



CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective 2015



C O N T E N T S

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1. PREAMBLE

Monnet Ispat and Energy Limited (MIEL or the Company or 'we') aspires for the development of the community that we work with. This is an essential component of our corporate social responsibility (CSR) objectives. MIEL endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of result oriented socio-economic, educational and health initiatives. Additionally, MIEL focuses on training in sports in order to contribute towards recognition of India as a sporting nation and not just a cricketing nation.

These are the guiding principles that direct the CSR objectives of MIEL:

- Affirmative action to provide opportunities to marginalized communities
- Efforts towards gender inclusiveness in CSR activities
- Encourage community participation and ownership in order to ensure sustainability of CSR activities
- Encourage employee volunteerism in CSR activities
- Enhancing visibility of our CSR so that others can benefit from our learnings
- CSR activities would be based on partnerships
- Focus on need based, high impact and sustainable solutions

The following document (Policy) spells out the various programmes that MIEL will work on for the improvement of the community. In order to ensure that all the CSR activities are done according to the Policy, MIEL shall put in place strong governance and monitoring structure, which is also detailed out in the Policy.

2. TITLE AND APPLICABILITY

The CSR policy of Monnet Ispat and Energy Limited (MIEL) is guided by our corporate vision and values of excellence in business & corporate citizenship and trust.

The Company's Corporate Social Responsibility Policy ('Policy') has been framed and formulated in accordance with Section 135 of the Companies Act 2013 and the rules there under.

The Company's Corporate Social Responsibility Policy has been aligned with the Schedule VII of Section 135 of the Companies Act 2013

The Policy shall apply to all CSR programmes of MIEL. The title of the CSR Policy will be "Monnet Ispat and Energy Limited CSR Policy"

3. FOCUS

MIEL is an accountable corporate citizen and has framed this policy document with the purpose of reinforcing its commitment to its employees, customers, vendors, adjoining communities, other stakeholders and the society at large. MIEL recognizes importance of integrated and equitable development for long term sustainability of economic growth. As part of its contribution to long term growth of the country, MIEL shall focus on all the major building blocks of society and economy. The CSR programmes of MIEL will aim at:

- Economic well-being of the communities by facilitating livelihoods opportunities, skill development and agriculture promotion particularly for youth, women and underprivileged sections of the society
- Developing leaders / entrepreneurs by focusing on quality of education and promoting job oriented vocational and professional courses
- Promoting a healthy and clean society by focusing on healthcare, water and sanitation
- Promoting training in sports to channelize youth energy and bringing glory to the country
- Environmental sustainability by focusing on bio diversity, promoting energy efficiency and conservation of flora, fauna and natural resources
- Encouraging entrepreneurship by setting-up a technology incubator to support start-ups

4. SCOPE

This Policy will be applicable to all projects / programmes undertaken as part of MIEL's corporate social responsibility initiatives and will be formulated, reviewed and updated with reference to relevant changes in corporate governance, international standards or best practices. The Policy will be compliant and aligned with the activities and provisions of Schedule VII and Section 135 of the Companies Act 2013.

