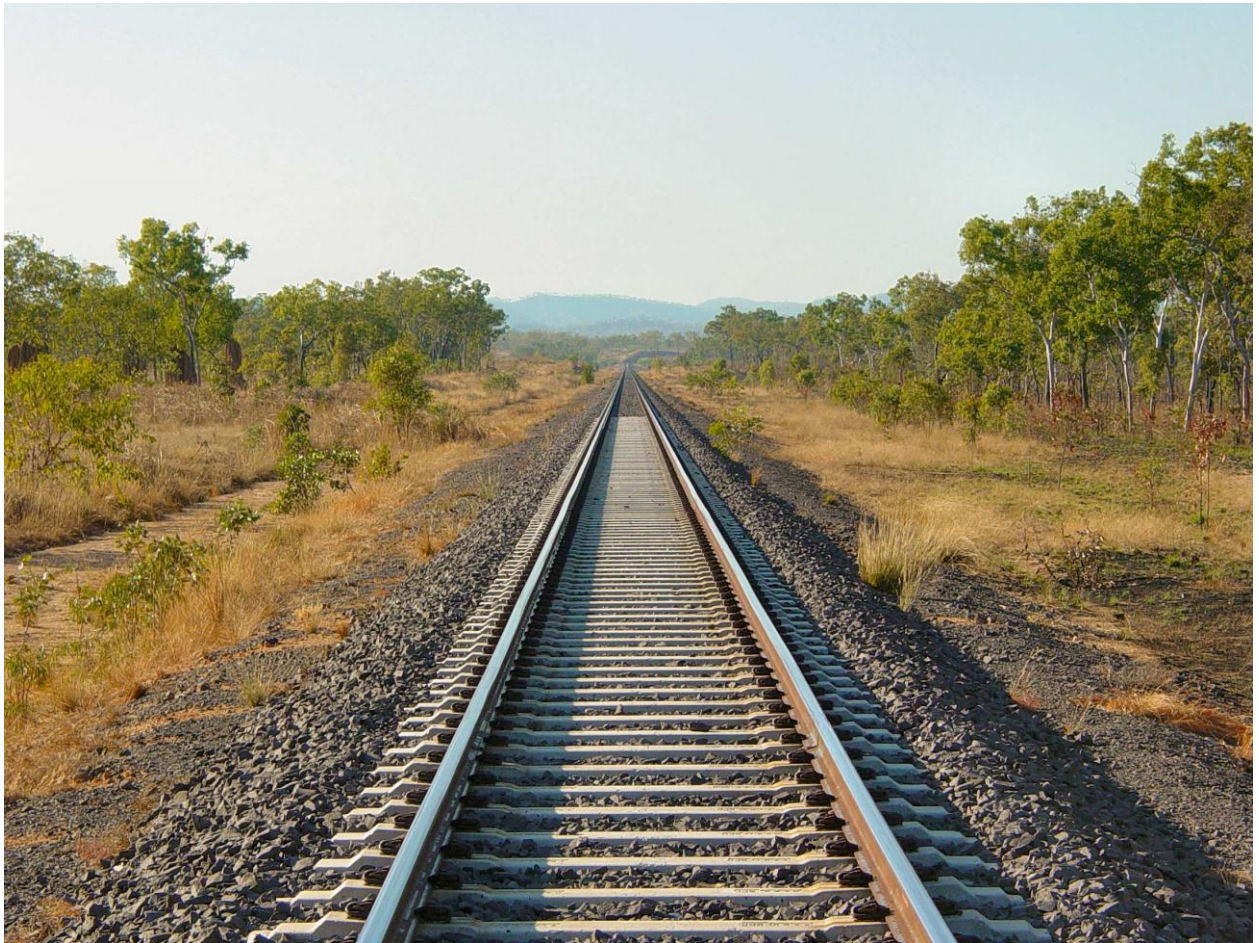




Angul-Sukinda Railway Ltd.

Corporate Social Responsibility Policy



MARCH 2016

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1	Section 135 of the Companies Act, 2013
2	The Companies (Corporate Social Responsibility Policy), 2014
3	Schedule VII of the Companies Act, 2013 and amended schedule issued thereafter

1. **Preamble.**

1.1 The Corporate Social Responsibility (CSR) Policy of Angul Sukinda Railway Limited (hereinafter referred as ASRL) is issued within the framework mentioned hereunder.

