

SUSTAINABLE MINING AND GEOINFORMATION

Prof. Basanta Kumar Prusty

Department of Mining Engineering

Indian Institute of Technology Kharagpur

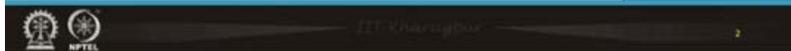
Week – 12

Lecture 59: CSR for Sustainable Development

Welcome, students, to lecture 59 of the NPTEL course on 'Sustainable Mining and Geoinformation'. Today, we shall discuss the topic of corporate social responsibility, or CSR. CSR is part of sustainable development. We all know and have heard about this term, CSR. The topic that we will be covering consists of CSR, or Corporate Social Responsibility, as part of sustainable development under the Companies Act. Then we have the CSR rules that were promulgated as part of the Companies Act. The CSR rules came into effect in the year 2014. Mostly, we will be discussing the provisions of the CSR rules, and the main provisions are: the CSR committee, CSR policy, and CSR reporting. Lastly, we will discuss a case study of CSR by the reputed mining or steel company, Tata Steel. They are also involved in iron ore mining and coal mining. So, we will discuss the CSR policy of Tata Steel as a case study. We know that CSR, or Corporate Social Responsibility, comes under the Companies Act. Companies, including mining companies, use natural resources, mineral resources, and water for their activities. They acquire land, and these are all natural resources. These companies use natural resources, mineral resources, and water. They also use land for their activities. These companies acquire land, which is a natural resource. These companies use natural resources that belong to society.

CONCEPTS COVERED

- CSR as part of sustainable development under Companies Act
- CSR Rules 2014
- CSR committee, Policy
- Case Study of CSR by Tata steel



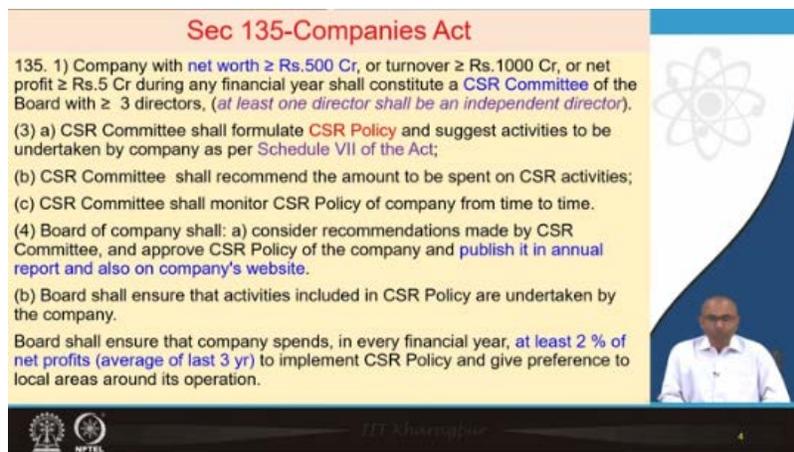
Corporate Social Responsibility

- Companies use resources that belongs to the society and it is expected that they should give back some value to the society.
- Companies should share some benefits with the society for their socio-economic development.
- Governments across the world have used regulations to improve corporate behavior so as to ensure companies use part of their profit to fund socio-economic projects for the community.
- Govt. of India has also mandated Indian companies including mining through Corporate Social Responsibility (CSR).
- CSR is a statutory provision through **Section 135 of Companies Act 2013** and guided by **CSR Rules 2014**.



Who owns the natural resources? It is the country. It is the people. It is society. So, companies use the natural resources that belong to society and engage in industrial activities. From these activities, they generate revenue. Most companies work for profit. They generate revenue and profit. We all know that because of these companies' activities, there is an impact on the environment and society. Now, as part of sustainable development, companies that use society's natural resources and generate profit and revenue have a moral obligation to give back some value to society and the communities in which they operate. Companies should share some benefits with society and the community for their socio-economic development. This is what we have discussed in the last several classes; this is nothing but sustainable development. Companies use natural resources, which impact the environment and have adverse effects on society. They should develop projects to give back some value, share benefits, and share profits with the community and society to offset these adverse impacts. This is exactly what sustainable development is. Keeping this in mind, and considering the moral obligation we discussed,

