

# Corporate Social Responsibility And Akshaya Patra



# Why should you associate with The Akshaya Patra Foundation?

---

According to statistics, 43 per cent of the country's children are malnourished and **1.5 million children** are at a risk of becoming malnourished because of rising global prices. On the education front, as of 2010, there were 1.7 million out-of-school children.

For India to become an economic power to reckon with, it is essential that varied stakeholders such as Government, Corporates and individuals come together to solve two of the critical Millennium Development Goals – MDG 1 focusing on poverty and hunger and MDG 2 aiming to achieve universal education.

Against the above scenario, The Akshaya Patra Foundation's work is extremely relevant – with vision that “No child in India shall be deprived of education because of hunger,” the mission is to end classroom hunger amidst government school children by providing mid-day meals; thus providing a strong incentive for children to stay in school and learn as much as possible. This has been derived out of the understanding that education holds the key to progress and is the single-most opportunity to enable children exit poverty.

It's home-grown, non-patented innovative technology coupled with sustained local fundraising and strong partnerships has enabled it to scale up from 1500 children in 2000 to 1.39 million children studying in 10,631 schools across 10 states and 23 locations, making it one of the world's largest NGO-managed mid-day meal programme.



# What is Companies Act 2013?

---

The Companies Act 2013 has taken a bold step to introduce the culture of Corporate Social Responsibility (CSR) amidst Indian corporates by giving a minimum expenditure towards social activities.

According to the Section 135 of Companies Act 2013, every company with net worth of INR 500 crores or more or a turnover of INR 1000 crores or more, or a net profit of INR five crores or more, would be mandated to spend at least 2 per cent of the net-profits (before tax) of the immediately preceding three years on CSR activities.

The accounting firm Ernst & Young estimates that the law would cover over 2,500 companies in India and generate over U.S. \$2 billion of CSR spending in local communities.

Activities eligible for CSR spend are –

1. Poverty reduction and eradicating hunger
2. Education
3. Empowering women and promoting gender equality
4. Environment Sustainability
5. Social Business Projects
6. Reducing child mortality and improving maternal health
7. Improvement of health
8. Imparting of vocational skills
9. Contribution towards Central and State Government funds for socio-economic development



## Alignment with Clause 135, Companies Act 2013

Companies Act 2013 States	Alignment
<p><b>The new Companies Act 2013 states that a company may conduct/implement its CSR activities through registered Trusts/Societies which have an established track record of at least three years in carrying on activities in the specified areas.</b></p>	<p>The Akshaya Patra Foundation is a registered not-for-profit under the Indian Trusts Act, 1882 (Reg. No. 154). It is also registered under Section 12A (a) of the Income Tax Act, 1962 and Section 6 (1) (a) of the Foreign Contribution (regulation) Act, 2010.</p> <p>It is running one of the world's largest NGO - managed mid-day meal programmes, reaching out to 1.4 million children across 10 states and 23 locations in India on every school-working day.</p> <p>The Ministry of Finance has bestowed 100% tax exemption for all donations made to Akshaya Patra under section 35AC with an upper limit of INR 400 Crores.</p>
<p><b>The Companies Act, 2013 encourages companies to target their CSR interventions in their local region/area around where it operates.</b></p>	<p>The Akshaya Patra Foundation reaches out to 10 states and 23 locations across India.</p>
<p><b>The Companies Act states that CSR funding should not be considered as a one-time philanthropy but rather focus on activities which have large scale impact and are effectively managed.</b></p>	<p>Akshaya Patra reaches out to around 1.4 million children every day and this itself is a testimony of large scale reach and sustained impact.</p>

