1. INTRODUCTION
The Companies Act, 2013 introduced Corporate Social Responsibility as a mandatory provision to be followed by Corporates in order to fulfill their responsibility towards the society as responsible stakeholders in socio-economic development of the communities they work among. While the primary actor in the governance of welfare is the State government, the role of Corporates as drivers of economic growth begets their role in contributing towards the social welfare of the communities they function amongst.

Furthermore, the Government of Jharkhand, to this effect had established the Jharkhand CSR Council, vide Notification No. 05/u.ni.(MoU)-23/2013/692 (dated: 31st March, 2015).

The Government of Jharkhand, in order to realize the overall development of its people, intends to create an enabling environment to increase the total volume of CSR investments and create impact at scale and for this, the Government has recognized that there is a need for better coordination with Corporates to ensure alignment between Government’s priority areas and the CSR initiatives.
Hence, as a comprehensive solution the Government of Jharkhand shall put this policy to effect. The policy outlines the roles of various key stakeholders, and provides a blueprint for the institutional setup within the State Government.

2. OBJECTIVES OF JHARKHAND CSR POLICY
   1. To create a conducive environment for attracting CSR investments and best management practices to address various developmental challenges within the state of Jharkhand.
   2. To establish partnership between the State Government and Corporates and civil society organizations and streamline their priorities and activities.
   3. To create transparency and avoid duplication of efforts arising out of similar central and state sponsored schemes and thereby rationalizing the utilization of resources for positive impact.
   4. To create a framework for efficient implementation of CSR activities and effective utilization of CSR funds.
   5. To prioritize meaningful CSR projects in order to create a sustainable, long-term impact on communities and the environment.

3. APPLICABILITY OF THE POLICY
   The applicability of the policy can be extended to both or first of the following types of projects based on the nature of involvement of the Government:
   1. Government entity is involved in either one or more of the following activities- funding, implementation, review and monitoring, and operations. The project can either be an existing scheme of the Government or a new project designed by the Corporate, in parity with priority sectors as defined by the Government of Jharkhand, or any stakeholder as applicable.
   2. The Corporate applies CSR funds on its own, and wherein any Government entity is not involved in either funding, implementation, review and monitoring and operations of the project.

4. DONOR OF CSR FUNDS/SOURCING
   The CSR funds can be sourced through the following:
   1. Private & Public Corporates: Under Section 135 of the Corporates Act, 2013, Corporates with an annual net worth of Rs. 500 cr or more, an annual 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 Corporates 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 Corporates 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 Corporates 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.
5. RECIPIENT OF CSR FUNDS
The recipient of CSR funds, as inclusive but not exhaustive, can be:

- Government departments
- Bank account created under Deputy Commissioner/ other authority as decided in Operational guidelines.
- An SPV created for deposition of funds and subsequent mobilization towards activities. Mode of receipt of CSR funds to be decided with detailed operational guidelines, which shall be issued by Department of Industries, Government of Jharkhand.

6. APPLICATION OF CSR FUNDS
CSR funds under this Policy can be applied towards the following:

1. CSR Fund can fund an existing scheme/project of the Government, as supplementary funding to fill critical gaps.
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: implementation, monitoring or operations.
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. An 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 any social development activity, as per the State Government’s mandate, 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.
8. A Corporate designs and implements a project on its own, and either handles operations and management on its own or hands it over to the State Government.
9. Any other activities as decided by the State Government. The Corporate can specify the sector, beneficiary, geographical area etc., for which the CSR funds are to be utilized.

7. APPROVALS REQUIRED BY GOVERNMENT ENTITY FOR ACCEPTING CSR FUNDS
The CSR Operational Guidelines shall affix the two levels of thresholds of CSR projects based on the quantum of CSR funds. Based on the levels, the approval mechanism can be as follows:

Level 1:
- Approving authority: District CSR Committee, chaired by Deputy Commissioner.
- This would be the lower category of projects having smaller quantum of funds.
- A Corporate proposing to implement CSR projects up to the limit prescribed for Level 1, can do so after approval of the District CSR Committee.
- The details of the project will be hosted on the CSR Portal.

Level 2:
- Approving authority: Governing Body/ Executive Council
- This would be the higher category of projects having larger quantum of funds.
Quantum of funds to qualify for Level 2 to be decided later by Department of Industries, Government of Jharkhand.

Any Corporate proposing to implement CSR projects falling in Level 2, will need approval of the Executive Council/ Governing Body.

The details of the project will be hosted on the CSR Portal.

8. 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 JCSRC or any person/ department/ agency on whom the responsibility for the same is delegated by the JCSRC.

- Expenses of the Portal: The operational expenditure for maintaining the CSR Portal can be met through the State budget allocation of the Department of Industries.

- 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 or 2 will be hosted on the CSR Portal. The details of Corporates registered under the portal will also be hosted on the Portal.

9. 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 for handling operations, 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 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, e.g. building of big infrastructure like an
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.

10. ASSET MANAGEMENT
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.
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.
Operation and Maintenance:
The operation and maintenance of the asset created can be through any of the following sources:
1. Government fund: The operations can be undertaken through Government funds provisioned in the Budget, if the asset is owned by the Government.
2. Corporate: Corporates can undertake to fund the operations and maintenance of a project through further CSR funding.
3. Community: The community or the beneficiaries of a project can undertake operations of a project, by contribution from its members.
4. Non-Profit Organization: A Non-profit organization can undertake to operate the assets, through its own fund sources
5. Self-Sustenance: Projects which have potential of revenue generation can be made self-sustaining.
In this case, the operations and maintenance, accounting responsibility can be undertaken by the stakeholder owning the asset.

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 operations of the project.

