Institutionalization of CSR Activities

February 07, 2018

Agenda for Discussion

A   **CSR Council**

B   **Quick Analysis of CSR Activities in the State**

C   **Dovetailing CSR spending with State's Priorities**

D   **CSR Portal**

A. CSR Council

CSR– STATUTORY REQUIREMENTS & GOVERNING RULES

- Governed by Section 135 and Schedule VII of the **Companies Act, 2013**

- Companies falling under any one of following categories are required to spend at least **2% of their average net profit** for the **immediately preceding three financial years** on CSR activities:

    1) **Net worth of INR 500 crore or more** or
    2) **Turnover of INR 1,000 crore or more** or
    3) **Net profit of INR 5 crore or more**

CATEGORIES OF CSR PROJECTS UNDER COMPANIES ACT 2013

Armed Forces	Education & Skill Development	Environment	Gender Equality and Empowerment	Healthcare	National Heritage
Relief Fund	Rural Development	Slum Area Development	Sports	Swachh Bharat	Technology Incubators

CSR COUNCIL

❑ Constituted on 27th June 2017 to **institutionalize the Corporate Social Responsibility** activities undertaken by the corporates in the State

FUNCTIONS:

❑ Recommend projects proposed by departments and districts to the Corporates to consider implementation
❑ Biannually assess the CSR activities in the State vis-à-vis the developmental agenda
❑ Encourage corporates to undertake baseline and impact assessment of the projects undertaken
❑ Review the information reported by Corporates regarding CSR activities and serve as feedback to corporates on the efficacy of CSR interventions.
❑ Assess the good practices of corporates which can be replicated in the State.
❑ Institutionalize Annual CSR Paper and CSR Awards

First meeting held under the chairmanship of Chief Secretary on December 20, 2017

❑ **800+ welfare projects** now available for corporates to consider

B. Quick Analysis of CSR Activities in Odisha

CSR SPENDING ACROSS CATEGORIES IN ODISHA DURING FY 2014-18*

GO CARE
Government of Odisha - CSR Administration and Responsive Engagement

Total Spend Rs.1,651 cr#

Top 3 categories

INR 1,346 cr – 82%

Education & Skill Development
INR 605 cr

Rural Development
INR 434 cr

Healthcare
INR 307 cr

Other categories

INR 305 cr – 18%

Environment 71.49 cr	Swachh Bharat 146.73 cr	Sports 47.1 cr
Gender Equality & Empowerment 10.5 cr	National Heritage 15.90 cr	Slum Area Development 6.07 cr
Relief Fund 5.54 cr	Armed Forces 1.49 cr	Technology Incubators Nil
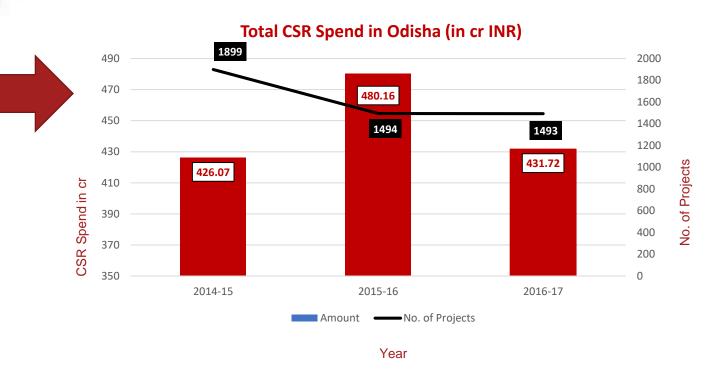
*Data for 2017-18 is provisional

Data as uploaded by 100 companies including 36 companies holding mining lessees

CSR SPENDING OVER THE YEARS

Total CSR Spend in Odisha (in cr INR)

CSR Spend in cr

No. of Projects

Year

Legend: ▬ Amount ▬ No. of Projects

Data points:
- 2014-15: 426.07 (Amount), 1899 (No. of Projects)
- 2015-16: 480.16 (Amount), 1494 (No. of Projects)
- 2016-17: 431.72 (Amount), 1493 (No. of Projects)

* CSR Spent analysis is as per the data uploaded in the CSR Portal by the Companies