governments worldwide—not just in our country but also in others—have used regulations and statutory mechanisms to enforce or improve corporate behavior. Sometimes, there are examples where companies work only for profit. They may ignore or neglect the adverse impacts on society and the environment. They work solely for profit. This behavior has been observed in some companies. To ensure companies behave in a socially responsible manner, governments worldwide have used statutory measures and legal routes to ensure companies use part of their profits to fund and support socio-economic development projects for communities and society. Similarly, the Indian government has mandated that companies use part of their profits to fund socio-economic development projects in society. This is what we call corporate social responsibility. Corporate social responsibility is nothing but a legal-financial arrangement through which a company spends some of its profits to fund socio-economic development projects in the community, society, surrounding areas, and the regions where it operates. This is what CSR is. In our country, CSR is also a statutory provision under Section 135 of the Companies Act, 2013. CSR is guided by the Corporate Social Responsibility Rules, 2014. If you look at the Companies Act, Section 135, Sub-rule 1, Section 1, Subsection 1: Companies with a net worth of more than Rs. 500 crore, or turnover exceeding Rs. 1000 crore, or net profit of Rs. 5 crore or more during any financial year, are bound by these CSR rules. Accordingly, they must constitute a CSR committee. The CSR committee must consist of at least three directors.



Sec 135-Companies Act

135. 1) Company with net worth \geq Rs.500 Cr, or turnover \geq Rs.1000 Cr, or net profit \geq Rs.5 Cr during any financial year shall constitute a CSR Committee of the Board with \geq 3 directors, (at least one director shall be an independent director).

(3) a) CSR Committee shall formulate CSR Policy and suggest activities to be undertaken by company as per Schedule VII of the Act;

(b) CSR Committee shall recommend the amount to be spent on CSR activities;

(c) CSR Committee shall monitor CSR Policy of company from time to time.

(4) Board of company shall: a) consider recommendations made by CSR Committee, and approve CSR Policy of the company and publish it in annual report and also on company's website.

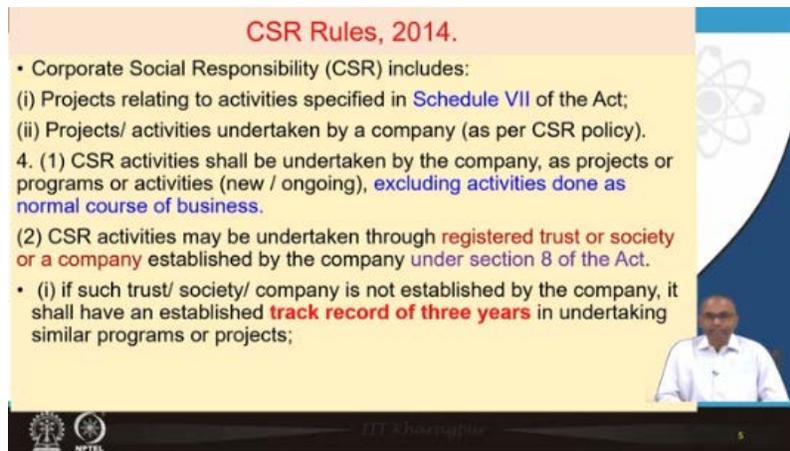
(b) Board shall ensure that activities included in CSR Policy are undertaken by the company.

Board shall ensure that company spends, in every financial year, at least 2 % of net profits (average of last 3 yr) to implement CSR Policy and give preference to local areas around its operation.

The board of directors should have at least one independent director. It is as per the provisions 135.1 of the Companies Act. Now, 135.3, the CSR committee shall formulate a corporate social responsibility policy of the company, and it shall suggest the socio-

economic developmental activities that the company shall undertake for the benefit of society. What could these social-developmental activities be? The different types of social developmental activities are given in the Act as Schedule 7 of the Act, which lists what kind of activity the company under the CSR can fund. So, the CSR committee shall recommend the amount to be spent for a particular year on CSR activities. And the CSR committee will also monitor these activities and implement the CSR policy of the company. It will also monitor whether the CSR is being implemented properly. And also from time to time, if they want to revise the CSR policy. Because it is not a static thing. From time to time, they can add something, delete something. So the CSR committee can do that one. The CSR committee formulates the policy, suggests the CSR activity or projects to be taken by the company. The board of directors of the company shall accept the recommendation made by the CSR committee, and they will approve the CSR policy. So, policy approval will be done by the board of the company, and once it is approved, it will be published on the company website, as well as the policy will be published in the company's annual report. As you know, every company has to publish an annual report. This report is statutory, which also contains a financial report. So, in that report, there is a chapter on the CSR. So, they have to publish the CSR policy as well as the projects they have undertaken, and their performance. Also, they have to publish in the annual report. Now, the board shall ensure that the CSR policy is undertaken by the company. As per section 135 of the act, the amount of money the company shall spend on CSR activity should be at least 2% of the net profit, and when you are calculating the net profit, it is for the last 3 preceding years. What is the average net profit of the last 3 years, minimum, at least 2% of the average net profit of the last 3 years, that is the amount the company has to spend. It can also spend more, but a minimum of 3% of the average net profit. The implementation of the CSR activities, preferably it should be in the area where the company is operating, where the mines are operating. In that area, it is preferable, but it is not restricted. Some CSR activity can also be undertaken in other areas, as suggested by the CSR committee and as accepted by the board. But, preference has to be given to the local area where the industry is operating, where the mine is operating. Now, if you come to the CSR rules 2014, it came from the CSR Companies Act, section 135. The rule suggests that, as per section 4.1, CSR