<p><b>The New Companies Act largely recommends activities that support the fulfilment of the Millennium Development Goals (MDG).</b></p> <p><b>The act defines CSR as activities that promote poverty reduction, eradication of hunger, education, health, environmental sustainability, gender equality, and vocational skills development.</b></p>	<p>The programme aims at addressing hunger amidst school going children, thereby curbing child labour and encouraging education, with an end-vision of children being able to lift themselves out of poverty-cycle.</p> <p>With hunger and education being the two crucial challenges being addressed, Akshaya Patra’s work falls in the defined activities of Companies Act 2013.</p>
<p><b>Since most of the development requires long-term commitments and their impact often takes a while to accrue, a good CSR practice requires that a company that is serious about its CSR should develop a long-term (three to five years) vision and strategy which is reviewed annually and the activities and budgets are planned on an annual basis.</b></p>	<p>The Akshaya Patra Foundation has already been forging 3+ years’ partnerships with a number of corporates, trusts and foundations thus enabling long-term impact.</p> <p>Some of the partnerships are with organizations such as Michael and Susan Dell Foundation, CISCO India, Kusuma Trust, Jindal Steel etc.</p>



## Alignment with activities eligible for CSR spend

Activities	Alignment
<p><b>Eradicating Hunger</b></p>	<p>For majority of the children across the country, the mid-day meal is the ONLY meal of the day.</p> <p>Akshaya Patra’s strategy of providing an unlimited meal stems from the above understanding. Children are encouraged to eat as much as they want, thereby eradicating hunger to a great extent and ensuring that children can focus on their school lessons.</p>
<p><b>Education</b></p>	<p>Mid-day meals at government schools and government-aided schools across India encourage children to come to school and stay back for education, curbing child labour as well.</p> <p><u>According to a longitudinal impact assessment done by leading research firm, AC Nielsen from 2006-10</u></p> <ul style="list-style-type: none"> <li>• On an average, student enrolment in Class I increased by 23.3% during the first year of program implementation in all the centres measured.</li> <li>• Overall attendance in the schools measured increased by a total of 11.67%.</li> <li>• Close to 85% of Heads of institutions/teachers across all locations reported that the proportion of students getting higher grades has increased, while the proportion of students getting lower grades has reduced.</li> </ul>
<p><b>Empowering women and promoting gender equality</b></p>	<p>The organization gives employment (full time and part time) to close to 6000 people (mix of both genders) in its kitchens and delivery operations across the country.</p> <p>Of this, there are approximately 1000 female cooks-cum-helpers working only in the decentralized school-based-kitchens of Baran (Rajasthan) and Nayagarh (Orissa), thereby reducing poverty to a certain extent.</p>

<p><b>Improvement of Health</b></p>	<p>The mid-day meals served to children undoubtedly have an impact on their health. According to AC Nielsen’s longitudinal study, around 78.2 % of all parents across all locations said that their child’s health had improved due to having the TAPF midday meal at school.</p>
<p><b>Environment Sustainability</b></p>	<p>The Akshaya Patra Foundation also works towards environment sustainability by introducing various elements in everyday operations across locations. Some of the examples are –</p> <p>Bio-gas plants (Currently in Bangalore) wherein solid food waste is converted into fuel which is utilized in the form of diesel and briquettes in the kitchens itself. An estimated INR 10.08 lakhs is saved per annum.</p> <ol style="list-style-type: none"> <li>1. Stainless steel (Across all locations) - 100% recyclable, hygienic and corrosion-resistant.</li> <li>2. Gruel Free Rice Cooking (Currently practiced in Hubli) – Earlier each cauldron consumed 270 litres of water, but after the implementation of this practice, only 110 litres is used, resulting in 16, 000 litres of water saved every day.</li> </ol> <p>Use of briquettes (Currently in Bellary) – a biofuel substitute to coal and charcoal.</p>



## Get In Touch

### **Head Office: Bangalore**

The Akshaya Patra Foundation

#72, 3rd Floor, 3rd Main Road, 1st & 2nd Stage

Yeshwantpur Industrial Suburb, Rajajinagar Ward No. 10

Bangalore – 560022

Karnataka

India

Phone: +91 80 3014 3400

Fax: +91 80 2357 8626

E-mail: [infodesk@akshayapatra.org](mailto:infodesk@akshayapatra.org)

