
Assam Corporate Social Responsibility Policy

2019

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1. *Preamble*

The Government of India, through enactment of the Companies Act 2013, introduced CSR as a mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities. While government plays the most crucial role in welfare of its people, it is envisaged that the Corporates also share a part of this social responsibility for overall development of the society.

In this context, Government of Assam intends to create enabling environment so as to increase the total volume of CSR investments in Assam and to ensure alignment between Government's developmental agenda and the CSR initiatives through this CSR policy. To this effect, this policy outlines a list of priority sectors for CSR in Assam, describes the roles of various key stakeholders, and provides a blueprint for the institutional setup within the State Government.

2. *Background*

As per KPMG's survey on CSR spending (<https://home.kpmg/in/en/home/insights/2019/01/csr-reporting-sustainability-development-goals.html>), Corporates have spent Rs. 7563 cr in 2017-18. However, a huge proportion of the mandatory CSR allocation remains unspent. The figure stood at Rs. 1717 cr in 2017-18, for companies listed on NSE, as per a report by Prime Database (https://www.primedatabase.com/DOC_EMAIL/CSR%20Report_nseinfobase.com_2017-18.pdf). The CSR funds if channeled towards supplementing development initiatives of the Government can bring about a transformation in the Society. With an aim to harness the CSR funds optimally, a CSR policy has been envisaged to be adopted by the State.

3. *Definition*

1. Corporate shall mean a Company formed under the Companies Act, 1956 or 2013
2. CSR Council of Assam (CSRCA) shall mean the Council constituted under the CSR Policy of Assam
3. CSR Committee shall mean the Committee constituted by any Government entity other than Department for effective implementation and monitoring of a CSR project
4. Corporate Social Responsibility (CSR) shall mean CSR as provided in Section 135 of the Companies Act, 2013
5. Empowered Committee shall mean the Committee constituted by Government Department for effective implementation and monitoring of a CSR project
6. Government entity shall mean a Government Department, Deputy Commissioner's office or any Corporate, Society, Trust or any other body incorporate, where the major stakeholder, either as shareholder or decision-making authority is the Government.
7. Government shall mean the State Government, unless the context otherwise applies.

8. Beneficiary shall mean the person or entity, who/which is benefitted under a project implemented under the Policy
9. Policy shall mean the CSR Policy unless the context implies otherwise
10. Financial year means the year starting from April and ending with March next year, and quarter means a block of three months starting from April, July, October and January.
11. Confidential information means any information, not available in the public domain, which relates to ideas, concepts, processes, beneficiary list, controls, data processing programs, algorithms, applications, information concerning the business or financial affairs, methods of operation, accounts, transactions, or security procedures, opinion or any other form of information, whether specially classified or not as Confidential information.
12. CSR Operational Guidelines are the guidelines framed for the implementation of this Policy and notified as such.
13. Other entity means any entity not being a Corporate but legally constituted as per any law in India. Any reference in this policy to Corporate shall infer inclusion of other entity.
14. Individual means any person, whether residing in or outside India and desiring to contribute towards any Government scheme or otherwise as per the terms of this Policy. Any reference in this policy to Corporate shall infer inclusion of individual.
15. Level 1, 2 and 3 will be as defined in the Operational Guidelines issued in relation to this Policy.

4. Objectives of CSR Policy

1. To create a conducive environment for attracting CSR investments, corporate governance, and best management practices to address various developmental challenges.
2. To establish partnership with corporates and social organizations.
3. To create a framework for dealing with implementation issues and to mobilize support for the CSR activities
4. To make available meaningful CSR projects which will not only give an opportunity to fulfil CSR obligations but also create a sustainable, positive impact on underprivileged communities and deprived sections of the society as also on biodiversity conservation.

5. Applicability of the Policy

The Policy is applicable to those CSR projects, under which a Corporate extends CSR funds to any project, wherein a Government entity is involved in either one or more of the following activities- funding, procurement, implementation, review and monitoring, or Operation & Maintenance. The project can either be an existing scheme of the Government or a new project designed by the Corporate or any other stakeholder.

