

ARSS INFRASTRUCTURE PROJECTS LIMITED

REGISTRED OFFICE- PLOT NO-38, SECTOR-A ZONE-D
MANCHESWAR INDUSTRIAL ESTATE
BHUBANESWAR-751010

Corporate Social Responsibility Policy

Philosophy and vision:

ARSS strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates.

The policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programme with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made there under. This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on 12th February, 2015. The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and rules made there under. The Board may, upon recommendation of CSR Committee, amend or modify this CSR Policy as and when necessary. This policy shall be effective with immediate effect.

Definitions

- a) Board means Board of Directors of the Company.
- b) Corporate Social Responsibility or CSR means and includes but is not limited to:-
 - i) Projects relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - ii) Projects relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.
- c) CSR Committee means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- d) Company means ARSS Infrastructure Projects Limited.
- e) Net Profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

Constitution, Composition of CSR Committee:

The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee. In terms of section 135 (1) of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

A CSR committee of the company comprises of the following 3 (three) directors out of which two directors are independent directors, against the requirement of one independent director.

1. Mr. Rajesh Agarwal- Managing Director (Chairman of the Committee)
2. Mr. Swarup Chandra Parija- Independent Director
3. Mr. Upendra Nath Challu- Independent Director

The members of the CSR Committee have elected one of them Mr. Rajesh Agarwal, as the Chairman of the Committee. The CSR Committee may delegate its responsibility to any senior or key managerial person as and when deemed fit. The composition of CSR Committee shall be disclosed in the Board's report.

CSR Expenditure

As required In terms of section 135 (5) of the Companies Act, 2013 the Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy:

- a) In every financial year, at least two per cent of the "average net profits" of the Company made during the three immediately preceding financial years. The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.
- b) Any income arising from the activities mentioned above.
- c) Surplus arising out of CSR activities.

•Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.

• Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

• Any surplus arising out of the CSR activity will not be part of the business profits of the Company.

• The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

Activities of CSR Committee:

The Board will ensure that the activities as are included in the CSR Policy as undertaken by the Company subject to and in accordance with the provisions of Section 135 & Schedule VII of the Companies Act, 2013.

The Company may undertake any of the following activities as its CSR activities:

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and 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 buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- d) Measures for the benefit of armed forces veterans, war widows and their dependants;
- e) Training to promote rural sport, nationally recognized sports, Paralympics sports and Olympic sports;
- f) Contribution to the Prime Minister's National 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;
- g) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- h) Rural development projects.
- i) Such other matters as may be prescribed under applicable statute;
- j) Such other activity as may be thought fit by the CSR Committee and approved by the Board.

Modalities of Execution/Implementation

CSR activities may be initiated / implemented/ executed,

1. By the Company; or
2. Through:
 - a) A registered trust, registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013.
 - b) If such trust, society or a company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken in collaboration with a specialized organization, institution or agency which has an established track record of atleast three years in undertaking CSR projects or in carrying on permissible CSR activities.
 - c) An agreement / contract or any other written communication will be executed by the Company.

CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules. The Company's CSR activities may focus on environmental sustainability and will give preference to the local area and areas around, where it operates, for spending the amount earmarked for CSR activities.

The CSR activities shall be undertaken within India.

The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

Role of Board:

The role and responsibility of the Board shall include:

- a) Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- b) Reporting in the Board's report brief outline of this CSR policy including overview of projects or programs, composition of CSR Committee, average net profits of the Company for the last three financial years and prescribed CSR expenditure as required under the Companies Act, 2013 and rules made there-under along-with i) the total amount spent on CSR activities in the financial year and ii) amount unspent, if any.
- c) Ensure that the contents of the CSR policy are displayed on website of the Company in the manner prescribed under the applicable statute.
- d) Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- e) Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.

Role of the Committee

The Committee shall carry out of the following functions:

- a) to recommend the CSR Policy to the Board;
- b) to identify the projects/activities to be undertaken by the Company for CSR
- c) to recommend to the Board CSR Activities to be undertaken along-with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- d) to monitor the CSR Policy of the Company from time to time;
- e) to ensure compliance of CSR Policy and the Rules;
- f) such other functions as may be delegated and/or assigned by the Board from time to time.