activities shall be undertaken by the company as a project, a program, an activity, or a new activity, or it can also fund the ongoing activity.



CSR Rules, 2014.

- Corporate Social Responsibility (CSR) includes:
 - (i) Projects relating to activities specified in **Schedule VII** of the Act;
 - (ii) Projects/ activities undertaken by a company (as per CSR policy).

4. (1) CSR activities shall be undertaken by the company, as projects or programs or activities (new / ongoing), **excluding activities done as normal course of business.**

(2) CSR activities may be undertaken through **registered trust or society or a company** established by the company under **section 8** of the Act.

- (i) if such trust/ society/ company is not established by the company, it shall have an established **track record of three years** in undertaking similar programs or projects;

The slide also features a small video inset of a man in a white shirt in the bottom right corner, and logos for NPTCL and another organization in the bottom left corner.

But these CSR activities should exclude activities done by the company as part of its normal business. So whatever normal business they are doing, the company cannot use, cannot spend that money, CSR money on those things, and tell that we are doing that thing and it is helping the people, it is helping the society. Something other than their normal business activity. CSR activities may be undertaken through the company itself, or the company can form a trust, a society, or a company to implement these CSR projects. The in-house agency of the company or the company can formulate a trust or a society to implement, or even a company, to implement these CSR projects. Now, Sec. 4.3: the company may collaborate with other companies. If it is a, let us say, a small company, and they can collaborate with another company, and they can form a trust or society, which will implement the CSR activity of both companies. However, all the financial accounting has to be done separately. They cannot be clubbed. But the agency can execute the CSR project of the two companies together. So, activities that benefit only the employee of the company and their family shall not be counted as CSR activities. These are exclusions. Donation to a political party, under Section 182 of the Company Act, will not be considered a CSR activity. So, these are exclusions that can not be considered as CSR. Now, Section 5 of the CSR rule tells about the CSR committee. So the company shall formulate a CSR committee. As we have told, a minimum of three directors should be present, and one has to be an independent director.

CSR Committee

4.(3) Company may collaborate with other companies for undertaking CSR projects.

(5) Activities that benefit only employees of the company and their families **shall not be considered** as CSR activity as per section 135 of the Act.

- *Donation to political party (sec.182 of Act) is not considered CSR activity.*

Sec 5. CSR Committees:-

(1) The company shall constitute CSR Committee-

(i) an unlisted public company or a private company which is not required to appoint an **independent director** as per sub-sec. (4) of sec. 149 of Act, shall form CSR Committee without independent director.

(ii) A private company having only two directors on its Board shall constitute CSR Committee with two directors:

(2) The CSR Committee shall institute a **transparent monitoring mechanism** for implementation of the CSR projects.



But in the case of an unlisted public company or a private company that is not required to appoint an independent director as per subsection 4 of section 149, they don't have a provision for an independent director. There, the CSR committee will consist of only two members, two directors. It will not have one independent director. Similarly, a private company having only two directors on the board is not required to have a third director. In this case, the CSR committee can have only two directors. Now, the CSR committee shall institute a transparent monitoring mechanism. We are implementing the CSR activities, but we have to monitor how they are performing. So, a transparent monitoring mechanism has to be developed by the CSR committee, and that should be used for examining the performance of the CSR projects that are being undertaken by the company. Rule 6. The CSR policy of the company shall include a list of CSR projects that the company plans to undertake as per Schedule 7 of the Act, specifying the modalities of the execution and implementation schedule. So, how will the developmental project be executed, and what is the time frame? Now, the committee or the policy will suggest a monitoring mechanism or a monitoring process. The CSR policy of the company must specify any surplus money arising out of the CSR project or unspent money. For example, you have committed 200 crores, and you have only spent 190 crores. The unspent money cannot go to your budget. It shall be reinvested in the CSR projects. Now, CSR reporting is a very important part of CSR implementation. You are implementing a project, a CSR project, you are monitoring it, and then you will be reporting.