The Policy is not applicable to a project, wherein the Corporate applies CSR funds on its own, and wherein any Government entity is not involved in either funding, procurement, implementation, review and monitoring, or Operation & Maintenance of the project.

The Policy is to be read and interpreted along with the Operational Guidelines issued as per the provisions of this Policy.

6. *Priority Sectors*

Based on the focus areas of the State and the provisions of the Companies Act, 2013, the illustrative priority sectors and area/population segments for CSR funding have been mentioned below. State will take measures and lay special thrust on CSR funding in these sectors. Since Assam is also one of the pioneer State to adopt SDGs, focus shall be maintained to ensure that CSR activities undertaken are aligned and contribute towards achievement of the SDGs of the State. However, CSR fund can be taken up in other sectors as well. However, any activity undertaken under this policy, should be allowed under the provisions of the Companies Act.

6.1. *Education*

- Financial and/or non-financial support to enhance infrastructure support to enhance educational outreach, better facilities like creation of labs, basic amenities, classrooms, digital classrooms, libraries in schools and public libraries, playgrounds
- Providing support infrastructure like building roads, culverts, bridges for improving access to facilities, bus shedsetc.
- Institutionalizing of Scholarships
- Adoption of schools for Operation and maintenance
- Institutionalizing support for research work, innovation, resource centers
- Organizing Career Fairs, counselling sessions

6.2. *Water Supply*

- Conservation, recharge and sustainability projects for water like rain water harvesting.
- Provision of household pipe connections, handpumps, wells, pumpsets
- Setting up centralized/ decentralized water treatment plants
- IEC, awareness advocacy and handholding on conservation, recharge, sustainability, safe storage
- Providing equipment or setting up testing labs for testing of presence of heavy metals, pesticides, fertilizers etc. in raw water source and in treated water.
- Conduct of groundwater prospecting, water surveys for determining status and requirement of water access, availability and management.

6.3. Healthcare

- Improving Infrastructure of Primary, Secondary and Tertiary Health Care facilities
- Training the local youth for basic diagnostics like blood pressure, pulse, and sugar testing, first aid, CPR, advanced diagnostic equipment etc.
- Setting up hospitals and dispensaries
- Providing support infrastructure like building roads, culverts, bridges for improving access to facilities, bus sheds etc.
- Subsidizing medical education for deserving local youth
- Providing doctors and medicines to existing facilities or Incentivizing doctors to provide healthcare services in rural/remote areas of Assam.
- Partner with medical colleges for infrastructure development
- Organizing health camps, conducting health campaigns
- Institutionalizing support for health insurance for the local community.
- Institutionalizing Grants for assisting patients suffering from Cancer/TB & other life-threatening diseases
- Support nutrition related initiatives by supply of provisions and consumables

6.4. Swachh Assam (Sanitation)

- Construction of Community Toilets, support for providing or improving the sanitation facilities in public places and public offices
- Addressing existing gaps in the WASH lifecycle, such as the operation and maintenance of sanitation facilities and influencing the behavior and attitude of communities.
- Solid and Liquid Waste Management including drainage, waste segregation etc.
- Promoting Menstrual Hygiene
- Training to householders, masons, plumbers at ground level in design and construction of toilets etc. including manufacture of local input materials.

6.5. Sports and Youth Welfare:

- Construction, operations and maintenance of Local/Regional Sports Academies, playgrounds, stadiums and other sporting infrastructure,
- Providing support infrastructure like building roads, culverts, bridges for improving access to facilities, bus sheds etc.
- Providing sporting equipment and consumables
- Institutionalizing support for promoting talent in sports

6.6. Skill, Livelihood and Entrepreneurship Development

- Enable livelihoods by providing market linkages, facilitate micro finance, seed funding, mentoring, incubation support