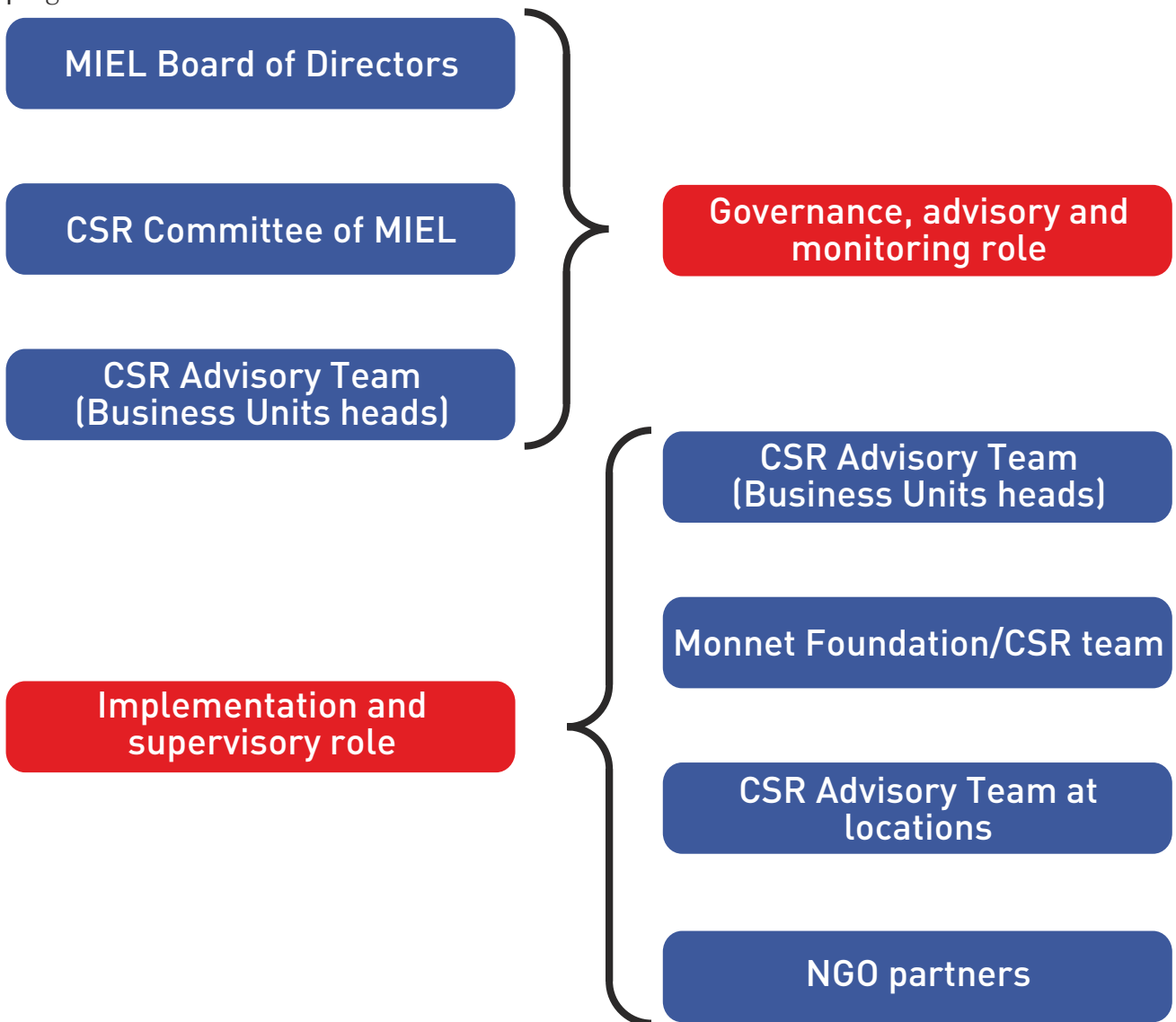
5. GOVERNANCE

5.1. STRUCTURE

In order to ensure effective design and implementation of the CSR programmes, MIEL shall adopt a two pronged approach.

The governance and monitoring of MIEL CSR programmes shall be undertaken by the Board of Directors of MIEL and its CSR Committee. MIEL, being a multi-location organization, shall form a CSR Advisory team at every location where it has a presence. The head of the business unit of each location shall be a part of this Advisory committee.

The implementation of the CSR programmes and activities shall be undertaken by the Monnet Foundation (or any other Foundation promoted by MIEL) and/or the Monnet CSR team and/or the external implementation partners. The CSR Advisory team will supervise the implementation of the CSR programmes/ activities as well as provide the support required for smooth implementation of the programmes.



The approval of the CSR policy and ensuring implementation of the CSR activities as per the Policy is the responsibility of MIEL’s Board of Directors. The responsibility of the CSR committee is to promote the strategy and administer and execute the policy through the Monnet Foundation (or any other Foundation promoted by MIEL) or an implementing partner(s). The CSR committee is to ensure that projects/ programmes are compliant with regulation and are monitored and reported effectively.