- a) Section 135 of the Companies Act, 2013 (hereinafter referred as Act).
- b) The Companies (Corporate Social Responsibility Policy) Rules 2014 (hereinafter referred as Rules).
- c) Schedule VII of the Companies Act, 2013 & Amendment to Schedule VII (hereinafter referred as Schedule) and
- d) General Circular No 21-2014 issued by Ministry of Corporate Affairs (hereinafter referred as MCA) on the subject.

1.2 This policy is consistent with the Act and Rules on CSR framed by MCA and the policy directions on the subject issued by the Government from time-to-time. The policy document is not a mere statement of good intentions, but shall serve as a roadmap for formulation of actionable plans.

1.3 Whenever any amendments are made by MCA on the subject, the same shall be duly incorporated in the policy document. As per the Act, modification, amendment to the Policy will be approved by the BoD of ASRL on the recommendation of the CSR Committee of the Board.

2. **Aims & Objectives.**

2.1 Corporate Social Responsibility is ASRL's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stake holders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large. CSR is essentially a way of conducting business responsibly and ASRL shall endeavour to conduct their business operations and activities in a socially responsible and sustainable manner at all times.

2.2 CSR policy is aligned and integrated with ASRL's business goals, plans and strategies, The philosophy and spirit of CSR shall be embedded in the core values of the company, be imbibed by the employees at all levels and it shall permeate into all the activities, processes, operations and transactions of the enterprise.

2.3 The CSR Policy addresses social, economic and environmental concerns and the selection of specific activities shall focus on the social, economic and environmental impact thereof. ASRL will strive to contribute to inclusive growth and sustainable development by taking up development of backwards regions, empowerment of communities which have since long been socially marginalized, upliftment of underprivileged sections deprived of resources even for fulfilling their basic needs in health, nutrition, clothing, shelter, education, etc.

2.4 In implementing the CSR Policy, ASRL will extend its reach and oversight to the entire supply-chain network to ensure that as far as possible the suppliers, vendors, service providers, clients, and partners are also committed to the same principles and standards of CSR as ASRL itself. For the CSR agenda to be internalized in the organization, the employees at all levels in ASRL will be educated to the need for conducting business in a manner' that is economically, socially and environmentally sustainable. ASRL will devise internal communication strategies to spread awareness of CSR amongst the employees, providing them with education and training necessary for attitudinal change and their conversion to socially and environmentally sustainable methods and practices of doing business, and adopting motivational tools to provide just the right momentum to push all such initiatives.

3. **Organizational Structure.**

3.1 As per sub section (1) of the Act the CSR Committee of the Board shall steer the CSR agenda of ASRL. However, under this Policy, ASRL will have a two tier organizational structure, which includes Management level Committees so that CSR agenda permeates all the processes and activities of ASRL and it is a collective effort of all employees of ASRL.

3.2 **CSR Committee of the Board.**

As per subsection (1) of the Act, the CSR Committee of the Board shall comprise of the following members:

1. Shri M K Mishra, Additional Director.
2. Shri V K Singh, Director.
3. Prof. (Mrs) Saveeta Mohanty, Independent Director.

Members of the Committee shall elect its chairperson and convener of the CSR Committee of the Board. As per clause (3) of subsection (1) of the Act, the broad functions the CSR Committee of the Board shall be as under:

- a) Formulate and recommend to the Board, the CSR Policy of ASRL and any changes thereafter
- b) Recommend the amount of CSR expenditure to be incurred on the activities
- c) Monitor the CSR Policy from time to time

The Committee will be assisted by a Nodal Officer, who will be nominated by MD/ASRL, in implementation of the CSR activities.

