

Chairman's Message

“Every Stakeholder has a role to play to make CSR Effective and Sustainable”

Anonymous

Corporate social responsibility is a multi-stakeholder approach which is understood mainly as voluntary business self-regulation designed to improve aspects of company performance in the areas of social and sustainable development and human rights. CSR relates society with the business.

Being an industry association we are linked with many corporate working in the domain of CSR. Many of them are already doing CSR projects before the mandatory legislation. The CSR Committee through its advocacy and research has benefited our members for conceptualizing innovative, educational/skill development programs/projects. We continuously strive to make this connection strong.

I believe that CSR activities not only empower the society but also act as a beneficiary to the company itself. It provides several benefits namely:

- ✓ Provides brand recognition to the company as masses become aware about the positive acts of the company.*
- ✓ It develops transparency and improves communication within the organization.*
- ✓ It also results in the progress of the company w.r.t productivity as the employees directly engage with people at large. They also become aware about the local communities issues and challenges.*
- ✓ It helps in generation of self satisfaction and keeps employees in focus on the company's mission and vision.*
- ✓ It enhances overall business environment*

We will be glad to have your article/publication in our newsletter. I look forward to your suggestions and will like keep you informed through our monthly newsletters.

Dr. Suresh Goyal

Chairman

CSR Committee

Convergence in Bank's CSR projects

The thought for proposing this single project policy was better exploitation of the bank's CSR funds.

According to the officials focusing on single project would have enhanced and improved outcomes for the society.

Government is anticipating for launching a single Corporate Social Responsibility (CSR) related project for all the public sector banks. Till now every bank was doing separate projects. The thought for proposing this single project policy is better exploitation of the bank's CSR funds. According to the officials focusing on single project would enhance and improve outcomes for the society.

Recently State Bank of India has publicized its idea of creating SBI **Foundation** aiming at collection and utilization of funds obtained from SBI associates and subsidiary to uphold the social grounds. SBI on its own has contributed around Rs.108 crore for CSR . The funds from all PSU banks for social causes are estimated at Rs. 500 crores for 2014-15

According to the Companies Act, Corporates are required to spend 2% of their net profit for the social good. But as per RBI's guidelines, PSU banks can spend only up to 1% of former year's profit to support social cause.

Diverting focus from various different types of project to same type of project would result in meaningful results and mitigation of problems from the roots at a broader level.

Eight Indian Companies working for CSR among world's top 500 companies

According to a report, a total of eight big companies from India including ONGC and Reliance Industries, have spent a big amount of \$81 million in one year on their CSR activities.

132 companies of US, 26 companies of UK while 8 companies of Australia and Spanish each have been chosen to be a part of the top 500 list which had spent around \$ 10 billion, \$ 2 billion, \$ 980 million and \$ 648 million respectively.

Few companies of China and Japan are in the list as well with lowest investment of around \$ 5 million and \$ 8 million respectively. However the average of Indian expenditure is more than both of these countries calculated w.r.t to profits of years 2011-2013.

The major investments have been done in the field of education and vocational courses for providing employability for the unskilled and unemployed. More emphasis is given to education at primary (39%) and secondary level (14%) since education is regulated and is very much needed at the societal level. CSR activities related to education through schools are much more popular in the urban areas where population of deprived children is emanating. This is followed by health sector for improving the health status of the lower section residing in urban areas.

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Nashik schools to be flourished with toilets!

Nashik Industries and Manufacturer's Association is planning to provide Toilet facilities to all the schools in their territory under the CSR activities. They want to follow the honorable PM's mission of Swachh Bharat Abhiyan.

According to the data there are around **3500 industries** in the industrial estates of MIDC especially in Satpur and Ambad area. Public toilets separately for males and females in the schools and nearby areas will be constructed where there are no toilets or are in bad conditions.

After the completion of the research the actual number of schools will be identified in the area and Plan of action will be made accordingly.

