disclosure of such information to people outside the Company or to employees who need not know or possess the same.

When there is a legitimate business need to share confidential or proprietary information with outsiders, it may be disclosed after prior approval of appropriate authority and under an appropriate confidentiality agreement protecting such information.

Confidential and proprietary information must not be treated casually or left unprotected.

Employees are prohibited from using Company's property or information, or their position within the Company, for personal gain.

## 9 Financial Information

Financial information on Company's operations and performance provided to shareholders, equity analysts, creditors, newspapers and such others, whether statutory or voluntary, must be accurate and reliable.

Disclosure of financial and business information to the public at large or to any interested person shall be governed by the "Code of Corporate Disclosure Practices for Prevention of Insider Trading" prescribed by SEBI.

Communication to the Press or such other media will be organised by the Office of Chairman & Managing Director and employees should not talk about Company matters with a reporter, either on or off the record, without first contacting the Office of Chairman & Managing Director.

In order to protect the investing public, securities laws make it illegal for those with 'unpublished price sensitive information' to buy or sell securities (stocks, bonds, options, etc.). Employees must not indulge in insider trading and abide by the Company's Code of Conduct for Prevention of Insider Trading.

## 10 Company Assets, Computer Network Use and Security

Employees must make responsible use of Company assets in their personal possession such as telephones, computers and other hardware, software, Internet connection, networks and the information that runs on them in a responsible manner.

Employees must:

- use telephone, computers and peripherals and internet responsibly and primarily for legitimate business purposes and personal uses should be reasonable and kept to a minimum.
- protect the security of computer systems.
- not engage in electronic communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar.
- not use Company electronic communications systems to improperly disseminate copyrighted or licensed materials, or proprietary information.
- not use Company electronic communications systems to transmit chain letters, advertisements or solicitations (unless authorised).
- not visit inappropriate internet sites; and
- always protect information used to access computers, networks or systems.

Company's electronic communications system and information will be monitored for compliance with Company policy and applicable laws. Employees must note that they are not entitled to privacy privilege in respect of the same.

## 11 Records Maintenance and Management

Employees must maintain and manage appropriate records and information pertaining to affairs of the Company under their purview, including records and information in electronic form like e-mails, computer files etc.

## C Compliance with the Code

As a condition of employment / association with the Company, employees are expected to comply with and strictly adhere to the standards of conduct contained in this Code and underlying policies and procedures. Failure to comply the code may result in disciplinary actions. When in doubt, this Code casts the responsibility on the employee to seek clarification and guidance as to the proper course of conduct from appropriate person in the Senior Management.

Employees who are aware of any misconduct under this Code, illegal activity, fraud or abuse of Company assets must report such matters to the Chairman & Managing Director. The employees reporting any misconduct shall be suitably protected and no unjust action will be taken against any such employee for making such a report.





BALDOTA

# MSPL LIMITED

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