The CSR advisory team shall provide the relevant local information to the CSR committee for planning the CSR programmes. It shall be the link between the board level CSR committee and the ground level CSR team/workers.

As the Company’s CSR activities evolve, the Policy may be revised with the approval of the Board.

5.2. ROLES AND RESPONSIBILITIES: BOARD OF DIRECTORS

The Board of Directors of the Company will be responsible for the following tasks:

- To approve the Company's CSR Policy;
- To disclose the Policy's content in their annual report and to place the Policy on the Company's website in the manner consistent with that prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules;
- To ensure that the Company spends, in every financial year, at least two percent of their average net profits made during the immediate three preceding financial years in fulfillment of the Policy;
- To ensure that the Company mentions the reasons in its report, for not spending the stipulated amount in case the Company fails to spend the same during the financial year;
- The Board shall have the authority to make any change(s) in the CSR Committee's constitution.

5.3. ROLES AND RESPONSIBILITIES: CSR COMMITTEE

The composition of the CSR Committee of the Board is as under.

S. NO.	NAME		DESIGNATION / CATEGORY
1	Shri Sandeep Jajodia	Executive Director	Chairperson
2	Shri J.P. Lath	Non-Executive Director	Committee Member
3	Shri Suman Jyoti Khaitan	Independent Director	Committee Member

The CSR Committee's responsibilities will consist of the following tasks:

- To formulate and finalize the CSR Policy for MIEL and submit this to the Board of Directors for their approval;
- To review and modify the CSR activities and/or the projects/programmes as may be required from time to time
- To ensure that the programmes, projects and activities supported through MIEL are aligned with the approved CSR Policy of the Company as well as with the activities mentioned under Schedule VII;
- To ensure that any activity / programme which is a one-off event or not aligned with Schedule VII, provisions of Section 135 of the Act and its succeeding rules and notifications, does not get approved;
- To review and approve, as it may deem fit, annual budgets for the various activities/ programmes to the various CSR programmes;
- In case the Company is unable to spend the stipulated two percent of the average net profits of the last three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the same to the Board and this shall also be included in the Board's report;
- To assess the performance and effectiveness of projects carried out through implementing partners (engaged by MIEL) by evaluating periodic reports submitted by these implementing partners;
- To develop and institutionalize a CSR reporting mechanism as prescribed under Section 135, Rule 8 of the Companies Act 2013;
- To respond to any inquiry, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority concerning activities supported through CSR;
- To ensure that MIEL's website displays the approved CSR Policy of the Company;
- To review the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants with regard to MIEL's CSR operations.

6. CSR BUDGET

The Board of the Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years. This amount for CSR will be approved by the Board as part of MIEL's annual budget / plan. The Committee will allocate the budget as per the Policy and ensure programmes / projects are aligned with Schedule VII and Section 135 of the Companies Act, 2013.

Planned activities will constitute 80% of the CSR budget. A provision of 20% shall be made for emergency response and non-planned activities (aligned with Schedule VII)

In case there is any surplus arising out of the CSR activities/programmes, this amount shall not be included as part of the business profits of MIEL.

If the Company is not able to spend the entire 2% within the designated annual year, the Board's annual report shall specify the reasons for the same.

7. GEOGRAPHIC FOCUS

CSR programmes of the company shall be undertaken around its plants/offices in India. Selection of the villages/towns/cities for implementation of the CSR activities shall be done in consultation with local CSR Advisory teams.

The CSR committee and the board may select any other location or geography based on needs of the community and discretion of the Board members.

8. IMPLEMENTATION

MIEL will implement its CSR projects/ programmes through the Monnet Foundation (or any other Foundation promoted by MIEL) with support from local (location wise) CSR teams.