- Offer existing facilities and machinery for on-the-job training
- Setup/upgrade Centers of Excellence or multi-sectoral skill training centers/institutes
- Support basic setup costs and equipment donation
- Modernize the ITIs and vocational training institutes with latest tools and technology,
- Adopt institutes/ ITIs and help them through knowledge transfer, finances or infrastructure.
- Institutionalising support for candidates for advanced skilling programs in India

6.7. *Environment & Forest:*

- Encouraging environmentally sustainable projects like plant-based disposables, renewable based power system like biomass gasifiers, solar home lighting system, solar based power system, hybrid power system, rain water harvesting, solid waste management programme, safe drinking water availability etc. by providing funding, equipment, linkages etc. to entities engaged in such projects
- Promoting energy efficient systems and subsidising power saving devices like energy efficient lighting, cooling, heating systems,
- Promoting conservation of environment
- Promoting infrastructure to Forest department like vehicles, drones, boats for patrolling etc.
- Organising plantation and allied activities drives to enhance green cover
- Awareness campaigns, training on sustainable farming, ecotourism
- Adopting of forest sections, parks etc. for maintenance

6.8. *Preservation of Folk Arts, Crafts and local heritage*

- Establish and support livelihood of artisans
- Establishing market linkages, seed capital funding to artisans
- Providing advanced tools and equipment to artisan communities
- Training and capacity development with marketing and design capabilities
- Organize workshops, Cultural competitions and Cultural events to showcase the arts
- Spread awareness of local heritage, art and crafts through publications and media such as photographic booklets, documentaries on folk arts and crafts, etc.
- Setting up museums to preserve and promote the local heritage and culture

6.9. *Focus Segments:*

CSR in aspirational districts is especially encouraged. Besides projects catering to women, children, disabled and underprivileged section of society is especially encouraged.

7. Donor of CSR Funds/ Sourcing:

The CSR funds can be sourced through the following:

- 1. Private & Public Companies:** Under Section 135 of the Companies Act, 2013, Companies with a net worth of Rs. 500 cr or more, a turnover of Rs. 1000 cr or more or net profit of Rs. 5 cr or more during the immediately preceding financial year, have to mandatorily spend 2 percent of their average net profit during the three immediately preceding financial year on CSR activities. The policy will enable large corporates as well as companies which fall within the SME bracket to comply with this provision.
- 2. Public Sector Undertakings:** The PSUs operating in the State, and which are mandated to spend on CSR as per Companies Act, can be directed to allocate a specified portion of their CSR funds under the provisions of this Policy.
- 3. Individuals & other entities:** Any individual, or other entity, other than Corporates, can contribute towards the development of the State and to the society, through this Policy. Also, the State can take the initiative for getting funds from individuals through crowd sourcing. The Portal will have a separate mechanism for registration of such individuals.

The Companies can engage in CSR activities in partnership with the Government, either directly, or through its non-profit foundation, or through any other non- profit organization or in collaboration with other Corporates.

8. Recipient of CSR Funds:

The recipient of CSR funds can be any Government entity as defined in the Policy, however the mode of receipt of funds will be defined in the Operational Guidelines.

9. Application of CSR Funds:

CSR funds extended to Government entity under this Policy can be applied towards the following:

1. CSR Fund can fund an existing scheme/ project of the Government, as supplementary funding.
2. A new scheme or project can be conceived, and Corporate can fund it fully through CSR. A Government entity can facilitate in either one or more of the following activities: procurement, implementation, monitoring or O&M
3. A new scheme or project can be conceived and Corporate can fund it partially. However, the Government entity should first sanction to contribute towards the balance of the fund, or identify and freeze alternate source for funding the balance amount.
4. CSR fund can undertake maintenance of an existing or new project of the Government.
5. A SPV may be made with representation from the Corporate and the Government for social projects with high capex, and/or high opex and/ or long project tenure. The Corporate and Government can contribute funds to this SPV.

6. A Corporate may adopt an educational institute, hospital or a village or town and undertake holistic development of the same.
7. A Corporate may contribute to any existing or new project of the Government, by providing Technical Assistance or dedicated human resources in the project for implementation or operation and maintenance.

