



Conference  
on  
**Corporate Social Responsibility-Growing trend of comply or explain**

19<sup>th</sup> September 2015, Hotel Lalit Great Eastern, Kolkata

**Session Brief**

**Opening Session – “The long journey from Traditional Corporate Philanthropy to obligatory Corporate Social Responsibility”**

**Speaker Panel**

<b>Ms. Sibani Swain, Economic Advisor, Ministry of Corporate Affairs, Government of India</b>
<b>CS Sutanu Sinha, Member of the NFCG Core Group of Experts</b>
<b>CS Atul H Mehta, President, The Institute of Company Secretaries of India (ICSI)</b>
<b>CS Mamta Binani, Vice President, The Institute of Company Secretaries of India (ICSI)</b>
<b>CS Sunita Mohanty, Chairperson, Eastern India Regional Council, The Institute of Company Secretaries of India (ICSI)</b>
<b>Dr. Rajeev Singh, Director General, ICC</b>

**Key Takeaways**

- The “*World Business Council for Sustainable Development*” has defined ‘*Corporate Social Responsibility*’, as the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the work force and their families, as well as of the local community and society at large.
- The New Companies Act 2013 in India has introduced the concept of non-financial audit/ secretarial audit, which is a one of a kind concept, ostensibly introduced for the first time in the world. Here, the participating company secretary will certify that the company has complied with all the laws of the land. The New Companies Act has introduced the concept of Secretarial

Standard. These changes have generated positive vibes for private equity & foreign institutional investors and independent directors.

- Globally, long term investors like pension funds/endowment funds put money into companies which have got good sustainable business models and are active in social responsible investment activities or CSR.
- The CSR policy followed by a company should be well aligned with the value system of the promoters.
- Regulators are currently proactive and non-compliance can spell high costs for the company. However, the law does not empower government to do micromanagement of CSR expenditure of any company. There is no provision in the law for any institutional mechanism to monitor the quality and efficacy of CSR expenditure by companies.
- CSR contribution to PM's National Relief Fund by a company would get tax exemption under 80G of Income Tax Act.
- CSR project can address gender equity issues in sync with the Millennium development goals and there are projects like Beti Bachao, Beti Padhao, which are being run in the country.
- India's North-Eastern States have a lower level of financial inclusion indicating a direct need for intervention in the regional economy, because with the changing connectivity equations in this entire region, North-East is again going to become a very important business hub for the entire country.

**Session I – “Companies Act: A game changer for CSR in India”**

**Speaker Panel**

<b>CS Ashok Pareek, Executive Director, Srei Capital Markets Ltd</b>
<b>Dr. B Talwar, GM, CSR, Bharat Heavy Electricals Limited (BHEL)</b>
<b>Mr. Timir Baran Chatterjee, Senior Executive Vice President (Corporate Affairs and Legal) &amp; Company Secretary, DIC India Limited</b>
<b>Mr. S K Ray, GM, Company Secretary, MSTC Ltd</b>
<b>CS Deepak Kumar Khaitan, Practicing Company Secretary, Past Chairman, EIRC, The Institute of Company Secretaries of India</b>

CS Rupanjana De, Secretary, EIRC, The Institute of Company Secretaries of India

Brig. Rajiv Williams, Corporate Head, CSR, Jindal Stainless Limited

### Key Takeaways

- Successful corporate social responsibility projects can basically act as a role model for government social service projects.
- CSR activities can be undertaken '*preferably*' in the neighborhood area of a business organization, however, pan-India operations are also allowed.
- Universal applicability of CSR has been solicited by market experts.
- CSR projects by corporates can promote sustainable development by focusing in areas like sanitation, drinking water, education for the underprivileged, skill development etc. The crux of the matter is that corporate CSR initiatives should be replicable and transparent.
- For picking up relevant CSR initiatives, corporates should understand the local human development index and ideally work to serve the basement of the pyramid.
- To break the Digital Divide computer buses can deliver IT-module to children in villages in backward regions like Northeast India.
- CSR initiatives should empower people and can occur in domains like preventive healthcare, waste management also.
- Mobile technology can be tapped for ensuring real time data feedback from the ground level workers engaged in a corporate CSR project.
- CSR projects would allow companies to get into ground level involvement with local communities and can be an effective medium of brand building.
- Increasing awareness amongst directors of private business enterprise about mandatory CSR activities is solicited.
- Corporate investment in R&D for provision of water filter based on solar distillation technology at affordable prices can be considered under the CSR

model for water scarce areas in the country. Projects can also be undertaken under various innovative irrigation schemes.

- The Companies Act 2013 fails to specify whether there is any obligation on corporates to carry forward unspent money for the next year. Clarity is sought on the aforesaid issue.
- If there is a third party agency through which CSR initiatives has been then implemented by a company, then details about the implementing agency is to be provided.

**Session II – “Implementation of CSR Policy, Impact measurement tools and CSR Reporting”**

<b>Mr. Tridiv Hazarika, Senior Manager, Public Relations, Oil India Limited</b>
<b>Mr. Girish Joshi, Senior General Manager, Bombay Stock Exchange Limited</b>
<b>Mr. Vamsee Krishna Jasti, Programme Head CSR &amp; Alternate Livelihood, Reliance Foundation</b>
<b>Mr. Ashoke Joshi, IAS(Retired), Chairman Srinivas Services Trust, TVS Group</b>
<b>Mr. Adarsh Kataruka, Director, SoulAce</b>
<b>Mr. Sumit Roy, Corporate Branding Consultant</b>
<b>Mr. Rajib Basu, Partner, KPMG</b>

- CSR is not mere philanthropy. It has to be done on project mode with the desired amount of efficiency in operations. It should also involve impact assessment studies.
- Baseline surveys can be done for projects to understand the incentive structure required to keep the beneficiaries in the projects for areas like adult literacy, which exhibit a high dropout rate.
- Corporates have the managerial resources to prove how a project can be conceived, implemented, monitored, and then they can create peer pressure amongst the other corporates to engage in similar initiatives.
- The most innovative approach of CSR for community livelihood improvement is to award the community the ownership of the program. Community

benefit matrix should be a major deciding factor for choice of CSR projects.  
Focussing on need assessment preference is an imperative.

- A low CSR index would affect the stock prices of companies and would be a major pointer for its sustainability.
- NGOs should be recognized as an implementing partner for CSR projects by corporates.