
**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

2018-19



The Industrial Development Corporation of Odisha Ltd.
A Government of Odisha Undertaking

INDEX

Sl. No.	SUBJECT	Page No.
1	Introduction	3
2	Short title & Applicability	3
3	Definitions	4
4	Corporate Social Responsibility (CSR) Committee	5
5	Budget & Expenditure	6
6	Modalities for implementation, monitoring, Reporting and evaluation of CSR projects	6
	6.1 Implementation	7
	6.2 Monitoring and Reporting	7
	6.3 Evaluation	9
7	Impact Assessment	10

1. Introduction:

Corporate Social Responsibility is a novel concept whereby companies are made to realize their obligations towards the Society of which they are an important constituent. The concept of Corporate Social Responsibility (CSR) in India has traditionally been seen as a philanthropic activity. But the New companies Act, 2013 has brought this philanthropic activity into the regulatory purview.

Section 135 of the companies Act, 2013, which deals with CSR, is applicable from financial year 2014-15 to companies with an annual turnover of Rs 1,000 crore or more, or a net worth of Rs 500 crore or more, or a net profit of Rs 5 crore or more. As per the section, the Board of every such Companies shall ensure that the Company spends , in every financial year , at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The section also mandates the above companies to constitute a CSR Committee of the Board, which will formulate a CSR policy.

2. Short Title & Applicability:

- This policy shall be called as IDCOL CSR policy.
- This policy will regulate the CSR activities of the Company. While this policy has been formulated for General Guidelines, all the provisions of section 135 of the Companies Act 2013 (here in after called as the Act) and rules made their under will have same meaning & coverage.

- This policy shall work out the mechanism for implementation and monitoring of the activities.
- This policy is recommendatory in nature and subject to the approval of the Board of Directors.
- This policy shall be applicable to Projects or programs relating to activities specified in Schedule VII to the Act and any amendments thereto from time to time;

3. Definitions

Unless there is anything repugnant to the subject or context, the following terms used in the Rules are defined as under:

3.1 "Corporate Social Responsibility (CSR)" means and includes but is not limited to :-

(i) Projects or programs relating to activities specified in Schedule VII to the Act and any amendments thereto from time to time; or

(ii) Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in schedule VII of the Act.

3.2 "Company" means The Industrial Development Corporation of Odisha Limited (IDCOL).

3.3 "Board" means the Board of Directors of IDCOL.

3.4 "Competent Authority" means the Chairman-cum-Managing Director or the authority empowered by him in this behalf by any general or special order to perform the functions and exercise the powers of the Competent Authority under this policy;

3.5 "Act" means the Companies Act 2013;

3.6 "Annexure" means the Annexure appended to this policy;

3.7 "CSR Committee" means the Corporate Social Responsibility Committee constituted under Section 135 of Companies Act 2013;

4. Corporate Social Responsibility (CSR) Committee

4.1 The Company shall constitute a Corporate Social Responsibility Committee of the Board consisting of 3 or more directors out of which at least 1 director shall be an independent director.

4.2 The Corporate Social Responsibility Committee shall –
(a) Formulate and recommend to Board, a Corporate Social Responsibility Policy which shall indicate the activities to be

undertaken by the Company along with the time period and estimated expenditure;

(b) Monitor the Corporate Social Responsibility Policy of the company from time to time and inform the Board

5. Budget & Expenditure

5.1 The Board shall ensure that the Company spends at least average of 2% of net profit made during the three immediate preceding financial years towards its CSR activities as envisaged under clause 135 (5) of the Companies Act 2013 read with Section 198 of said Act.

5.2 If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount.

6.0 Modalities for implementation, monitoring, Reporting and evaluation of CSR projects

6.1 Implementation:

The CSR activities shall be undertaken by the Company as per this policy framework as projects, programs or activities (either new or ongoing) The company may implement its CSR activities through the following methods according to suitability:

- Directly on its own.
- Through independent registered non-profit organizations that have a record of at least three years in similar such related activities.
- Collaborating or pooling their resources with other companies.

In compliance with the Act and to ensure that funds spent on CSR programmes are creating desired impact on the ground.

Proposals / Requests from a Registered and specialized body for providing financial assistance for carrying out specific CSR initiative subject to the condition that monitoring will be performed by the Company through its team of officials specifically designated for this task it fulfills the criteria as prescribed in point and such body should have an established track record of three years in undertaking similar programs or projects (Rule 4(2)(i)). A CSR activity through this mode would only be permissible when it is planned to be carried out in project mode. These proposals should be considered only after checking the credibility of the associated agency.