The Corporate can specify the sector, beneficiary, geographical area etc, for which the CSR funds are to be utilized.

10. Institutional Setup

To supervise and monitor the implementation of the CSR Policy in the State, a three-tier institutional setup will be formed- CSR Committee at the District or Mission level, Empowered Committee at the Department level and CSR Council at the level of the Chief Secretary.

10.1. CSR Committee- District/ Autonomous Council/ Mission/ Society/ Corporation level:

A District, Society, Mission or Corporation, or any Government entity other than a Government Department, proposing to implement a CSR project shall form a CSR Committee.

10.1.1. Composition:

The indicative composition of the Committee shall be as follows:

1. Head of the Government entity implementing the project (Deputy Commissioner of the District, Principal Secretary of Autonomous Council, Mission Director etc.)- Chairman
2. Second representative of the Government entity implementing the project (Additional Deputy Commissioner/ District Development Commissioner of the District, Secretary (Planning & Development) for Autonomous Council, second in-charge of a Mission etc.) - Member Secretary
3. General Manager, District Industries & Commerce Centre of the respective district in which project is to be implemented. If project is across multiple districts, representative of DICC at the district in which the Government entity has the registered office
4. Senior Planning Officer of the respective district in which project is to be implemented, if applicable
5. Finance and Accounts Officer of the Government entity
6. Representative of other Government departments/ institutions at the district or State level in case they are stakeholders in the project.

10.1.2. Co-Opted Members:

The Chairman can co-opt to include representative from the Corporate/ funding agency, representative of the beneficiary organization or community or Non- Government Organisation, or any other member in the Committee as per the need of the project.

10.1.3. Powers of the CSR Committee:

1. Any Level 1 CSR project will be approved by the CSR Committee.
2. Any Level 2 CSR project will be approved and forwarded by the CSR Committee to the Empowered Committee.
3. Any Level 3 CSR project will be approved and forwarded by the CSR Committee to the CSRCA.

10.1.4. Functions of the CSR Committee:

The CSR Committee shall have the following functions:

1. To initiate a proposal for receiving CSR funding from the Corporate
2. To receive the proposal for CSR funding from any of the stakeholders and conduct due diligence of the proposal.
3. To ensure that the proposal is aligned to the Sustainable Development Goals adopted by the State.
4. To detail the implementation mechanism for the project including the procurement process, the third parties to be engaged, etc. and to decide on the implementation model of the CSR project
5. To prepare the accounting guidelines for maintenance of the fund accounts
6. To frame the monitoring mechanism for the project
7. To plan scheduling of disbursements
8. To define the Key Performance Indicators
9. To forward the project for approval by the CSRCA or Empowered Committee, as the case may be.
10. To ensure effective and efficient implementation of the project, post approval by the CSRCA or Empowered Committee, as the case maybe.
11. To review the physical and financial progress of the project
12. To report on the progress of the project to the CSR Council of Assam
13. To report on the financial status of the project to the Finance Department with details of the asset created and sustainability plan
14. To delegate implementation, monitoring, review etc. to any individual or team

10.2. Empowered Committee at Department level:

10.2.1. Composition:

An Empowered Committee will be formed at the Departmental level, constituted with the following members:

1. Senior-most Secretary of the Department- Chairman
2. Second Representative from the Department- Member Secretary
3. Finance and Accounts Officer of the Department- Member

10.2.2. Co-opted Members:

The Chairman can co-opt to include representative from the Corporate/ funding agency, representative of the beneficiary organization or community or Non- Government Organisation, or representative from any other Department or any other member in the Committee as per the need of the project.

10.2.3. Power of the Empowered Committee:

1. The Empowered Committee can approve any Level 1 or 2 project, if the project is initiated by a Department.
2. Any Level 3 CSR project initiated by the Department, will be approved and forwarded by the Empowered Committee to the CSRCA.
3. Any Level 2 CSR project initiated by the CSR Committee at the District or Mission or Corporation level, will be approved by the Empowered Committee.