The Foundations' shall directly implement the CSR programmes or through vetted and compliant implementing partners within India. While executing CSR activities, MIEL shall ensure that such activities are not in normal pursuance of its business.

Implementing partners for the CSR programmes shall be not for profit entities registered as Trusts or Society or Section 8 / Section 25 Company or Department of Science & Technology (DST) certified technology incubators. Implementation can also be done through collaborative projects with other corporates. The implementing partner should not have less than three years' relevant experience in implementing projects.

9. MONITORING

The Board or the CSR Committee will formulate a transparent and well-defined monitoring and evaluation framework to ensure that each CSR project/ programme has:

- Clear targets developed out of the society's needs that are determined through relevant baseline studies and social research methods;
- Well-defined objectives, time lines and measureable factors and impact indicators, wherever possible;
- A monitoring and reporting framework in alignment with the requirements of the Section 135 of the Companies Act and the CSR Rules.

With regard to monitoring of the CSR budget, the Company will establish an accounting system that will allocate and account for CSR expenditure. This will ensure effective tracking of MIEL's CSR funds across projects and programmes.

10. REPORTING

The Board or the CSR Committee will monitor the progress of its CSR programmes and consequent expenditure and shall report the impact of the same to the Board and the CSR Committee once in every quarter. The Board or the CSR Committee shall also request its implementation partners to monitor the CSR programmes.

The Company shall include a section on its CSR performance as part of its annual Board of Director's report in accordance with the structure and format prescribed in the notified CSR Rules and Section 135 of the Companies Act 2013.

11. CSR PROGRAMMES / PROJECTS

MIEL's programmes shall be aligned with the national development priorities and the needs of the communities and will be in accordance with Schedule VII of Section 135 of the Companies Act 2013.