CSR POLICY

6. (I) The CSR Policy of the company shall include the following: -

- (a) a list of CSR projects which a company plans to undertake as per Schedule VII, **specifying modalities of execution and implementation schedules** of these projects;
- (b) monitoring process of these projects;
 - CSR activities does not include activities undertaken in pursuance of normal course of business of a company.
- (2) The CSR Policy of the company shall specify that any surplus arising out of the CSR projects shall not form part of the business profit of the company.

Reporting, as per the statute, is mandatory in the company's annual report, where you are presenting the financial report; there will also be CSR reporting. So, the board's report of a company covered under the rules pertaining to the financial year commencing on or after 1st April 2014 shall include a section on CSR, and an annual report on CSR. A report containing the CSR policy, the details of the CSR projects implemented during that year, and the details of the amount spent on the CSR projects. Now, the CSR activities shall also be published on the company's website. The CSR policy as well as the CSR report for a particular year shall also be published on the company's website. Now, if you go to Schedule 7 of the Companies Act, what kind of projects, socio-economic development projects, that will be part of this CSR are listed? If you look at this list, there are different types of projects that can be taken. For example, activities related to eradicating extreme hunger and poverty from society can be taken. Many mining projects are located in tribal districts, tribal areas, where a lot of poverty exists. So, what can be done to eradicate poverty and hunger from society? Promoting education: The Backward district educational facilities are lacking. So, promoting education, opening schools, skill centers, training centers, etc. Promoting gender equality and empowering women. Women empowerment programs, providing skills to women, and providing some employment opportunities through the creation of women's societies. So, those kinds of programs. Reducing child mortality and improving maternal health. Regarding the health program, health facilities are also lacking in most of the mining districts.

CSR Reporting

8. (1) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after 1st April, 2014 shall include an [annual report on CSR](#) containing particulars of CSR projects implemented during that year.

(2) In case of foreign company, the balance sheet filed under sub-clause (b) of sub-sec (1) of sec. 381 shall contain an Annexure on CSR report.

9. Display of CSR activities on its website: The CSR policy as well as activities under CSR be displayed on the [company's website](#).




Schedule VII of Companies Act 2013

- Activities to be included by companies for CSR Activities : —
- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to Prime Minister's National Relief Fund or other fund set up by Central Government / State Governments for socio-economic development and relief and funds for the welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;




So, taking initiatives to reduce child mortality and improve women's health, combating human immunodeficiency virus, acquired immunodeficiency syndrome, malaria, and other diseases. These are all health-related, including HIV, malaria, and other communicable diseases. If you are taking some measures for healthcare in the mining area. Many mines in our country are located in malaria-prone areas. So we can take some health measures so that malaria can be reduced. Ensuring environmental sustainability, a lot of adverse impact on the forest and the environment. So activities for afforestation, for improving biodiversity, and for environmental sustainability. Employment-enhancing vocational skills, providing skill training to the local people. Social business projects: supporting some entrepreneurship programs in the local community. So, all these are different types of activities that can be supported by CSR. Lastly, contribution to the Prime Minister's National Relief Fund or the Chief Minister's National Relief Fund, where the fund is used for disaster management and providing relief and funds for the welfare of the SC, ST, and other weaker communities. Those kinds of programs can be supported through CSR, and

these are listed in Schedule 7 of the Companies Act. Now, CSR reporting is very, very important, and there is a format that is given as per the CSR Rule 2014. So, as per the format that is given, a brief outline of the company's CSR policy must be given. It includes an overview of the project, some general information about the project or the mining project, and what programs are proposed to be undertaken under CSR. These are the CSR policy details about the projects. So, they will be given in the CSR report and other specifics that are given, that is to be in the CSR report.

Format of CSR Report

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects.
- 2. The Composition of the CSR Committee.
- 3. Average net profit of the company for last three financial years
- 4. Prescribed CSR Expenditure (2% of net profit; item 3 above)
- 5. Details of CSR spent during the financial year:
 - (a) Total amount of outlay for the financial year;
 - (b) Amount unspent , if any;
 - (c) Manner in which the amount spent given as table.
- 6. In case the company has failed to spend the mandated CSR fund, reasons for not spending the amount.
- 7. A responsibility statement of CSR Committee that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