10.2.4. Function of the Empowered Committee:

The functions of the CSRCA in relation to the CSR roadmap of the State in general and to the projects as mentioned above in particular are as follows:

1. To initiate a proposal for receiving CSR funding from the Corporate
2. To receive the proposal for CSR funding from any of the stakeholders and conduct due diligence of the proposal.
3. To sensitize the Government entities in its purview to identify projects for CSR funding
4. To ensure that the proposal is aligned to the Sustainable Development Goals adopted by the State.
5. To detail the implementation mechanism for the CSR projects including the procurement process, the third parties to be engaged, etc. of the projects within its purview and to decide on the implementation model of the CSR project within its purview
6. To prepare the accounting guidelines for maintenance of the fund accounts
7. To frame the monitoring mechanism for the project within its purview
8. To plan scheduling of disbursement of the projects within its purview
9. To define the Key Performance Indicators of the projects within its purview
10. To forward the project for approval by the CSRCA, if the project is of Level 3.
11. To ensure effective and efficient implementation of the project, post approval by the CSRCA
12. To review the physical and financial progress of the projects approved
13. To report on the progress of the project to the CSR Council of Assam, in case of Level 3 project.
14. To report on the financial status of the project to the Finance Department with details of the asset created and sustainability plan
15. To delegate implementation, monitoring, review etc. to any individual or team
16. To direct the CSR Committees on any matter in relation to the implementation of this Policy.

10.3. CSR Council of Assam:

10.3.1. Composition of the CSR Committee

The CSR Council of Assam (CSRCA) at the State headquarters will be constituted with the following members:

1. Chief Secretary to the Govt. of Assam, Chairperson
2. Senior most Secretary of the Finance Department- Member Secretary
3. Representative from Transformation & Development, not below the rank of Principal Secretary- Member

4. Representative from Finance Department not below the rank of Commissioner & Secretary- Member
5. Representative from Industries Department, not below the rank of Commissioner & Secretary- Member
6. Representative from Commissionerate of Industries, not below the rank of Director- Member

10.3.2. Co-opted Members:

The Chairman can co-opt to include an official not below the rank of Commissioner & Secretary of the concerned Department, which either directly or indirectly has control or influence in the implementation of the CSR project, representative from Industry Associations- FICCI, FINER, CII, Laghu Udyog etc., representative from Corporate donors, social organisations or any other member may also be co-opted to be included in the Council.

10.3.3. Power of the CSR Council of Assam:

Any CSR project, in Level 3 as per CSR Operational Guidelines, will have to be approved by the CSRCA. Any project in Level 1, 2 or 3 will be regularly reviewed and monitored by the CSRCA. The CSRCA can create a separate CSR cell, if required for managing the CSR projects, coordination with the stakeholders, receipt of fund, and any other responsibility as it may deem fit. The CSR Cell shall be manned by resources as per the decision of the CSRCA.

10.3.4. Function of the CSR Council of Assam:

The functions of the CSRCA in relation to the CSR roadmap of the State in general and to the projects as mentioned above in particular are as follows:

1. Framing the CSR strategy for the State incorporating the vision, mission and goals to be achieved through CSR funding
2. Conducting the due diligence of the CSR projects of Level 3, submitted by the Government entities, ensuring that the proposal is aligned to the Sustainable Development Goals adopted by the State and approving the same
3. Have the CSR Portal operationalized and to review and monitor the same, or to delegate the responsibility for the CSR Portal on any other agency/ department/ person.
4. Reviewing the physical and financial progress of the projects of Level 3
5. Delegating implementation, monitoring, review etc. to any individual or team
6. Sensitizing businesses in the State for committing CSR fund to Government projects
7. Engaging Development experts to advise on the potential areas of intervention, if required
8. Studying and ensuring adoption of best practices in CSR
9. Undertaking impact assessment studies for CSR activities
10. Institution of awards for recognizing the Corporates for successful implementation of a project
11. Review the CSR Policy and issue and if required, amend the Operational Guidelines for implementing the Policy. The Finance Department will notify the Operational Guidelines.

