

6.1 Activities undertaken by SAIL and RINL

SAIL has been contributing to social development by community welfare programme, medical camps, vocational training, sports facility, medical facilities, free education in the company's schools to the steel township and neighborhood children, provided access to 73.31 lakh people across 435 villages by constructing and repairing roads, installed 5,153 water sources to provide water to 38.64 lakh people, has opened 54 primary health centers, 17 hospitals, 7 super specialty hospitals, 12 Reproduction & Child Health Care (RCH) center to provide health care to 26.7 million people. For CSR activities and efforts, Bhilai Steel Plant has won the prestigious Golden Peacock Award-2008.

RINL has also been contributing to social development by conducting medical camps, vocational training, sports facilities, medical facilities, education etc. During the review period within its periphery the RINL had extended free education to 0.47 lakh students, conducted 27 medical camps duly extending free medical aid to 0.97 lakh patients, identified seven villages as model steel villages for development of schools, hospitals, bus shelters, community halls etc.

The provisioning of CSR budget and utilization of the same by SAIL and RINL has been discussed in chapter 3. Component wise utilization of fund in respect of SAIL plants and RINL during last six years was as under:

(₹ in crore)

S A I L	Plant	Period	Peripheral	Medical	Education	Others*
	BSP	2004-10	25.11	5.35	12.13	5.89
RSP	2004-10	18.39	3.87	5.46	1.43	
DSP	2004-10	3.00	1.95	3.84	12.02	
BSL	2006-10	26.00	13.39	2.46	N.A.	
ISP	2007-10	5.98	0.99	1.92	N.A.	
CMO	2004-10	21.71	2.62	1.11	3.76	
RINL	2006-10	18.72	4.34	6.97	8.83	

* includes vocational training, assistance to handicapped, social upliftment, development of sports etc.

6.2 Planning for CSR activities

A long-term Corporate Social Responsibility Plan needs to be prepared matching with the long term business plan. This may be broken down into short term and medium term plans, specifying activities to be undertaken, budgets allocated, responsibilities and authorities defined, and measurable results expected. The plans should be prepared after conducting need assessment of the targeted community/area.

- In SAIL CSR activities were not planned in advance except those cases which are related to project for model steel villages and which are continuing from previous period.

- NGOs/ Organisations/Trust/ Civil Societies etc. approach the company with a request to provide financial assistance for undertaking different CSR activities. After getting request from different agencies the companies scrutinize and shortlist these requests on their merits and requirement of the community. These shortlisted requests constitute the CSR plan for the year or for a specific period. Further, in case of activities undertaken by plants in their respective peripheral area the requirement of the community is assessed by implementing agency (SAIL/NGO/other organisation) in consultation with local community.
- The SAIL was not doing any need assessment / survey of the society for preparing the CSR plan.
- In RINL the CSR plan was prepared based on the request received from the local people, local bodies, state organizations, people's representatives, NGOs etc. and a road map for allocation of budget was prepared based on the Apex Committee approvals.

The Ministry stated (December 2010) that SAIL was in the process of evolving a system of need assessment/ impact assessment for CSR projects. In RINL earlier need assessment and impact assessment was done by National Institute of Rural Development (NIRD) in 2007 and action initiated to re-assess the need and impact of CSR through Andhra University, Visakhapatnam.

The companies should map their CSR plan after assessing the needs of the society in order to fulfill the essential requirement of the society.

6.3 Model Steel Villages

SAIL adopted 79 villages in eight states⁹ for comprehensive development as Model Steel Villages (MSVs). The development has been planned in phased manner spanning three years. RINL adopted seven villages in its periphery for development as MSVs. The development work undertaken in these villages includes promotion and sustenance of:

- Medical and Health Services
- Education
- Roads and Connectivity
- Sanitation
- Sports facilities and Community Centers
- Livelihood promotion
- Self help groups

Though SAIL and RINL have completed 54 and 1 MSVs respectively up to 31 March 2010 but the companies did not have any policy relating to selection and development MSVs. Such a policy/ guideline would help in targeted development.

The Ministry stated (December 2010) that the decision to undertake the developmental work of 79 villages as Model Steel Villages in SAIL was taken by Secretary, Steel in a meeting held (August 2007) at Ministry of Steel, New Delhi. As per the decision in above meeting, SAIL, has identified 79 villages in the periphery of plants/units across 8 State to be developed as Modal Steel Villages in a phased manner in consultation with local representative of villages, Distt. Administration, etc.

In RINL the villages were identified through an independent survey by an external agency (NIRD) and the Company is now following the CSR Guidelines prescribed (April 2010) by DPE. CSR activities including development of peripheral villages will be taken up as per the new CSR guidelines only.

The Companies should have uniform laid down policy for selection and development of MSVs.

⁹ Bihar, Chattisgarh, Jharkhand, Madhya Pradesh, Orissa, Tamil Nadu, Karnataka and West Bengal.

6.4 Education

SAIL has not framed education policy for providing education to the underprivileged people living in the vicinity of its plants. RINL's policy focuses on promotion of literacy, promotion of girl child education, special attention on education, training & rehabilitation of mentally & physically challenged children/ persons etc. in schools in the surrounding areas.

