

CSR – Industry View Point

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Introduction

Corporate Social Responsibility

- Background
- Types of CSR of various business groups
- Legal perspective

MCA and ICSI Initiative

- Voluntary Code for Corporate Social Responsibility in 2009
- Form CSR
- Sec. 135 of the Companies Act, 2013

- ICSI Annual Conference – September 2010 – Theme – “Inclusive Growth of India Inc.”
- One of the basis for Corporate Governance Award – ICSI Excellence in Corp. Governance

Trust as a mean for CSR

- Public Trust – Under State Laws
- For Maharashtra - The Bombay Public Charitable Trusts Act, 1960

Persistent Systems and CSR

- Background since 1995-96
1% of Annual Consolidated Net Profits were donated to charitable institutes in the following year
- To institutionalize the CSR activities (beyond donations) – Public Trust was formed in 2009 as our CSR Wing
- Settlor – The Company
- Trustees – Representatives of Board, Executive Management and Administration
- Amount was increased to **1.25%** of Annual Consolidated Net Profits before 2014

Persistent Systems and CSR

Registration status

- Charity Commissioner (as a Public Charitable Trust)
- Income Tax Dept. – Sec. 12A and 80G
- FCRA – For accepting donations from abroad - 5 years

Persistent Systems and CSR

- In year 2014, the legal perspective was added to the CSR of the Company
- CSR Committee, CSR Agenda, 2% of the Average Profits of last three FYs and more ...
- Reporting in the Directors' Report

Current Status

- Started with INR 1 Crore, the Corpus is about to cross INR 10+ Crores
- The focus areas are Health, Education and Community Development
- Assistance in cases of Natural Calamity is exceptional focus area.
- Operations spread across Pune, Nagpur, Goa, Hyderabad and Bengaluru (Offices of the Company)
- Recognition of money, time, efforts and resources as Donation by employees

Flagship Projects so far

Big, costly and high impact projects

- Swachha Vidyalaya Abhiyan (Construction / Refurbishment)
102 PMC Schools – Benefits to 50,000 students
10 Schools in Nagpur
- Roof-top Solar PV System at Pune Railway Station
Helping for 60% electricity need of Pune Railway station

Hyderabad (Nampalli Railway Station) in pipeline
- Seven Watershed Projects under Jalukta Shivar Yojana in Maharashtra

Our best achievements

Health –

1. Breast Cancer Screening Program
2. Cataract Operations
3. Facial Cleft Palate Operations
4. School Check-ups

Education –

1. Girls Scholarship Program (Engineering education)
2. Students Sponsorship Program (school children)
3. School Uplifting Program

Our best achievements

Community Development

1. Village Upliftment
2. Zero Garbage Project (Prabhag 11 and 36 of Pune)
3. Skill Development Programs
4. Elderly and Differently Abled Sections

Methodology while selecting projects

The Board applies a 5-point test while verification of proposals:

1. Employee Engagement
2. Impact on nearby residents
3. Sustainability – year after year
4. Visibility to the Foundation
5. Challenges

Our experience so far

- Overall a very good experience
- A great feeling that something which we started as a voluntary activity, is now legalized and being pursued by fellow corporates
- Except the time factor for registrations, the processes are fine to follow
- Comparing to the MCA experience, the State Govt. machinery is yet to achieve a lot on improving user experiences

Crucial Points to be noted

1. Mind set of the Board – Supreme
2. Board should have clarity on its goal
3. Every entity has limited resources – focus is the key.
4. Verification of Associate NGO for projects – Important
5. Auditors – Best friends
6. This affair is answerable to public at large so Corporate Governance is must.

Operational Points to be noted

1. How to start on CSR projects? Use combination - expertise of Assoc. NGOs and resources of the Company
2. Given a chance, employees will not participate. Have motivation for them – Appraisal points, Exemption in attendance, Special badges, Recognition in Company, etc.
3. Precaution while conducting Health related Projects
(e.g. Breast Cancer Screening, Cataract Operations, Facial Cleft, Free medication)
4. Experience of working with Government (Swatchh Vidyalay, Solar Panels on Railway Station, Jalyukt Shivar Yojana, Assistance to Pune Police, tree plantation activities)

Operational Points to be noted

5. Chamber of Commerce – MCCIA, CII, NASSCOM
6. Projects where base permissions are important (e.g. tree plantation)
7. FCRA Registration by Home Ministry
8. Donation to agencies abroad / Executing projects abroad
9. CSR is a public affair and cannot be easily owned by any officer. Matching of interest areas is must. (Typical ownership is with HR Team which need not be a rule) **The CSR Wing should choose project specific resources**
 - Solar Panel Projects – We simply finance
 - Zero Garbage Project – We use Six Sigma Technique
 - Scholarship Programs – We depute selected employees as mentors

Open House

Thank you

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