

एम. नारायण राव
अध्यक्ष एवं प्रबंध निदेशक



M. Narayana Rao
Chairman & Managing Director

मिश्र धातु निगम लिमिटेड
MISHRA DHATU NIGAM LIMITED
(भारत सरकार का उपक्रम) (A. Govt. of India Enterprise)
रक्षा मंत्रालय Ministry of Defence
दूरभाष : Ph.: (O) 91-40-24340201 (R): 23115342
फैक्स : Fax : 91-40-24340214
ई-मेल: E-mail : cmd@midhani.gov.in

Communication on Progress for 2012-13

MIDHANI reaffirms commitment to the UN GLOBAL COMPACT

MIDHANI, as a signatory to the UN Global Compact, reaffirms its commitment to the ten principles of UNGC initiative. MIDHANI, passing through a vibrant phase of huge capacity expansion, modernization and recruitments, acknowledges the contributions affected by UNGC to review and redefine the existing policies.

With a new pool of young talent, MIDHANI looks forward to an ambitious growth plan in terms of technological and business advancement. MIDHANI plans are equally ambitious with respect to maintaining - clean environment, high ethical values among employees, dignity of human beings to make the organization the best place to work for.

The year under review has been yet another successful year with an "excellent" MOU rating from the concerned ministry of the Government of India.

Subsequent pages provide a brief on the significant areas of progress with respect to each of the Global Compact Principles during the year under revision.

(M. Narayana Rao)
Chairman & Managing Director

MIDHANI – HYDERABAD, INDIA
UN GLOBAL COMPACT – COMMUNICATION ON PROGRESS 2012-13

UN GC PRINCIPLE		MIDHANI's STAND AT PRESENT	SIGNIFICANT CONTRIBUTIONS DURING THE YEAR
<u>HUMAN RIGHTS</u>			
Principle 1	Business should support and respect the protection of internationally proclaimed human rights	<p>India, a member of the Human Rights Council, is a signatory and fully committed to all the covenants of human rights proclaimed in the Universal Declaration. MIDHANI being a company owned by the Government of India strictly adheres to the Constitution of India while dealing with any of its stakeholders such as employees, suppliers, contractors, vendors and customer.</p> <p>Special provisions are created for deprived sections of society such as socially backward classes, physically Handicapped persons and minority categories.</p>	<p>Implemented a subsidy scheme for contract employees to enable them avail canteen facility with all employees</p> <p>An in house training program on "Health Awareness and Stress Management" was conducted by Vikalp Social and Charitable Trust, Nagpur from April 23 – 27, 2012. The training was attended by three hundred employees.</p> <p>As a part of Corporate Social Responsibility, MIDHANI has taken up the initiative of organizing skill development programme on 1.11.2012 under Women's Empowerment. In this connection two programmes viz one on poly skills and one on Open Office and internet applications have commenced. Each programme includes 30 girls students of polytechnic College hailing from economically backward families has commenced.</p> <p>A 20 Seater Swaraj Mazda Vehicle was purchased for transporting women for skill development programme.</p>
Principle 2	Make sure that they are not complicit in human right abuses	Rights of all employees are governed by various laws of the land such as Factories Act, Industrial Disputes Act, Minimum wages Act etc. The Right to Information Act provides right to every citizen to seek information from the company.	<p>A scheme has been launched to provide medical insurance to all retired employees</p> <p>Cash awards were given to children of employees of SC ST and OBC category for academic excellence.</p> <p>MIDHANI has entered into MOU with M/s ALIMCO, Kanpur for distribution of appliances to Persons with Disabilities under CSR activity on December 5, 2012.</p>
<u>LABOUR</u>			
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Elected Union of Employee is a part of the management in various forums such as Joint Council, Shop Council, Welfare Committee, Safety Committee, Canteen	The year under review concluded without any Industrial Relations (IR) issues and an excellent MOU rating from the Govt. of India.

		Management Committee etc. where issues concerning employees are discussed and decided. Revision of wages as guided by Govt. appointed committees and negotiations in a transparent manner.	Memorandum of settlement was entered with the Recognized Union under Section 12(3) of I.D. Act before ALC (Central), Hyderabad. On June 23, 2012 on the issue of revised Monthly Performance Incentive Scheme (MPIS) for 2 years.
Principle 4	The elimination of all forms of forced and compulsory labour	Employment is governed by the Constitution of India that is based on democratic principles of justice, liberty, equality and fraternity.	A survey on Customer and Employee Satisfaction has been conducted during Jan'13.
Principle 5	The effective abolition of child labour		
Principle 6	The elimination of discrimination in respect of employment and occupation	MIDHANI provides Equal opportunity in employment and freedom from discrimination based on region, religion, race, caste, creed and sex is complete. Formulated 'Prevention and redressal mechanism for sexual harassment in work place'	10 out of the 34 Management Trainees recruited during the year are women. Upcoming plant for the manufacture of fasteners has been declared as all-women plant. Existing policy on maternity leave has been revised with an Increased Maternity Leave and inclusion of Paternity Leave.
<u>ENVIRONMENT</u> Principle 7	Business should support a precautionary approach to environmental challenges	Compliance with statutory state and central laws of pollution control boards Regular checks on parameters like quality of air, water and ambient noise levels	Carbon Foot Print assessment has been carried out and scope areas as per GHG protocol identified.
Principle 8	Undertake initiatives to promote greater environmental responsibility	Upkeep of equipment and machinery at all times preparedness for emergency situations Use of renewable energy sources, continuous monitoring of specific energy consumption pattern	Projects completed during the year with focus on Environmentally friendly technologies are: Installation of Effluent treatment plant at pickling shop
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	Prompt maintenance of furnaces Afforestation measures	Improvement in Fuel efficiency of 008B furnace of Forge shop through installation of ceramic fiber lining Several greenbelts are created within the premises to improve green environment around melting shop areas Water conservation strategies such as construction of check dams and effluent treatment continued

ANTI-CORRUPTION

Principle 10

Business should work against corruption in all its forms, including extortion and bribery

Government of India promulgated Central Vigilance Commission (CVC) Act making CVC as the apex body for exercising general superintendence and probity in public life. In line with the above, the Company's Vigilance Dept., headed by a senior officer from Indian Administrative Services oversees all the activities of the organization.

All business activities are bound by the "Prevention of Corruption Act 1988". Stringent punishment to corrupt practices and protection to informers is followed.

Highest priority is accorded for transparency in procurements and recruitments. Integrity Pact is adopted for all major procurements and Independent External Monitors are appointed to oversee the process.

Awareness programs are conducted on a regular basis

Auditing is carried out by an exclusive Internal Department as well as Govt. designated auditors

Public display of Anti-Corruption policy and contact details for reporting

Policy documents on 'Risk Management' and 'Whistle Blowing' have been promulgated with the help of professional consultants M/s Deloitte Haskins & Sells

Actively participated and secured two awards during the 10th anniversary of Vigilance Study Circle, Hyderabad which is a forum for anti-corruption measures undertaken by various public sector companies

Continued improvement towards transparency in procurements through vendor registrations, online publishing of contracts awarded, increased volume of e-procurements