10

This format has to be followed. The composition of the CSR committee includes the CSR committee member who has to be mentioned. The net profit of the last three preceding years and the average net profit of the company in the last three years have to be mentioned. How much CSR expenditure has been done that has to be given? The total amount of outlay for the financial year, how much was allocated, how much was spent, and if there is any unspent amount, what is the reason for the amount that could not be spent? So, this information will be given. So, I can show you this is the format that you can see. This is the format for CSR reporting. Column 1, serial number, column 2, CSR project or activity identifier. CSR project or activity from the schedule 7, out of those activities, so you have to select some of the activities. The sector in which the project is covered. So, again, out of the scheduled 7 activities, what type of work is done under the CSR? A project or program that is undertaken as CSR, whether it is in a local area, whether the project is undertaken in the mining or company locality, or in some other location that has to be mentioned. Amount of outlay: The amount allocated for the CSR expenditure, which is to be given. Amount spent on different projects; direct expenditure of the project, its

overhead; amount unspent; then cumulative expenditure. Because if it is an ongoing project, it goes on for several years; year one, year two, year three, year four, so on. If you are sponsoring some project, say, year one, you have given 10 crore, and in year two, you are giving another 10 crore. So in the second year, when you are reporting that cumulative expenditure, you have to write 20 crores. Like that, the amount spent and the amount unspent have to be reported. So, all this information has to be given in the CSR reporting, in the annual report. And there, you also have to give details of the implementing agency. Now, as I told you, the CSR projects can be implemented either through an in-house department or by giving money to a society-registered foundation or NGO. So, who is implementing the CSR project?

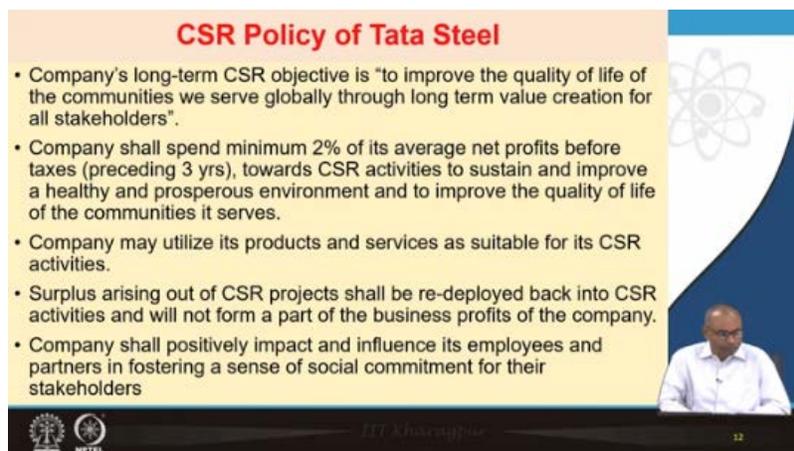
Format of CSR Reporting

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
TOTAL							

*Give details of implementing agency:

Either the company itself or on behalf of the company, some other agency. That information has to be given in the CSR report. So now, as a case study, we will discuss the CSR policy of Tata Steel. As you know, Tata Steel is one of the major mining and steel companies. So this information is given on the website of Tata Steel. Just the CSR policy of Tata Steel, you can make a search and you will get it. So I have also given the reference. The company's long-term CSR objective is to improve the quality of life of the communities, "we serve globally through long-term value creation for all stakeholders". This means Tata Steel shall spend a minimum of 2% of its average net profits before taxes preceding three years towards CSR activities to sustain and improve a healthy and prosperous environment, and to improve the quality of life of the community it serves. So the company may utilize its products and services as suitable for its CSR activities. Now surplus arising out of CSR projects shall be reinvested back into the CSR activities, and it

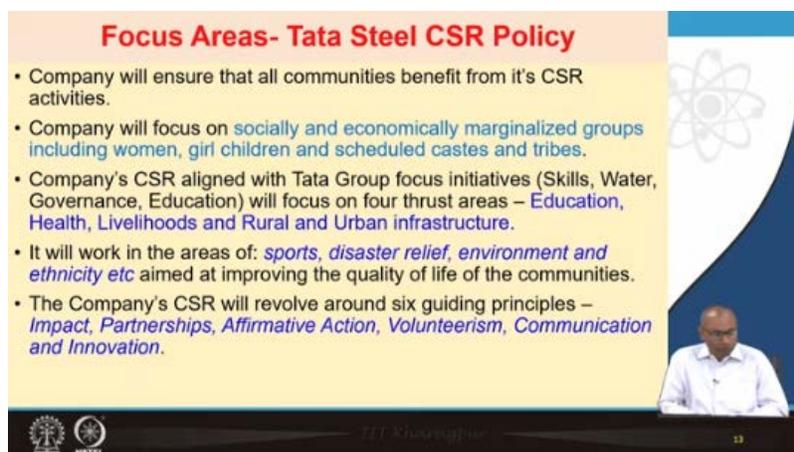
will not form a part of the business profit of the company. So, this declaration is mandatory, and this should be implemented very strictly. Companies shall positively impact and influence their employees and their partner companies, partner organizations in fostering a sense of social commitment for the stakeholders. So not only will the company provide funds for CSR activities, it will also influence its employees, its partner company, suppliers, and all stakeholders to also support CSR activities. This is their policy. The company will ensure that all communities benefit from its CSR project, but it will focus on socially and economically marginalized groups such as women, girls, children, SC, and ST. Because many Tata Steel mines and the steel plants are operating in the tribal areas. So they have focused on the SC and STs.