3.3 CSR Committee: Management Level.

The CSR Committees at Management level will be headed by the Company Secretary of ASRL and the Committee will comprise three or more members. The broad functions the Management level Committee shall be as under:

- a) Identify CSR activities/ projects/ programs in the periphery of ASRL project areas and forward project program proposal to the Nodal Officer for consideration of the CSR Committee of the Board
- b) Monitor the implementation of CSR projects programs approved by the CSR Committee of the Board
- c) Coordinating with external agencies and providing necessary support in surveys, studies, preparation of reports, audit and in implementation of the CSR activities

4. CSR Activities.

4.1 Implementation in project or program mode: As per clause (1) of sub section (4) of the Rules, CSR activities will be undertaken as projects or programs or activities (either new or ongoing). Implementation in project or program mode entails charting the stages of execution it advance through planned processes for achievement of fixed targets at different milestones, with mobilization of pre-estimated quantum of resources, and within the allocated budgets. It also involves assigning clear responsibility and accountability of the designated officials / agencies that are entrusted with task of implementation,

4.2 Selection & Location of activities : The decisions regarding the selection of a CSR activity will be taken with due diligence, with the involvement of the Management level

Committees. After taking into consideration the resource capabilities of ASRL, the expectations of the key stakeholders, the expected social, economic and environmental impact of the planned initiative, a carefully calibrated decision with regard to the choice of CSR project programme will be taken. As per the sub section (5) of the Act, CSR activities / projects / programs will be undertaken preferably for stakeholders who are generally located in the periphery of project areas of ASRL. However, the CSR Committee of the Board may decide to locate CSR activities anywhere in the country.

4.3 Type & Nature of activities: As per clause (a) of sub section (3) of the Act, ASRL will select' its CSR project program as specified in the amended Schedule VII of the Act. Priority will be accorded to two broad thrust areas of education and health care and to activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and in the backward districts of the country, Weaker sections would include SC, ST, OBC, minorities, women, BPL families, old and aged, physically challenged etc.

4.4 Pooling of resources: As per clause (3) of sub section (4) of the Rules. ASRL may also collaborate with other companies for undertaking project or program in such a manner that the CSR Committees of the respective companies can report separately on such project or program.

4.5 External agency: As per clause (2) of sub section (4) of the Rules, while engaging partnering with external agencies, care shall be exercised in selecting only such specialized agencies which have the necessary capabilities and expertise in the field and have an established track record of three years in undertaking similar activities or projects or programs. Specialized agencies may include non-government organizations (NGOs). autonomous organizations, professional consultancy organizations, registered Trust, Registered Society, community based organizations, self-help groups, not-for-profit organizations, academic institutes etc. Wherever possible, engagement of external specialized agencies will be made from the available panels of such agencies maintained by the Government Ministries Departments, Planning Commission, Autonomous Organizations, NCSR Hub etc. The registered Trust would include Trusts registered under Income Tax Act, 1956 for those States where registration of Trust is not mandatory.

4.6 CSR project or program proposal: The CSR Committee at Management level will forward the detailed project or program proposal with its recommendations for consideration of the CSR Committee of the Board. The project proposal prepared by the Committee or by the external agency will include, to the extent possible, the following:

- a) Objectives.
- b) Activities to be covered.
- c) Performance indicators to monitor the stated objectives.
- d) Expected benefits.
- e) Base line survey Needs assessment.
- f) Justification.
- g) Implementation schedule with timelines.
- h) Project cost covering project implementation cost and Project expenditure on studies, reports, monitoring, audit etc.
- i) Year wise budget allocation.
- j) Payment schedule.
- k) Agencies considered for selection proposed for selection for preparing project report, base line survey needs assessment, implementation, monitoring, evaluation & audit

4.7 Project sanction: The project proposal submitted by the Management level Committee will be put up for consideration and sanction of the CSR Committee of the Board. The sanction of the Committee will be communicated to the Management for entering into necessary agreement MoU with the project implementation/ monitoring/audit agencies, if any, by the Management. In order to meet routine /day-to-day requirements pertaining to successful implementation of the sanctioned CSR activities in project or program mode MD/ASRL is nominated and authorized on behalf of the CSR Committee of the Board to approve proposals related to payments etc in implementation of ongoing projects. However, the same will be put up to the Committee for ratification.