12. Directing the CSR Committees or Empowered Committee on any matter in relation to the implementation of this Policy.
13. To register the CSR Cell or any other body incorporate under the Income Tax Act, Foreign Contribution Regulation Act (FCRA), or any other law which will facilitate in smooth operation and fulfilment of objectives of the Policy.
14. To report on the financial status of the project to the Finance Department with details of the asset created and sustainability plan

11. Approvals Required by Government Entity for accepting CSR funds:

The CSR Operational Guidelines shall affix the three levels of thresholds of CSR projects based on the quantum of CSR funds. Based on the levels, the approval mechanism is as follows:

1. **Level 1:** A Government entity other than Department, proposing to implement CSR projects upto the limit prescribed for Level 1, can do so after approval of the CSR Committee.
A Department proposing to implement CSR projects upto the limit prescribed for Level 1, can do so after approval of the Departmental Empowered Committee.
However, the CSR Council will need to be intimated about the CSR project. The details of the project will be hosted on the CSR Portal by the CSRCA.
2. **Level 2:** Any Government entity other than Department, proposing to implement CSR projects falling in Level 2, will need approval of both the CSR Committee and the Empowered Committee. The CSR Committee post approval will forward the proposal to the Empowered Committee for approval.
A Department proposing to implement CSR projects falling within Level 2, can do so after approval of the Departmental Empowered Committee. Post approval, the Empowered Committee will forward an intimation to the CSR Council. The details of the project will be hosted on the CSR Portal.
The Level 2 projects approved by a CSR Committee will be forwarded to the Empowered Committee of the Department, under whose purview the project activities fall. For eg. a CSR project in for setting up schools will be forwarded to the Empowered Committee of Education Department. However, if the project initiated is such that it falls under the purview of a number of Departments, the project will be treated as a Level 3 project and the approval process will be as defined below.
3. **Level 3:** Any Government entity, proposing to implement CSR project falling in Level 3, shall apply to the CSR Council of Assam (CSRCA) in the prescribed format. The project can be started only after approval of the project by the CSR Council of Assam. The project will be hosted on the CSR portal.

The implementation, monitoring and review matrix for different levels will be defined in the Operational Guidelines.

12. CSR Portal

To ensure convergence of the interests of stakeholders, bring in transparency and ensure efficient and seamless information flow, a CSR portal will be made operational.

- **Ownership of the Portal:** The CSR Portal will be made under the supervision of the CSRCA or any person/ department/ agency on whom the responsibility for the same is delegated by the CSRCA.
- **Expenses of the Portal:** The operational expenditure for maintaining the CSR Portal will be met through the State budget allocation of the Finance Department.
- **Content of the Portal:** The CSR Portal will contain details on the current projects being funded through CSR classified according to sectors, districts, departments etc., shelf of projects available for CSR funding, Policy & operational guidelines of CSR funding, Success Stories, formats for project proposal, Corporate registration form, MOU etc., MIS dashboard highlighting the physical and financial progress of the projects, geo-tagging of projects, etc.
- **Hosting on CSR Portal:** Details of all projects, whether in Level 1, 2 or 3 will be hosted on the CSR Portal. The details of Corporates registered under the portal will also be hosted on the Portal.

13. Stakeholders & Responsibility Matrix:

The stakeholders and the responsibility matrix for implementing a CSR project can be as follows:

- **Companies:** The Corporates can contribute not only through fund support but also bring their expertise at managing social development projects.
- **Government:** The main function of the Government is to plan, fund, implement and maintain socially relevant projects for the convenience, security, and betterment of the Society.
- **Non-profit organizations:** Their role can be either as implementing agency, identification of beneficiaries, assessment of impact of a CSR project etc.
- **Community:** The projects undertaken under the policy have to be designed based on the need of the community and they have to be involved in ideating the project, implementation, review and monitoring of the project.