CSR Policy of Tata Steel

- Company's long-term CSR objective is "to improve the quality of life of the communities we serve globally through long term value creation for all stakeholders".
- Company shall spend minimum 2% of its average net profits before taxes (preceding 3 yrs), towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves.
- Company may utilize its products and services as suitable for its CSR activities.
- Surplus arising out of CSR projects shall be re-deployed back into CSR activities and will not form a part of the business profits of the company.
- Company shall positively impact and influence its employees and partners in fostering a sense of social commitment for their stakeholders

12



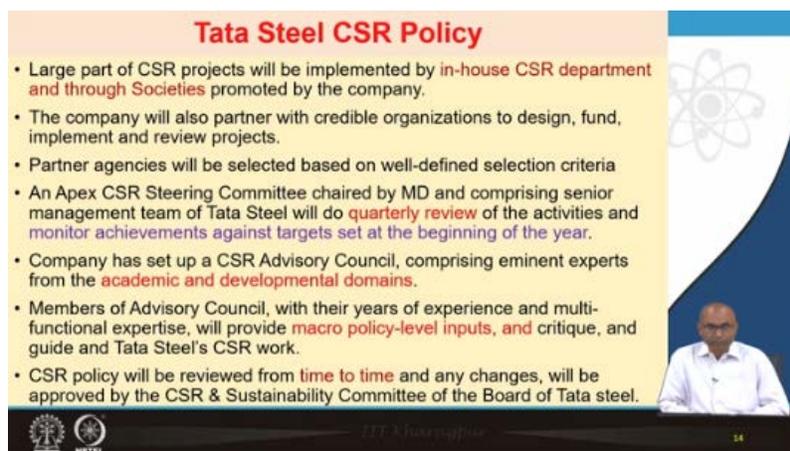
Focus Areas- Tata Steel CSR Policy

- Company will ensure that all communities benefit from its CSR activities.
- Company will focus on **socially and economically marginalized groups including women, girl children and scheduled castes and tribes.**
- Company's CSR aligned with Tata Group focus initiatives (Skills, Water, Governance, Education) will focus on four thrust areas – **Education, Health, Livelihoods and Rural and Urban infrastructure.**
- It will work in the areas of: **sports, disaster relief, environment and ethnicity etc** aimed at improving the quality of life of the communities.
- The Company's CSR will revolve around six guiding principles – **Impact, Partnerships, Affirmative Action, Volunteerism, Communication and Innovation.**

13

Company CSR is aligned with the Tata Group's focus initiatives, such as skills, water, governance, and education. So the Tata Steel CSR will focus on thrust areas such as education of the people, health of the people, livelihood creation for the people, and rural

and urban areas. Creation of rural infrastructure in the rural area, in the mining areas, where they operate in the Jamshedpur plant, and in the urban area. So, both the creation of infrastructure in rural and urban areas is also their focus. Apart from these four areas, it will also work in the mining areas. Socio-economic development, such as sports facilities, you know, tribal sports, they support a lot of tribal sports. Disaster relief in society is necessary in case of any disaster. Environment, ethnicity will mostly work in the tribal area. So they want to support the tribal people in their sports, in their culture, in their language, etc., aimed at improving the quality of life of these communities. The company's CSR will revolve around six guiding principles: impact, partnership, affirmative action, voluntarism, communication, and innovation. So, now, a large part of the CSR project of Tata Steel will be implemented by in-house CSR departments and through societies promoted by the company, which will be implementing the CSR project. So they have an in-house CSR department, and they have created many society foundations through which CSR projects will be implemented. The company will also partner with a credible, reputable organization to design, fund, implement, and review the CSR projects. Partner agencies will be selected based on well-defined selection criteria and reputation. Apex CSR committees, the CSR steering committee, chaired by the managing director of the company and comprising senior executive management, the executive team of Tata Steel, will do a quarterly review of the CSR activities and also they will monitor the achievement of the CSR against the target once at the beginning of the year.