4.8 Needs Assessment ease Line Survey: Before taking any final decision on the selection of any CSR activity project program, as far as possible needs assessment study and/or base line survey will be done to assess the needs of the intended beneficiaries for a realistic assessment of the resource inputs required for the expected

level of social/ Economic/ environmental impact through the implementation of the activity/ project. The detail information collected through this exercise/ study before the commencement of the project will be used in impact assessment after completion of the project or program. The needs assessment study may be done through ASRL's own resources/ through specialized agency (ref clause #4.5) based on the accessed reliable data in this regard from recognized authoritative sources.

4.9 **Implementation:** ASRL shall implement its CSR project or program through the active involvement of its Management level Committees, who are important internal stakeholders. Implementation of CSR project or program requires specialized know/edge and skills and thus, ASRL may utilize the services of specialized external agencies (ref clause # 4.5) for the implementation of its CSR project or program, where ever the need arises.

4.10 **Monitoring:** Monitoring of CSR project or program goes concurrently with implementation, and is essential to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets. Monitoring will be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Like implementation, monitoring too will be done in project mode with recourse always available for mid-course correction in implementation, whenever required. Monitoring will be done by the CSR Committee at Management level external agency. The external agency (ref clause #4.5) if engaged, for implementing a project shall not be considered for the task of monitoring and evaluation because of the likely conflict of interest involved in the assignment Services of the agency engaged for doing the need assessment study prior to the commencement of the project can be utilized to perform the task of monitoring and eventual evaluation of outcome. The CSR Committee of the Board shall periodically review and monitor the overall progress and implementation of the CSR activities of ASRL.

4.11 **Impact Assessment:** The ultimate test of the success of any CSR project or program is the social, economic or environmental impact thereof. Impact assessment has a wider connotation and is a cumulative effect of outcome(s) on the developmental process affecting society, economy and environment. Thus, impact assessment studies of the project or program will be made, after their completion and necessary minimum gestation period to ascertain the degree of its success, or failure with

reference to the project report prepared at the commencement of the project or program. Impact assessment study requires specialized skills and tools for associated research and is a task best carried out by specialized agencies. ASRL may utilize the services of specialized external agencies (ref clause #4.5) for impact assessment study.

5. **Budget & Expenditure.**

5.1 As per sub section (5) of the Act, ASRL shall with the approval of BoD make a budgetary allocation for CSR activities for the year, which will be at least 2 % of the "average net profits" of ASRL made during the three immediately preceding financial years. ASRL shall strive to maximize its spending on CSR activities. ASRL shall specify reasons, if it fails to spend the 2 % of the average net profits of the last three financial years in its Board Report.

5.2 CSR expenditure shall include contribution to corpus of a Trust/ society/ Section-8 companies created exclusively for undertaking CSR projects or programs approved by BoD.

5.3 Salaries paid by ASRL to its regular CSR staff as well as to volunteers, in proportion to *time* hours spent specifically on CSR can be factored into CSR project cost as part of the CSR expenditure.


5.4 Expenditure incurred on capacity building programmes such as training, workshops, seminars, conferences etc through reputed institutions and on corporate communication strategies for engagement of all stakeholders, whether internal or external, to implement the CSR agenda of ASRL, would be accounted for as CSR expenditure but such expenditure shall not exceed 5 % of total CSR expenditure in one financial year.

5.5 Expenditure incurred on base line survey, needs assessment study, monitoring & audit, social impact assessment studies etc would be accounted for as CSR expenditure from the budget allocated. The expenditure incurred by ASRL in availing the services of the CSR to support in implementation of the CSR activities would be treated as CSR expenditure.

6. **Reporting and Disclosure**

As per clause (0) of sub section (3) of section 134 of the Act, ASRL shall report and disclose the contents of CSR Policy and CSR activities implemented by ASRL for the benefit of all stakeholders through the following:

- (i) Official website: www.asrl.in
- (ii) Annual Report



(Director)

Schedule VII

(Activities which may be included by companies in their CSR Policy)
Ministry of Corporate Affairs Notification dated 27th February, 2014

G.S.R. 130(E) - In exercise of powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to. Schedule VII of the said Act, namely:

(1) In Schedule VII, for items (i) to (x) and the entries relating thereto, the following items and entries shall be substituted, namely: .

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) 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;
- (v) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) 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 Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.

2. This notification shall come into force with effect from 1st April, 2014.