The matrix indicates the possible stakeholders for conducting an activity in implementing a CSR project, i.e the possible roles and responsibilities of a stakeholder.

Activity	Corporate	Government	Non-Profit Organizations	Community	Remarks
Funding	✓	✓			<i>Major part of funding in a CSR shall be funded either by the Corporate or the Government or jointly by both. In some cases, crowd sourcing of funds by the community can be explored. Non- Profit Organisations can also contribute, however the major funding will be through Corporate and/or Government.</i>
Procurement	✓	✓			<i>Procurement of goods and services can be done either by the Corporate or by the Government or jointly by Government and Corporate, with separate identifiable goods and services for procurement by either of the parties. In case, the CSR Committee, Empowered Committee or the CSRCA decides, procurement can be delegated to a Non- Profit Organisation, however the stakeholder funding the procurement, will be responsible for the proper conduct of procurement process.</i>
Implementation	✓	✓	✓	✓	<i>The implementation of the project can be done either by the Corporate or Government or the Non-Profit Organization or the Community, or jointly by any of the above</i>
Review & Monitoring	✓	✓			<i>Review & Monitoring can be conducted by the Corporate and Government jointly, with varying degree of responsibility depending on the interest of the Corporate and the need of the project</i>
Operation & Maintenance	✓	✓	✓	✓	<i>The responsibility of O&M can be undertaken by either of the stakeholders- Corporate, Government, Community or Non-profit organizations, either individually or jointly by any of the stakeholders.</i>
Licenses, Permissions etc.	✓	✓			<i>The primary responsibility for facilitating such approvals is on the Government entity. The Corporate will support by providing necessary details and documentation.</i>

14. *Implementation Models:*

Depending on the requirement of the project and the level of involvement desired by the stakeholders, the project can be implemented with varying combinations of responsibility between the stakeholders.

A few suggestive implementation models that can be applied in specific cases are as follows:

1. **Project is funded, procured and implemented by the Corporate:** The model can be used for implementing projects like building a capital asset like a school, toilets etc. where the Corporate supplements the Government's efforts for community development, and hands over the completed capital asset to the Government or community for O&M, while Government is only involved in identification of the beneficiaries/ or facilitating in the implementation by coordination with stakeholders.
2. **Project is funded and procured by Corporate, implemented by Government or Non- Profit Organization:** Projects for disbursing one-time non-monetary aid, or any other goods or services, by the Corporate like supplies to a school, medical equipment, organizing blood donation camps etc, where Corporate provides material or services to the Government or non-profit organization for distribution or service to the community.
3. **Project is only funded by Corporate, but implementation and procurement is done by Government:** The model can be used for implementing specialized projects where the implementation and procurement cannot be handled by the Corporate. In this model, the fund can be handed over by the Corporate to the Government and the Government can procure and implement the project.
4. **Project is funded jointly by Government and Corporate, procurement and implemented by Government:** Projects where the Government has or plans to spend a major amount, and the CSR fund supplements the Government fund, eg. building of big infrastructure like a educational institution, hospital etc., whereby Corporate fund can form a part of the corpus but implementation and procurement is responsibility of the Government.

The terms of engagement shall be put forth in a Memorandum of Understanding, documenting the detailed roles and responsibilities of the stakeholders.

15. *Miscellaneous Matters:*

1.1. *Ideating the Project:*

A project proposed to be funded through CSR funding, can be initiated by the Government entity, or the Corporate or the beneficiaries themselves or by any third party. The proposal will be submitted in the prescribed format and shall be evaluated and approved by the respective authority based on whether it is a Level 1,2 or 3 project. Once approved the proposal will be hosted on the CSR Portal, under the shelf of projects as projects running under CSR or as projects available for CSR funding.

1.2. Shelf of Projects:

The shelf of projects available for investment through CSR will be available on the CSR portal. Corporates who are interested in application of CSR funds, can browse the database of projects requiring CSR funds, and can forward their CSR Fund to the respective Government entity, undertaking activities as per their choice.

