



CORPORATE SOCIAL RESPONSIBILITY POLICY

(w.e.f. 01.01.2015)

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**POLICY ON CORPORATE SOCIAL RESPONSIBILITY
(IN PURSUANCE TO SEC. 136 OF THE COMPANIES ACT,2013)**

Introduction:

In present business environment, a corporate entity cannot function in isolation. The touch-stone of a corporate functioning is how it balances its economic and financial goals and optimization of share holder value with maximization of social benefits to the community and accomplishing environmental projection. The European Commission views CSR as "being socially responsible not only fulfilling legal obligations but also going beyond compliances and investing more into human capital, the environment and relation with stakeholders." The World Business Council for Sustainable Development defines Corporate Social Responsibility (CSR) as "Continuing commitment by the Corporate Houses to behave ethically and contribute to economic development while improving the quality of life of workforce, their families, local community and society at large". Concept of CSR involves corporate behavior voluntarily adopted that goes beyond legal obligations.

As a responsible corporate citizen, NINL has framed its CSR Policy in line with provisions of section 136 of Companies Act, 2013 which is appended.

NINL – Corporate Social Responsibility Policy

1.0 Short Title and Applicability

1.1 This Policy shall be called the NINL – Corporate Social Responsibility Policy 2015. It shall come into force w.e.f. the 1st day of January, 2015. This CSR policy is a self-regulating mechanism to monitor, implementation and ensure that NINL actively complies with the letter & spirit of the law.

1.2 According to this policy, “Corporate Social Responsibility (CSR)” means and includes but is not limited to :

- Projects or programmes relating to activities specified in Schedule VII to the Companies Act ; or
- Projects or programmes relating to activities undertaken by the Board of Director of NNL in pursuance of the recommendations of the CSR Committee of the Board.

2.0 Objectives :

2.1 Corporate Social Responsibility (CSR) shall be viewed as a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders, through the implementation and integration of ethical systems and sustainable management practices.

2.2 To initiate voluntary measures to address economic, social and environmental concerns of stakeholders,

2.3 To make CSR a key business process for sustainable development,

2.4 To be a good Corporate Citizen and exhibit sensitivity towards environmental responsibilities and conduct its activities accordingly,

2.5 To develop meaningful and effective strategies for engaging with all stakeholders,

2.6 To identify and develop socio-economic opportunities that lead to sustainable prosperity in the communities in which it operates,

3.0 Areas of Focus and Scope of CSR Activities:

3.1 NINL shall undertake the activities to contribute to socio-economic, environmental and cultural upliftment and welfare of the poor and needy sections living in different parts of India. Preference be given to the areas nearby NINL operations especially backward areas.

3.2 The scope of CSR Policy of the company include the projects/ programmes relating to activities specified under Schedule VII of Section 135(3)(a) of the Companies Act, 2013 as follows :

- (a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (b) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;
- (c) Promoting gender equality and empowering women, setting up homes and hostel for women ad orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (e) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
- (f) Measures for the benefit of armed forces veterans, war windows, and their dependants;
- (g) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (h) Contribution to the Prime Minister's National Relief Fund/CMs Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (i) Contribution of funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (j) Rural development projects.
- (k) Slum Area Development.
- (l) Any other need based project / program relating to activity which is covered under the Schedule VII of Section 135(3)(a) of the Companies Act, 2013 as amended from time to time is also taken up.

4.0 **Constitution of CSR Committee :**

4.1 CSR Projects in the company will be implemented under the guidance of CSR Committee (Board level Committee) which comprises of Functional & Independent Directors as per the provisions of the Companies Act, 2013.

4.2 The responsibilities of CSR Committee includes the following :

- (a) Formulate the Corporate Social Responsibility Policy and recommend to the Board.
- (b) Recommend the amount of expenditure to be incurred on the activities; and
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

4.3 The Head of CSR Deptt will facilitate / coordinate Company's CSR activities.

5.0 **Planning**

5.1 NINL CSR Policy is not a mere statement of good intentions, but it serves as a roadmap for formulation of actionable plans.

5.2 The CSR Committee shall plan to undertake CSR projects and place it up to the Board for approval.

5.2.1 CSR activities shall not include any activity undertaken by NINL during the normal course of its business.

5.2.2 Any project/ programme which benefit the employees or their families shall not be considered as CSR activities.

5.2.3 NINL shall develop plans to achieve the goals of the CSR projects/ activities.

5.2.4 Need assessment of the activities to be undertaken in an area shall be done by any one or combination of the following viz., the Company; independent specialized agencies; the partnering agencies or the elected local bodies such as Panchayats / local govt. body / district administration.

5.2.5 NINL shall plan to undertake those CSR activities that will facilitate the fulfillment of the National Plan Goals and objectives, as well as the Millennium Development Goals.

6.0 **Implementation**

6.1 NINL CSR policy addresses the social, economic and environmental concerns of society, and implementation of this policy requires selection of activities/projects, which are generally for inclusive growth of society and environmental sustainability.

6.2 NINL follows a three pronged approach for carrying out CSR activities which encompass its role as a promoter, a partner and a facilitator towards adding value to the triple bottom line.