11. ASSESSMENT OF PROJECTS AND KNOWLEDGE DISSEMINATION
The Impact assessment of projects undertaken as CSR activities shall be carried out in one or more of following manners:
- Every project proposal submitted to the State Government shall layout plans and metrics to be measured for assessing impact of the project, either by the Corporate itself or through third-party assessments, whichever the Corporate chooses.
- The State Government undertakes periodic impact assessment of projects of its choosing, as decided by the JCSRC Governing body/ Executive council either through Government’s own entities or through third-party entities. Such impact assessment initiatives should be submitted to the State Government and on the portal.

Knowledge Dissemination:
The State Government shall create opportunities for Corporates to highlight their achievements and the best practices adopted and award the most socially responsible corporate. This can be done through the portal, online media, events, etc.

12. TIMELINE OF CSR PROJECTS
The timeline of CSR projects from ideation and design to implementation and assessment shall be done as illustrated in the example below:

- Proposal Submission: For Fiscal Year 2022-23, starting 1st April 2022 and ending on 31st March, 2023, project proposals should be submitted in previous FY by 31st December, 2021. All proposals shall be submitted to District CSR Committee.
- Proposal Review: All reviews to be completed by 31st January, for incorporation of CSR spending and streamlining with State Budget.
- Approval of Projects: Projects should be either approved to sent back to corporates for revision by end of Fiscal Year on 31st March, 2022.
- Implementation of Projects: Implementation to begin as early as possible in FY 2022-23.
- Submission and Review of Proposals
- Review of Level 1 Projects: To be submitted to and reviewed by District CSR Committees.
- Review of Level 2 Projects: To be submitted to District CSR Committees. Preliminary review by District CSR Council and forwarded to Director, Industries, through whom then such projects can be reviewed in Review meetings of JCSRC.

13. ESTABLISHMENT OF JHARKHAND CSR AUTHORITY
13.1 In order to realise the goal of the Jharkhand CSR Policy, 2020 for increasing CSR investments in Jharkhand and streamlining CSR activities in the state with priorities of the State Government, an Authority shall be constituted under the administrative control of the Department of Industries, for the purpose of alignment of CSR projects with the priorities of the Government of Jharkhand.

13.2 The incumbent Jharkhand Corporate Social Responsibility Council, established vide Notification No. 05/u.ni.(MoU)-23/2013/692 shall stand disbanded henceforth and replaced by the Jharkhand Corporate Social Responsibility Authority.

13.3 To this effect the Authority shall be responsible for streamlining coordination, monitoring and implementation of the various CSR activities in the state, including development of an appropriate Web-portal.

The main aims and objectives of the proposed Jharkhand CSR Authority would be, as under:
1. Bringing in adequate clarity on new CSR regime through listing of projects and facilitation by the State Government to enable Corporates to take up projects based on the priority sectors of the Government.
2. Channelizing the CSR expenditures by Govt. PSUs and Private Sector Corporates in commensurate with sectoral priorities of the Government of Jharkhand.
3. Channelizing CSR expenditures of Govt. PSUs and Private Sector Corporates for optimum utilization of the CSR fund and monitoring its expenditure, through as sustainable mechanism.
4. Ensuring contributions of various Corporates towards CSR activities, as per provisions of section 135 of Corporates Act, 2013.
5. Creation of a Consolidated CSR Funds at district level with contribution from various Corporates.
6. Channelizing CSR expenditures to the most backward 40-50 blocks in the State.

The composition of the Authority shall be as under:

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<tr>
<th>Sl.No</th>
<th>Name of Officials</th>
<th>Authority</th>
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<tbody>
<tr>
<td>1.</td>
<td>Hon’ble Chief Minister</td>
<td>Chairman</td>
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<tr>
<td>2.</td>
<td>ACS/Principal Secretary/Secretary, Department of Industries</td>
<td>Chief Executive Officer (ex officio)</td>
</tr>
<tr>
<td>3.</td>
<td>ACS/Principal Secretary/Secretary, Department of Planning Cum Finance</td>
<td>Member</td>
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<tr>
<td>4.</td>
<td>ACS/Principal Secretary/Secretary, Department of School Education &amp; Literacy Development</td>
<td>Member</td>
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<tr>
<td>5.</td>
<td>ACS/Principal Secretary/Secretary, Department of Health, Medical Education &amp; Family Welfare</td>
<td>Member</td>
</tr>
<tr>
<td>6.</td>
<td>ACS/Principal Secretary/Secretary, Department of Rural Development Department</td>
<td>Member</td>
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<tr>
<td>7.</td>
<td>ACS/Principal Secretary/Secretary, Department of Labour Employment and Training Department</td>
<td>Member</td>
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<tr>
<td>8.</td>
<td>Director, Industries</td>
<td>Member Secretary</td>
</tr>
<tr>
<td>9.</td>
<td>An Officer/Consultant from Department of Industries</td>
<td>To be nominated</td>
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**INVITEES**

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<td>10.</td>
<td>Chairman, CII, Jharkhand Chapter</td>
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<td>11.</td>
<td>Chairman, FICCI, Jharkhand Chapter</td>
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<td>12.</td>
<td>Chairman, ASSOCHAM, Jharkhand Chapter</td>
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The Authority shall function as under:

1. The Authority will have its own full-fledged secretariat with a CEO, and 3-4 sector experts.
2. The authority shall be under administrative control of the Department of Industries.
3. A part of this fund can be utilized for administrative costs of the secretariat.
4. The Authority, through its experts, identify and channelize the Consolidated Fund towards priority sectors in key geographies of the state.

This is issued with the approval of the competent authority.

Order: It is ordered that a copy of the resolution should be made publish this resolution in the extra ordinary issue of the Jharkhand Gazette for the information of General Public.

By the Order of the Governor of Jharkhand.

Pooja Singhal,
Secretary to the Government