1.3. Destination of the CSR Fund:

The CSR funds can be applied to any project for the benefit of the citizens at large, provided the same falls within the provisions of the Companies Act. The project may be implemented through a Government body or Non- Government organization or private entity. The CSR Committee, Empowered Committee and the CSRCA will monitor the judicious utilization of the CSR funds, as per the review and monitoring matrix provided in Operational Guidelines.

1.4. Procurement Process:

The Procurement Rules of the State Government shall apply for procurement made by the Government entity out of the CSR Fund. In addition, the Corporate can stipulate additional rules and processes to make the process more effective, however, in any case there shall be no violation or transgression of Government Procurement Rules, processes and procedures. In case the procurement is made by the Corporate, procurement rules of Government shall not apply.

1.5. Bank Account:

CSR funds can be received in monetary or non-monetary form. Any monetary fund shall only flow through bank account. No cash can be received. A separate bank account, preferably an escrow account, shall be opened for CSR funds and shall have two signatories. The mode of receipt of funds, including the authority, will be defined in the Operational Guidelines.

1.6. Accounting:

For CSR funds received as monetary aid, the accounting processes shall be as per the accounting rules of the Government entity. In addition, the Corporate in discussion with the Government entity, can introduce additional processes to make the accounting more effective and efficient.

1.7. Utilization:

The CSR fund shall be managed by the Government entity and shall be drawn as per the decision of the CSR Committee/ Empowered Committee. Review of accounts shall be conducted from time to time by the respective Committees, which will have representation from the Corporate. On utilization of the fund, the utilization certificate and details as per Annual Reporting format shall be submitted by the Government entity to the Corporate and the CSRCA.

1.8. Audit:

The CSR fund will be audited as per the audit provisions applicable to the Government entity. The Corporate can review the accounts before and after the audit, to ensure that the funds have been

applied as per the purpose for which it was earmarked. The audit can be undertaken by a CAG empaneled auditor, to be appointed by the CSR Committee/ Empowered Committee.

1.9. Confidentiality:

In the implementation of the project, any of the stakeholders may have to share confidential information with the others. Either party shall keep any Confidential Information of the other party with the same degree of care as it would treat its own confidential information of similar nature and shall use the Confidential Information only for the purposes of implementation of the project and not for any other purposes. The CSRCA or the CSR Committee/ Empowered Committee shall, depending on their authority as defined by the CSR Policy and Operational Guidelines, can define any information as confidential.

1.10. Conflict of Interest or Duplication:

The authority approving the CSR project shall ensure that the project being implemented through the CSR funding does not have a conflict of interest with any of the existing schemes/ projects/ programs of the Government of India or the State Government.

At the same time, it will also ensure that there is no duplication of efforts or resources in the project with any other Government scheme/ project.

16. Asset Management

16.1. Ownership of Asset:

The asset created out of the CSR funds will be owned either by the Government entity or by the community/ beneficiaries. Since a CSR project differs from a project operated under the PPP model, the CSR fund cannot generate any asset for the Corporate.

16.2. Confirmation to Standards:

Any asset built through CSR Fund, shall adhere to the standards in terms of quality, safety etc. as is applicable to Government assets.

16.3. Operation & Maintenance:

The operation and maintenance of the asset created can be through any of the following sources:

- a. Government fund: The O& M can be undertaken through Government funds provisioned in the Budget, if the asset is owned by the Government.
- b. Corporate: Corporates can undertake to fund the O&M of a project through further CSR funding.
- c. Community: The community or the beneficiaries of a project can undertake O&M of a project, by contribution from its members.
- d. Non- Profit Organization: A Non-profit organization can undertake to operate and maintain the assets, through its own fund sources

- e. Self-Sustenance: Projects which have potential of revenue generation can be made self-sustaining. In this case, the O&M, accounting responsibility can be undertaken by the stakeholder owning the asset.

16.4. Income generated from the Asset:

Any income generated by the asset created through the CSR funding will not accrue to the Corporate. The income will be ploughed back to the project and used for the operation & maintenance of the project.