Faster channelization of CSR budget

It is anticipated that about 40-50% of the total budget will be devoted in the Water & Sanitation sector, one of the major category in the Schedule VII of the Companies act.

All the money collected in the CSR fund can now be utilized at a much faster rate as per the new amendment made in the Companies' Act 2013. It is estimated that a total of about Rs. 20,000 crores will be collected from the CSR spent by big industries. It is anticipated that about 40-50% of the total budget will be devoted in the Water & Sanitation sector, one of the major category in the Schedule VII of the Companies act.

One of the main reasons of highlighting this sector is Prime Mini Modi's Swachh Bharat Abhiyan. SBA was launched on Independence Day with a mindset of making India clean and free from various diseases which emerge due to poor sanitation. As per the latest amendment the flow of money for this particular sector will be more easy as the companies can collaborate together to give a better output.

A total of 16,200 companies around India are eligible for CSR works as there net profit for last three years is more than 5 crores.

River Ganga to be cleaned via CSR way

Seeing the deteriorating condition of Holy River Ganga, government has finally decided to involve corporate into the cleaning project. The funding will be done by the corporate after the sanctioning of plan of action and method of execution from the municipal corporations.

From past 29 years Government is trying to clean it but due to polluted effluent from the industries Ganga has turned up into a dumping yard. **Ganga Action Plan** was launched in **January 1986** with an aim to purify the holy river but no success have been achieved so far now even after making so many amendments in the project.

The corporate could take a lead in the projects and then the projects could carry forward by the local authorities. According to the ministry there are around 130 municipal bodies have been guided to work on it.

In urban cities it is challenge to clean it as most of the pollutants come from urban waste like human waste, industrial waste and religious waste.

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A different approach towards Swachhta

All big corporate in India are dedicatedly working for the societal good through their CSR projects. According to the Ministry of Corporate Affairs major section is spending on the Health and Sanitation category as per the Schedule VII of the Companies Act of 2013.

There is a need to shift the focus from construction of toilets. There is a need to upgrade the plan of action. The shift has to be made to behavioral change which is not sustainable as per the current scenario. There are places where washrooms have been constructed but people are not ready to use them because of their traditional habits.

Importantly, beneficiaries of infrastructure subsidies don't usually change their behavior towards sanitation and hygiene and have little incentive to maintain the toilets. Corporate can promote hygiene activities, sanitization of various places especially the households and schools through NGOs who are working with the corporate for spreading awareness among the major stakeholders. To promote this idea '*India CSR*' is organizing India **Sanitation Summit** at **PHD house**, New Delhi on **February 6, 2015**.

An eye for CSR spends!

In order to keep an eye on all the CSR spends under the Companies Act, 2013 by the Corporates and the industries, Ministry of Corporate Affairs will be initiating a CSR data analytical forum. The important role of this platform is analysis of CSR spending on various projects along with the Sectoral data. The checking will be done only for those companies who have registered themselves under the Companies Act of 2013.

One major benefit of implementing this strategy is proper and transparent execution of the activities. All the activities along with the expenses, policy, issues will be covered in the database which will result in lowering of corruption. NGOs working at certain CSR projects with the corporate will also be under analysis with respect to activities, area of work, place of work etc. As per Schedule VII some activities mentioned in the act are cleaning of water bodies like Ganga, cleaning of surroundings, education and health .

Complete database will be made online which will promote e governance with thorough transparency as well. Ministry has invited suggestions from experts to develop an advanced and effective database system.

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About the PHD Chamber

PHD Chamber is a 109 years old vibrant and proactive representative organization of business and mercantile community of northern and central India, serving their interest. This apex regional organization plays an active role in India's development and acts as a much needed link between government and industry, serving as a catalyst for rapid economic development and prosperity of the community in the region through promotion of trade, industry and services.

With its base in the National Capital, Delhi, the Chamber has Regional offices in States of Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and the Union Territory of Chandigarh.



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