CSR SPENDING OVER THE YEARS

CSR Spend in Education & Skill Development (in cr INR)
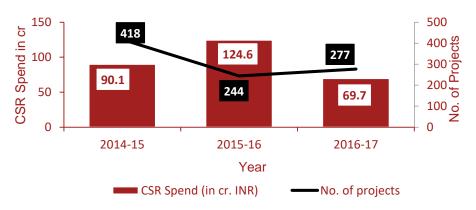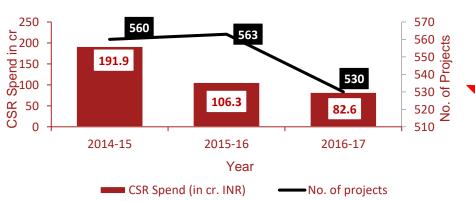

CSR Spend in Healthcare (in cr INR)

CSR Spend in Rural Development (in cr INR)

Significant variation in view of lack of institutionalization

* CSR Spent analysis is as per the data uploaded in the CSR Portal by the Companies

PROJECTS TAKEN UP ACROSS CATEGORIES DURING FY 2014-15 TO 2017-18

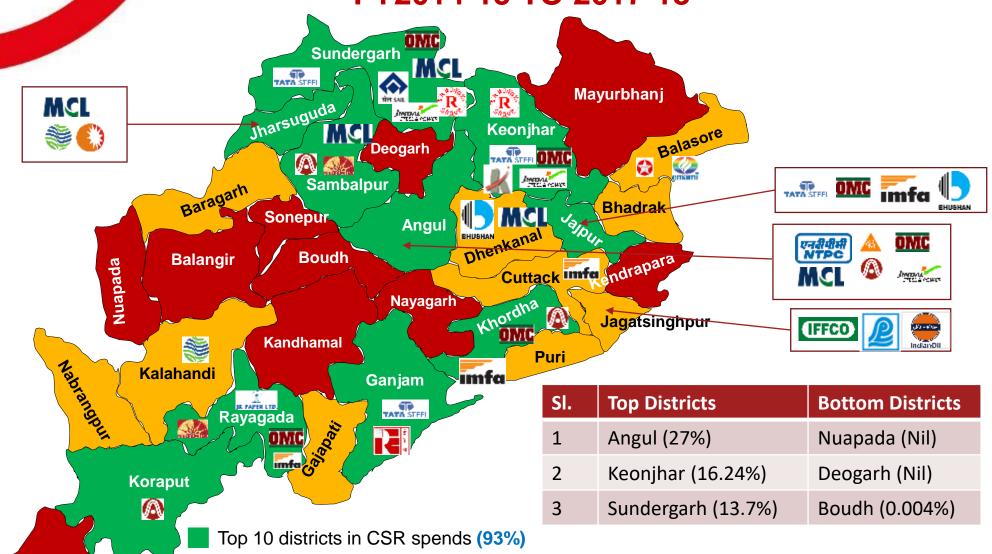|			
Rural Development INR 16.3 lakh 1593 projects	Education & Skill Development INR 16.11 lakh 1119 projects	Healthcare INR 15.7 lakh 1011 projects	Environment INR 12.11 lakh 384 projects
Sports INR 8.13 lakh 273 projects	National Heritage INR 3 lakh 204 projects	Swachh Bharat INR 19.88 lakh 191 projects	Gender Equality & Empowerment INR 4.64 lakh 160 projects
Armed Forces INR 3.1 lakh 22 projects	Relief Fund INR 11 lakh 16 projects	Slum Area Development INR 3.65 lakh 7 projects	Technology Incubators Nil

- Amount mentioned is the average project size in the respective category for the period FY 2014-15 to 2017-18. Top 1% of the projects on project budget basis not considered while calculating averages
- No. of projects is the total no. of projects undertaken in the respective categories during the period FY 2014-15 to 2017-18.
- Data for FY 2017-18 is provisional.