Tata Steel CSR Policy

- Large part of CSR projects will be implemented by **in-house CSR department** and through **Societies** promoted by the company.
- The company will also partner with credible organizations to design, fund, implement and review projects.
- Partner agencies will be selected based on well-defined selection criteria
- An Apex CSR Steering Committee chaired by MD and comprising senior management team of Tata Steel will do **quarterly review** of the activities and **monitor achievements** against targets set at the beginning of the year.
- Company has set up a CSR Advisory Council, comprising eminent experts from the **academic and developmental domains**.
- Members of Advisory Council, with their years of experience and multi-functional expertise, will provide **macro policy-level inputs, and** critique, and guide and Tata Steel's CSR work.
- CSR policy will be reviewed from **time to time** and any changes, will be approved by the CSR & Sustainability Committee of the Board of Tata steel.

The slide features a blue and white background with a stylized atom logo on the right. A small inset image shows a man in a white shirt speaking. Logos for Tata Steel and NPTEL are visible at the bottom left, and the number 14 is at the bottom right.

The company has set up a CSR advisory council comprising eminent experts from academia and development domains. Members of the advisory council, with their years of

experience in academia and the development domain, will provide macro policy inputs, critique the CSR policy and implementation, and guide Tata Steel's CSR work. The CSR policy will be reviewed from time to time. It is a requirement, and any change must be approved by the CSR and Sustainability Committee of the Board of Tata Steel. If you look at their annual report for the year 2018-19, this is the financial outlay for CSR. The average net profit of the company for the last three years was 4120.15 crore. The CSR expenditure outlay was 82.40 crore, which is about the statutory limit of 2% of the profit. The details of CSR spending during that financial year: the amount spent was Rs. 314.94 crore. The outlay as per CSR rules was Rs. 82.40 crores, and the amount spent was Rs. 314.94 crores. They spent more than the statutory 2% requirement. The CSR projects they implemented include many projects. Foundations or societies like Tata Steel Foundation, Tata Steel Rural Development Society, Tribal Cultural Society, Tata Steel Skill Development Society, Tata Steel Family Initiative Foundation, and Tata Steel Geological Society. These are all Tata Steel's different agencies, societies, and foundations associated with Tata Steel. If you look at their annual report, I have taken some of this so you can get a good idea. The CSR projects they have implemented, particularly in the health domain, promote healthcare, including preventive healthcare and sanitation. They spent 168.94 crore during 2018-19. In the drinking water area, making safe drinking water available in Jharkhand, Odisha, and West Bengal, they spent Rs. 9.75 crores.

Tata Steel CSR Report

Particulars	(₹ crore)
Average net profit of the Company for last three financial years	4,120.15
Prescribed CSR expenditure (2% of the average net profits)	82.40
Details of CSR spent during the financial year:	
(a) Total amount to be spent for the financial year	82.40
(b) Amount spent	314.94
(c) Amount unspent, if any	Nil

Source: Tata steel annual report, 2018-19

CSR Delivery Arms: Tata Steel Foundation ('TSF'), Tata Steel Rural Development Society, Tribal Cultural Society, Tata Steel Skill Development Society, Tata Steel Family Initiatives Foundation, Tata Steel Zoological Society.



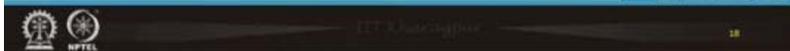
NPTEL

(i)	(ii)	(iii)	(iv)	(v)	(vi)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount in Crores	Amount spent on the projects or programmes during current reporting period in Crores
1	Promoting Health Care including preventive Healthcare and Sanitation	Health	Jharkhand - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Odisha - Gargar, Jagrit, Kandulhar, Sundargarh, Maharashtra - Mumbai, West Bengal - Kolkata	114.60	108.94
	Total			114.60	108.94
2	Making Available safe Drinking Water	Drinking Water	Jharkhand - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Odisha - Gargar, Jagrit, Kandulhar, Sundargarh, West Bengal - Haldia	9.81	9.79
	Total			9.81	9.79
3	Promotion of education including special education	Education	Jharkhand - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi, Odisha - Gargar, Jagrit, Kandulhar, Sundargarh, Part Maharashtra - Sangli	66.81	66.52
	Total			66.81	66.52
4	Employment enhancing vocational skills especially to Women, Children, Differently abled	Livelihood	Jharkhand - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi, Odisha - Gargar, Jagrit, Kandulhar, Sundargarh	27.24	18.11
5	Livelihood enhancement projects				
	Total			27.24	18.11

