

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE

Social and environmental responsibilities have always been at the forefront of Electrosteel Steels Ltd. (ESL) operating philosophy. ESL as a responsible corporate citizen, undertakes activities to bring perceptible change in socio economic life of the local community and society at large.

Corporate Social Responsibility (CSR) at ESL portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with.

POLICY

The Company's CSR policy has been redefined /amended by the Board in its meeting held on 13th August 2014 to comply with the requirements of Section 135 and Schedule VII of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is guided by the core values of quality, reliability, trust and international best practices and is driven by our aspiration for excellence in the overall performance of our business. The CSR activities to be undertaken by the Company in India amongst others, will be as specified in Schedule VII of the Companies Act 2013 and expenditure thereon excluding activities undertaken in pursuance of normal course of business of the Company. The CSR policy of the Company would be governed by the provisions of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR activities to be undertaken would be assessed on various parameters such as – health indicators, literacy levels, gender social and economic status, sustainable livelihood processes, and population data - below the poverty line and above the poverty line, state of infrastructure etc. The Company shall give preference to the local areas and areas around it operate for spending the amount earmarked for CSR activities. The various CSR activities undertaken would have 1-year rolling plan and a 5-year perspective plan directed towards integrated development of the community.

CSR ACTIVITIES/ PROGRAMMES/ PROJECTS

The thrust of the CSR activities to be undertaken by the Company is to create enabling environment for the Company to operate by exhibiting responsible business practices and good governance. Few of the ongoing programs which the Company has directly implemented in the field of Education, Preventative Health care Water & Sanitation, Farm

based and Non-Farm Based Income Generation Activities, Promotion of Micro Enterprises, Infrastructure Development, Promotion of sports, etc. ESL has also adopted the strategy of supporting credible NGOs to carry out social work for the benefit of society at large. Few of the social and economic development initiatives are also carried out under the aegis of **SPARSH TRUST**, registered trust established by the Company and its associate company.

IMPLEMENTATION AND MONITORING MECHANISM

The projects/activities/programmes undertaken by the Board of Directors would be in pursuance of the recommendation of the CSR Committee. The CSR Committee of the Board on the recommendation of the management, having requisite expertise in the field of social and development work, will monitor the CSR Policy and ensure implementation of the CSR activities, from time to time. The CSR Committee will ensure that a transparent monitoring mechanism is in place for implementation of CSR projects/programmes/activities. The Committee is authorized to appoint specialized agency and consultants for monitoring the project, if required.

The surplus arising out of the projects/programmes/activities does not form part of the business profit of the company.

CONTINUAL UPDATION

The policy is subject to continuous review and updation in line with the changes in laws or otherwise, as may be deemed necessary by the Board of Directors of the Company.