CSR SPENDING ACROSS ODISHA DURING FY2014-15 TO 2017-18

Sl.	Top Districts	Bottom Districts
1	Angul (27%)	Nuapada (Nil)
2	Keonjhar (16.24%)	Deogarh (Nil)
3	Sundergarh (13.7%)	Boudh (0.004%)

Top 10 districts in CSR spends **(93%)**

Intermediate 10 districts in CSR spends **(6.8%)**

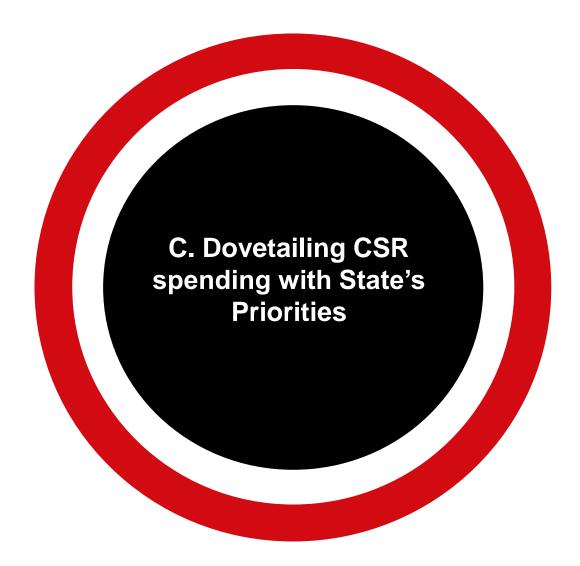Bottom 10 districts in CSR spends **(0.2%)**

11

Districts of CSR Spending by Top 10 Corporates

Company Name	Districts where CSR was spent*
MCL	Angul, Balangir, Balasore, Dhenkanal, Gajapati, Ganjam, Jajpur, Jhasuguda, Kalahandi, Kandhamal, Khordha, Nawarangpur, Nayagarh, Puri, Rayagada,Sambalpur, Sonepur, Sundergarh
Tata Steel	Dhenkanal, Ganjam, Jajpur, Keonjhar, Sundergarh
NALCO	Angul, Khordha, Koraput, Puri,Sambalpur, Sundergarh
OMC	Cuttack, Dhenkanal, Kalahandi, Keonjhar, Khordha, Koraput, Puri, Rayagada, Sundergarh
Rungta Group	Kalahandi, Keonjhar, Khordha, Mayurbhanj and Sundergarh
Serajuddin	Keonjhar
JK Paper	Rayagada
Utkal Alumina	Rayagada
SAIL	Sundergarh, Keonjhar

* As per the data uploaded in the CSR Portal by the Companies

C. Dovetailing CSR spending with State's Priorities

DOVETAILING CSR WITH DEVELOPMENTAL AGENDA
(Typical Category wise projects proposed by Departments and Districts)

Gender Equality & Empowerment
- Working women's hostels in industrial areas
- Day care centres

Slum Area Development
- Slum Area Rehabilitation
- Improvement in sanitation facilities and provision of drinking water

Education & Skill Development
- Availability of bench desks/classrooms in government schools
- Model Schools
- ITIs

Rural Development
- Drinking Water in mining areas –
  - ✓ Filtration system
  - ✓ Clean water access
- Connectivity in rural areas

Swachh Bharat
- Toilets in schools to reduce dropout rates in secondary schools
- Toilets in slums/cities

Healthcare
- Improvement in Health centres Infrastructure
- Provision of ambulances
- Patient Attendant's rest shed

CATEGORIZATION OF DISTRICTS FOR THE PURPOSE OF RECOMMENDING CSR PROJECTS

Category 1 (11 Districts)	Category 2 (19 Districts)
KBK+ Districts	**Other Districts**

KBK+ Districts (Category 1):
- Balangir
- Boudh
- Gajapati
- Kalahandi
- Kandhamal
- Koraput
- Malkangiri
- Nawarangpur
- Nuapada
- Rayagada
- Sonepur

Other Districts (Category 2):
- Angul
- Balasore
- Baragarh
- Bhadrak
- Cuttack
- Deogarh
- Dhenkanal
- Ganjam
- Jagatsinghpur
- Jajpur
- Jharsuguda
- Kendrapara
- Keonjhar
- Khordha
- Mayurbhanj
- Nayagarh
- Puri
- Sambalpur
- Sundergarh

PROJECTS PROPOSED BY DEPARTMENTS AND DISTRICTS

PROJECTS BY DEPT.