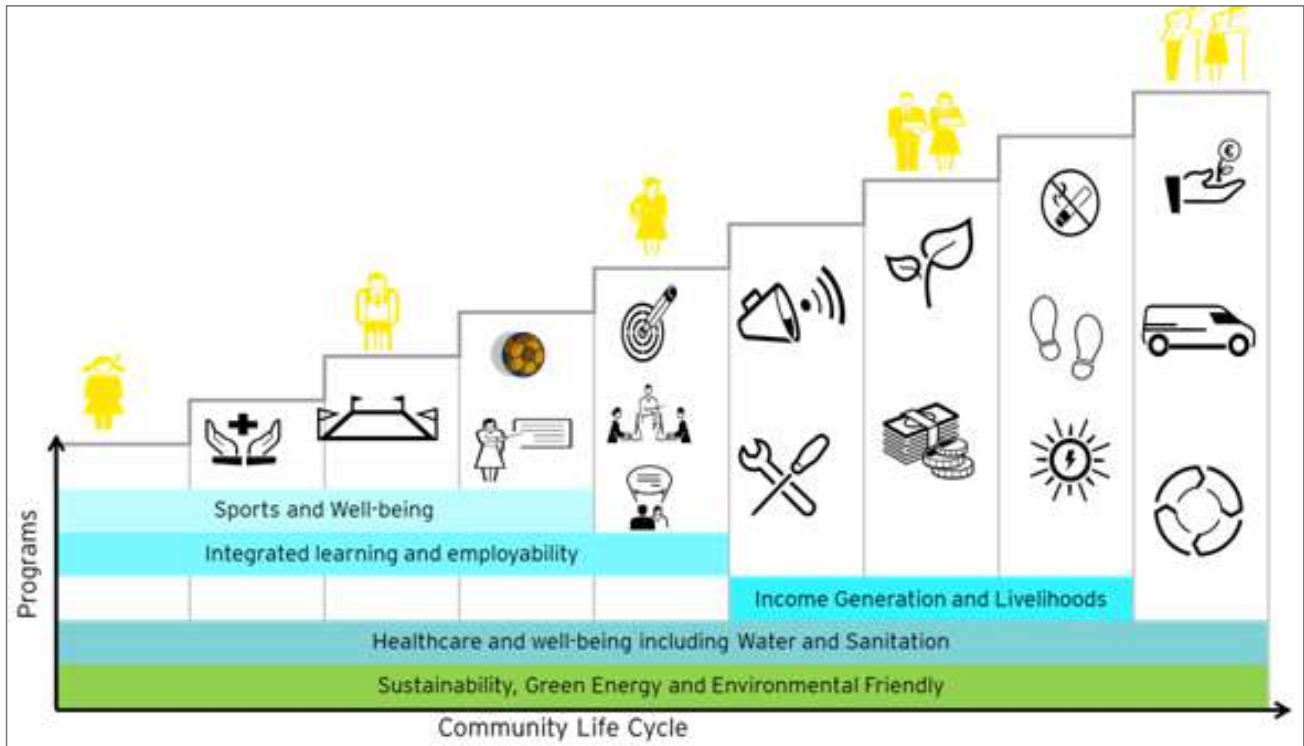


Figure 1: MIEL's Comprehensive Model for Development

MIEL's CSR will broadly focus on integrated education programmes for transforming future generations, livelihood generation initiatives for economic well-being and empowerment, training in sports for a healthy India; comprehensive healthcare for a healthy and clean society, sustainable development by caring for the environmental. These programmes are explained briefly below.

- **LEAP - Monnet's Integrated Learning Model for Linking Education to Employment by providing Access to Progressive Education**

The objective of the programme is to raise the quality of education as an urgent priority to transform the socio-economic landscape in our areas of operation, over a period of time. This programme shall adopt a multi-pronged approach for enabling students to access quality education and attain holistic development.

- Raise awareness about the importance of education and the available opportunities
- Improve learning outcomes through tutorial support and good quality of teachers and teaching material
- Provide good quality education through Monnet DAV school

- Provide coaching support so that students can pursue vocational and professional courses
- Provide scholarship support to less privileged students
- **MILE - Monnet's Income generation and Livelihoods programme for Economic well-being**

This programme focuses on facilitating sustainable livelihoods through improving farm and non-farm income; encourage skill development, entrepreneurship and income generation programmes. MILE shall also assist in developing backward and forward linkages for economic activities undertaken by the community. MILE shall strive to create an economic impact on society by supporting a Technology Incubator (TI) in the long run.

- **HEAL Monnet's Comprehensive Healthcare Initiative to Encourage Healthy and Active Lifestyle**

There is a high potential and need for a comprehensive healthcare programme in areas around our operations with a focus on preventive health care services to ensure mental and social well-being of the communities. HEAL focuses on providing preventive and curative healthcare as well as provision of diagnostic services. Through HEAL, we aim to benefit the community at large through our CSR programmes/ projects.

- **Monnet Sports - Monnet's Holistic Sports Model for a healthy India**

Sports in India faces a number of challenges such as lack of coaches; need for institutional capacity building; limited community level engagement in the sports; mind set and attitude towards participation in sports, so on and so forth. This program tackles the challenges faced by sports in India and encourage and train the youth in the field of sports. This shall be done through i. Encouraging participation in sports and promotion of sports as a career option; ii. Facilitation of sports training; iii. Improving sports infrastructure in the country.

The Program shall provide us with the opportunity to connect with the youth at an early stage and develop them to become self-sustaining members of the society.

- **Rishta Hariyali ka- Monnet's Environmental Program**

Monnet is a socially and environmentally responsible company. Through Rishta Hariyali ka, Monnet will integrate the principles of sustainable development into the daily lives of people. This program will attempt to educate communities on reducing its carbon footprint; Increase the land green covers; Increase usage of renewable energy and clean technologies. The aim of Rishta Hariyali ka is to enable communities to become eco-friendly and environmentally sensitive.

- **Other Activities**

This Policy will not vitiate all the other CSR activities for the year 2014-15 which are carried out in alignment with Schedule VII, Companies Act 2013 and does not violate in any way the Section 135 of the Companies Act 2013 read with the CSR rules and the subsequent CSR circulars and notifications released by the MCA.



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