We observe that:

- SAIL has opened 138 schools up to 2008-09 in the steel townships which increased to 146 in 2009-10 and provide education to 73,925 students in 2008-09 and 69,184 students in 2009-10. The SAIL has provided assistance to 269 schools of villages surrounding its units in 2008-09 which increased to 286 schools in 2009-10 but students were drastically reduced to 13,770 in 2009-10 from 55,839 students in 2008-09.
- RINL provided financial assistance of ₹ 5.06 crore for providing education to 47,718 students during the years 2006-10.

The SAIL should formulate an education policy and ensure that the benefits of financial assistance given to schools flow to maximum number of students.

6.5 Medical and Health Care

(i) Medical Facilities

SAIL has not formulated a detailed policy to provide medical & health care facilities to the underprivileged people of society, however RINL has a detailed policy in this regard.

We observe that:

- SAIL has set up health centres at BSP, DSP, BSL, RSP and ISP to provide medical care to the poor and needy persons, where free treatment is being provided including medicines.
- Ten Mobile medicare units were provided in each of the years 2007-08 and 2008-09 to different organisations.
- RINL has given (2007-08) financial support of 3 crore to Sankhar Foundation, Visakhapatnam for providing free eye treatment to the poor people and ₹ 1.15 crore (2008-09) to Lions Cancer Hospital – 'Sanjeevan Mobile Clinic'.
- RINL was also constructing a blood bank for International Red Cross Society at a cost of ₹ 2.80 crore.

While the medical facilities provided by the SAIL and RINL are appreciable the SAIL should formulate a policy for identification and fulfillment of the medical needs of the under privileged.

(ii) Health Camps

SAIL and RINL organized 5989 medical camps, spent ₹ 17.41 crore and treated 17.45 lakh patients during the four years ending 2009-10 as detailed below:

Plant	No. of camps organised		Amount spent on (₹ in crores)			No. of patients Treated (in lakh)	
	Total	In the vicinity	Medicines	other activities	Total	Total	from the vicinity
BSL	79	8	1.91	8.65	10.56	9.98	0.22
BSP	518	506	0.72	1.30	2.02	1.72	0.46
RSP	4272	4268	0.44	1.17	1.61	2.47	2.19
DSP	670	653	0.49	0.14	0.63	0.55	0.18
CMO	7	-	0.34	1.22	1.56	1.29	0.00
ISP	416	416	0.49	0.34	0.83	0.47	0.47
Total SAIL	5962	5851	4.39	12.82	17.21	16.48	3.52
RINL	27	26	0.15	0.05	0.20	0.97	0.72
Grand Total	5989	5877	4.54	12.87	17.41	17.45	4.24

We observe that:

- SAIL spent more amounts on 'other activities' than medicines. BSL in particular spent excessively high amount (82 per cent) on other activities than the medicines. Out of total expenditure of ₹ 10.56 crore a major portion was incurred on hiring of helicopters for the then Minister of Steel (₹ 1.31 crore), public relation activities (₹ 5.62 crore). Only 18 per cent was spent on medicines which resulted in defeating the basic purpose of organizing medical camps which was to provide medical facilities to the underprivileged people of the society living in the periphery of the plants.
- BSP treated 1.72 lakh patients out of which 1.26 lakh belonged to other states.
- RINL organized 27 medical camps including 26 in the state and treated 0.97 lakh patients at an expenditure of ₹ 0.20 crore, of which ₹ 0.15 crore was on medicine.

The Ministry while replying stated (December 2010) that the SAIL would adhere to the recommendations of audit with regard to organising medical camps i.e. while organizing the medical camps the major of expenditure should be incurred on main activities (medicine, treatment of patients etc.).

6.6 CSR monitoring and impact assessment

- In SAIL the implementation is reviewed / monitored and corrective measures are taken.
- SAIL prepares a report on its CSR activities every year.
- The company was not doing any overall impact assessment of the CSR activities undertaken by it.
- In RINL Personnel (Welfare & CSR) Department is putting up periodical reports on progress of implementation of CSR projects to the Management. Apart from the above, company also sends quarterly progress reports to the Ministry of Steel. RINL does not prepare any separate annual report on CSR related activities.

The Ministry stated (December 2010) that SAIL and RINL were in the process of evolving a system of need assessment/ impact assessment for CSR projects.

The companies should evaluate impact on the society of these CSR activities which would also help the Companies in future planning of CSR initiatives.

6.7 Conclusion

SAIL and RINL were contributing to social development by community welfare programme, medical camps, vocational training, sports facility, medical facilities, free education, providing access to lakhs of people by constructing and repairing roads and adopting villages for development as model steel villages. SAIL while organising health camps spent more amount on 'other activities' than medicines. But the companies were not doing any need assessment survey in the periphery of their plants to assess the requirements of the society and were not planning in structured manner to utilise the funds efficiently. The companies were also not evaluating the impact on the society due their CSR activities.

Recommendations

- x. The companies should evolve a system of need assessment and impact assessment while undertaking CSR activities.
- xi. The companies should disseminate information on CSR policy, activities and progress in a structured manner to all their stakeholders and the public at large through their website, annual reports, and other communication media.