- (a) NINL as Promoter : Taking up CSR activities on its own.
- (b) NINL as a Partner : Taking up Corporate Strategic Responsibility Projects on a sustainable basis in partnership with Voluntary Bodies, Autonomous Bodies, Statutory Agencies, State and Central Government Agencies.
- (c) NINL as Facilitator: Contributing to various Socially Beneficial Projects in and around location where NINL has its business operations and in the country at large.

7.0 **Monitoring**

7.1 Monitoring of CSR projects goes concurrently with implementation, and is very important. Monitoring is essential to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets.

7.2 A progress report of CSR activities of the Company in reporting format as prescribed under Companies (CSR Policy) Rules, 2014 will be provided by the Head of CSR on a quarterly basis which shall then be put up for consideration of the CSR Committee. On the basis of progress report, the CSR Committee may recommend appropriate action with respect to any policy activity of the company.

7.3 The CSR Committee shall be apprised of all the CSR activities undertaken.

7.4 To ensure that the funds are utilized prudently and for the intended purpose, the funds shall be released in a phased manner, upon full satisfaction of the utilization of funds previously given.

8.0 **Evaluation**

The Nodal Officers of the CSR Department keep track of the progress of these projects / activities on a regular basis. Evaluation of all projects is done objectively with respect to the intended outcomes and will be reported

9.0 **Budget Allocation:**

9.1 CSR Budget shall be approved during each financial year by the Board of Directors based on the recommendations of the CSR Committee. The Board of Directors shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years as per the provisions of the companies Act, 2013.

9.2 For the purpose of ascertaining the CSR Budget "average net profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act 2013.

9.3 If NINL fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount.

9.4 CSR Budget will not lapse. Unutilized funds shall not form part of the business profit of the company and required to be transferred to a separate fund i.e., CSR Fund.

10.0 **Reporting**

10.1 Reporting is the practice of disclosing to the stakeholders the economic, social and environmental initiatives taken by a company, as an indication of its commitment to sustainable development. Public disclosure and reporting of a company's performance in economic, social and environmental areas is no less important than the initiatives themselves.

10.2 The Company shall cover the overall achievements of its CSR in Directors' Report and/ or a Stand-alone Report on its CSR initiatives.

10.3 The Company shall display its CSR activities on the website.

10.4 Information on CSR shall be disseminated to employees through intranet and news letters etc. and to external stakeholders through various communication channels like internet, print and electronic media.

10.5 Articles on the In-house magazines/ brochures shall be published on regular basis.

10.6 The Board of Directors' Report shall include the following :

(a) A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

(b) The composition of the CSR Committee.

(c) Average net profit of the company for last three financial years.

(d) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).

(e) Details of CSR spent during the financial year.

(f) Amount unspent, if any

(g) Manner in which the amount spent during the financial year shall be disclosed as per the template in Annexure to Companies (Corporate Social Responsibility Policy) Rules, 2014.

(h) In case NINL fails to spend the two percent of the average net profit of the last three financial years or any part thereof, NINL shall provide the reasons for not spending the amount in this report.

- (i) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of NINL.
- (j) The report would be signed by :
 - CEO or MD
 - Chairman of the CSR Committee.

11.0 **General**

- 11.1 In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to head of CSR department. In all such matters, the interpretation and decision of the Chairman of the committee shall be final.
- 11.2 Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Government from time to time.
- 11.3 Notwithstanding any clause in this policy, no action pertaining to CSR activities shall be taken in contravention of the provisions of Section 135 of the Companies Act, 2013 and of the Companies (Corporate Social Responsibility Policy) Rules 2014.

NINL CORPORATE SOCIAL RESPONSIBILITY POLICY STATEMENT

At NINL, CSR has been the corner stone of success right from the inception of the company. We at NINL have defined a set of core values for ourselves: **CARE, COMPASSION, COMMITMENT & TRUST**, to guide all our CSR initiatives which are deeply embedded in our **vision statement**.

“To be a respectable global leader in Iron and Steel industry with an emphasis on prosperity of people and protection of environment”

To achieve above, we at NINL are committed

- To continuously improve its social responsibility, environment and economic practices to make positive impact on the society.
- To focus our developmental activities predominantly in rural areas through consultative process
- To earmark our major CSR spending in the areas of preventive health care, educational infrastructure, drinking water, sanitation, promotion of sports & games, cultural efflorescence, protection of national heritage etc.
- To promote gender equality, empowerment of women and welfare of SC/ST/OBC minorities, marginalized farmers etc.
- To support activities in the field of literature, industry-academic interface, seminars, symposia, conferences and exhibitions.
- To mitigate the sufferings of common man in natural calamities through financial support to PM and CM’s relief fund etc.
- To entrust the responsibility of CSR in the hands of people who are committed having passion and dedication for the same
- To build a strong internal mechanism to measure and monitor our CSR activities
- To have a strong interface with all stake holders and to use their feed back to continuously improve
- To disseminate report of CSR activities in media including annual report of the company

We at NINL are aware of the need to work beyond financial consideration, putting that little extra to ensure that we are perceived not just a corporate giant that exist for profit but as a wholesome entity created for good of the society in improving the quality of life of community we serve.

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