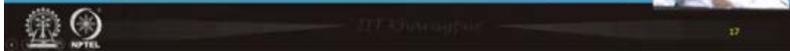
The promotion of education, including special education, was in the education category. They spent Rs. 66.52 crores in the states of Jharkhand, Odisha, and Maharashtra. Similarly, employment-enhancing vocational skills, particularly for women, children, and the differently abled, and also a livelihood enhancement project. This is a livelihood sector. They spent Rs. 18.35 crore in Jharkhand and Odisha. Environmental sustainability for the protection of flora and fauna, agroforestry, animal welfare, resource conservation, soil quality, air quality, and water quality preservation. They spent Rs. 2.63 crore in Jharkhand, Odisha, and West Bengal. Similarly, the protection and restoration of national heritage, promotion of arts, culture, handicrafts, and setting up public libraries for the tribal and other people are in the ethnicity category. They spent Rs. 8.06 crores in Jharkhand as well as in Odisha. In the sports category, the promotion of rural sports, nationally recognized Paralympic and Olympic sports, they supported the states of Jharkhand and Odisha, spending Rs. 10.19 crores. Lastly, in the rural development project, the creation of rural infrastructure and other developmental activities in the rural and urban infrastructure category, they spent Rs. 19.70 crores in Jharkhand and Odisha. In total for that year, they spent Rs. 304.16 crores in all the CSR activities. Overhead expenses were Rs. 10.78 crores. The total they spent, including overhead, was about Rs. 314.9 crores. This is just to show you how CSR reporting is done by a company. To summarize, we have discussed the provision of CSR coming from the Companies Act, Section 135, then CSR Rule 2014, and in the rule, the CSR Committee, CSR Policy, CSR Reporting, and CSR Reporting Format. Lastly, we discussed the case study of CSR, taking the example of Tata Steel.

SUMMARY

- CSR- Acts and Rule
- CSR Committee, Policy
- CSR Reporting
- Case Study Of CSR Policy of Tata steel.



(1)	(2)	(3)	(4)	(5)	(6)
Sl. No	CSR project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount outlay	Amount spent on the projects or programmes during current reporting period
6	Environmental sustainability, protection of flora & fauna, agro forestry, animal welfare, resource conservation, maintaining quality of soil, air, water	Environment	Jharkhand - East Singhbhum, Kamnagh, Odisha - Jajpur, Kandhajar, West Bengal - Burdwan	2.50	2.63
	Total			2.50	2.63
7	Protection and restoration of national heritage, preservation of art, culture, handicrafts, setting up public libraries etc.	Ethnicity	Jharkhand - East Singhbhum, West Singhbhum, Kamnagh, Kancio Odisha - Kandhajar, Jajpur	8.86	8.96
	Total			8.86	8.96
8	Promotion of Rural, Nationality recognised, Paralympic and Olympic sports especially training	Sports	Jharkhand - East Singhbhum, West Singhbhum, Okhandal, Kamnagh, Kancio Odisha - Ganjam, Jagpur, Kandhajar, Surlongarhi	17.83	18.19
	Total			17.83	18.19
9	Rural development projects (infrastructure and other developments)	Rural & Urban Infrastructure	Jharkhand - East Singhbhum, West Singhbhum, Okhandal, Kamnagh Odisha - Ganjam, Jagpur, Kandhajar	17.22	18.72
	Total			17.22	18.72
	Total Direct expenses of projects & programmes (A)			264.67	264.16
	Overhead Expenses (restricted to 5% of total CSR expenditure) (B)			12.22	12.78
	Total (A) + (B)			276.89	276.94



These are the references: Companies Act 2013; CSR rule, 2014, available in the public literature; CSR policy, Tata Steel, available in the public literature; Tata Steel annual reports, integrated report on annual accounts 2018-19, which is also available on the Tata Steel website. These are the topics about CSR that we discussed. CSR is very relevant for sustainable development, not only in our country, India, but across the world. Many governments have developed CSR policies by taking the statutory legal route so that the government can enforce socially responsible behavior of the company. This was, I think, a very interesting topic, and I thank you for your patient hearing. Thank you very much.

REFERENCES

1. Companies Act, 2013
2. CSR Rules, 2014.
3. CSR Policy, Tata steel, <https://www.tatasteel.com/media/11804/tata-steel-csr-policy-latest-2019.pdf>
4. Tata steel Annual Reports Integrated Report & Annual Accounts 2018–19