State/ Regional Level — *Project spread over the State/ Multiple districts*

District Level — *Project spread over a particular district*

Project spread over a particular district — **District Level** — **PROJECTS BY DISTRICTS**

Proposed CSR Projects	District Level	Departmental Projects		Total
		District Level	State/Regional Level	
Amount (in cr INR)	449	276	1107	1832
No. of Projects	847	142	32	1021

PRINCIPLES FOR RECOMMENDING PROJECTS

- Ensure more equitable distribution of CSR projects across the State and reducing disparity

- CSR Projects proposed in the "KBK+ districts" to be prioritized for their socio-economic development

- Only projects of above certain size (which could create visible impact) to be recommended going forward.

KBK+ Districts (11)	Other Districts (19)
Projects of value > 5 lakhs	Projects of value > 10 lakhs

- Projects under Education, Healthcare and Rural Development to be given more priority considering the HDIs of the State.

Note: Corporates are free to take up any other projects as well

PROPOSED CSR AWARDS

1. **CSR Project of the Year (project with highest impact)**

2. **Most Innovative CSR project of the year**

3. **CSR Project with highest replicability**

4. **Best CSR projects in each category**
    i. Education & Skill development
    ii. Environment
    iii. Gender Equality & Empowerment
    iv. Healthcare
    v. Rural Development
    vi. Slum Area Development
    vii. Swachh Bharat

5. **Special award to the company with most geographically diversified CSR projects**

   Questionnaire based assessment followed by presentations by top 3 companies in each award category to a CSR Council constituted Award Jury
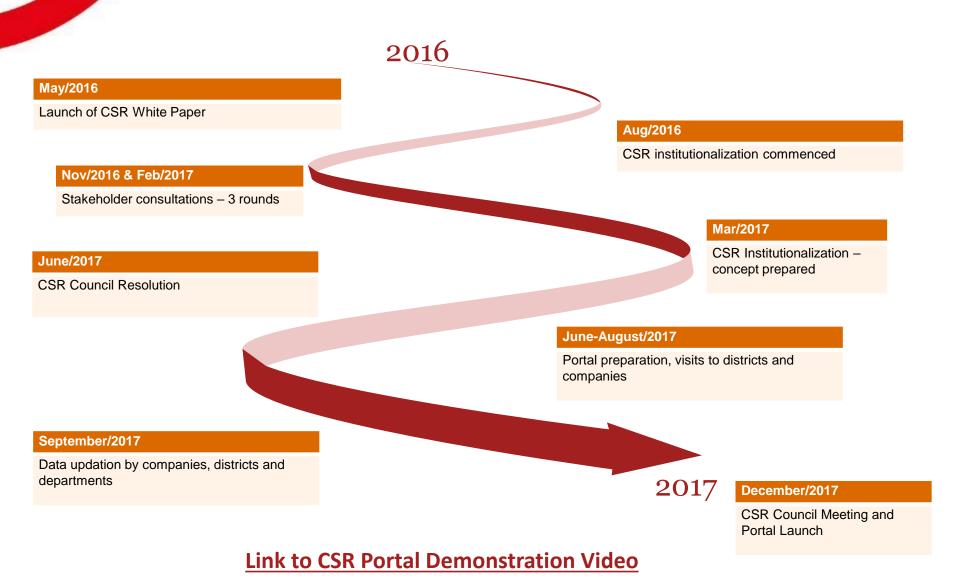
EXPECTED SUPPORT FROM CORPORATES

❑ **Recommended projects by CSR Council to be considered** by corporates during their future CSR programmes and align with the State's development goals

❑ **Expand the area of CSR operations beyond peripheral development** to other districts of the State and dovetail with high priority areas of the State

- To make full use of the HDIs provided on GO CARE portal during selection of projects

❑ **Keep the information on the portal updated** regarding all CSR activities undertaken and planned

❑ **Continuous feedback** on the development of the portal and collaboration

D. CSR Portal

DEVELOPMENT OF GOCARE PORTAL

2016

May/2016

Launch of CSR White Paper

Aug/2016

CSR institutionalization commenced

Nov/2016 & Feb/2017

Stakeholder consultations – 3 rounds

Mar/2017

CSR Institutionalization – concept prepared

June/2017

CSR Council Resolution

June-August/2017

Portal preparation, visits to districts and companies

September/2017

Data updation by companies, districts and departments

2017

December/2017

CSR Council Meeting and Portal Launch

Link to CSR Portal Demonstration Video

THANK YOU