6.2 Monitoring and Reporting :

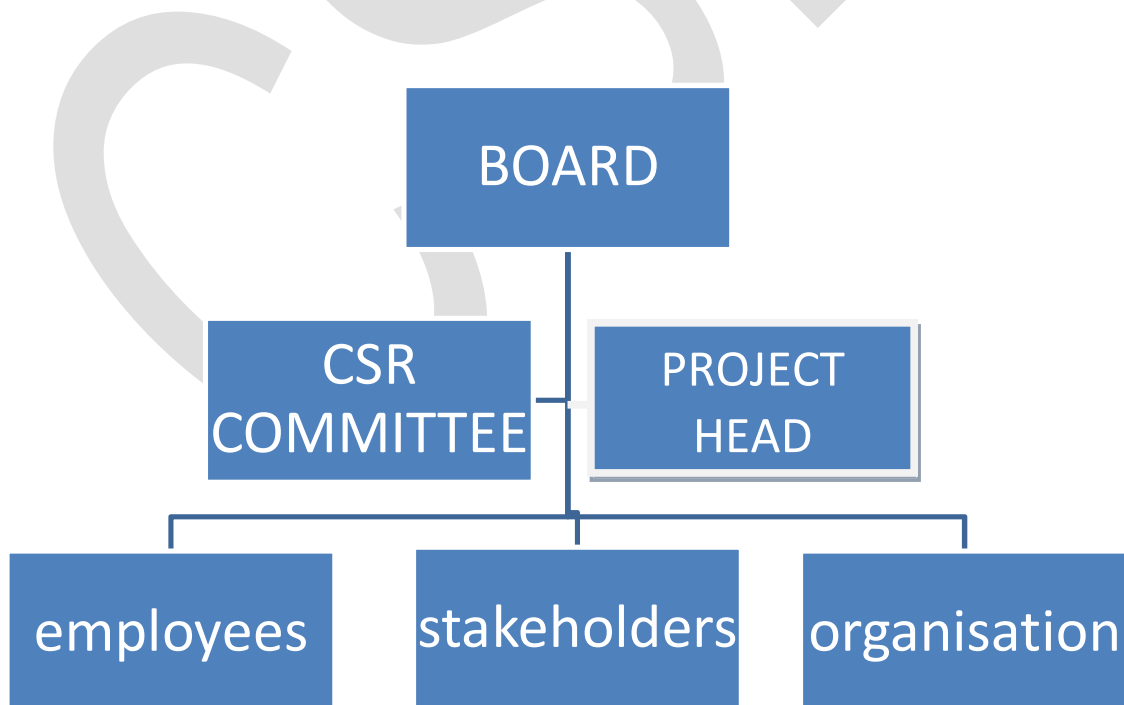
A comprehensive monitoring and reporting framework will be put in place.

The CSR projects should include milestones in terms of measurable parameters. To maintain transparency, details of every project i.e. base line data, targeted beneficiaries, intermediate milestones, targeted outcomes, completion schedule, payment plan, fund utilisation certificates, project completion certificates, Impact assessment etc. should be maintained as prescribed under the Company's rules so that they are available for any

cross checks and future scrutiny. A consolidated progress report of CSR activities as prescribed under Companies (CSR Policy) Rules, 2014] will be provided by the site-level CSR team to the Corporate CSR on a quarterly basis which shall then be put up for consideration of the CSR Committee.

- ❖ The employees engaged for the CSR activities shall report to the project (head), CSR. Then the project (head), CSR shall directly report to the CSR Committee regarding the progress of the assigned work.
- ❖ CSR committee shall also be answerable to the Board for the CSR activities.
- ❖ CSR initiatives of the Company will also be reported in the Annual Report of the Company.

Reporting mechanism



6.3 Evaluation

Any project proposal as mentioned above will be evaluated as per the below given process.

- 6.3.1 Site visits shall necessarily be made for the projects/activities.
- 6.3.2 The visit report must be accompanied with relevant facts, figures, comments of the beneficiaries and donor's representative regarding the quality of work done, photographs etc establishing the quality / credibility of the job carried out.
- 6.3.3 The projects so approved by the CSR Committee will be displayed in the website of IDCOL.
- 6.3.4 All expenditure towards the CSR activities including remuneration and administrative cost of staff, if any of IDCOL shall be considered as CSR expenditure.
- 6.3.5 A consolidated progress report of CSR activities as prescribed under Companies (CSR Policy) Rules, 2014] will be provided by the CSR team to the CSR Head on a regular basis which shall then be put up for consideration of the CSR Committee. On the basis of progress report, the CSR Committee may recommend appropriate action with respect to any project/activity of the Policy.
- 6.3.6 CSR Committee may consider recommending suitable modification in the CSR Policy for approval of the Board.

7.0 Impact Assessment

7.1 The impact created by the project shall necessarily be documented and shall include the development/up-gradation achieved in respect of the parameters corresponding to base line data and intermediary milestones (where ever possible) along with relevant photographs. To assess the impact of strategic and high value CSR schemes/projects, specialised independent professional institutions/agencies shall preferably be engaged.

The average net profit of the corporation in the preceeding three financial years is negative by Rs. 36.25 crore as per the audited financial statements. Hence, the CSR Committee has neither recommended any csr activities nor any expenditure for 2018-19.