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- **THE INSTITUTE OF COST ACCOUNTANTS OF INDIA** (erstwhile The Institute of Cost and Works Accountants of India) was established in 1944 as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy.
- On 28 May 1959, the Institute was established by a special Act of Parliament, namely, the Cost and Works Accountants Act 1959 as a statutory professional body for the regulation of the profession of cost and management accountancy.
- It has since been continuously contributing to the growth of the industrial and economic climate of the country.
- The Institute of Cost Accountants of India is the only recognised statutory professional organisation and licensing body in India specialising exclusively in Cost and Management Accountancy.

MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

IDEALS THE INSTITUTE STANDS FOR

- to develop the Cost and Management Accountancy profession
- to develop the body of members and properly equip them for functions
- to ensure sound professional ethics
- to keep abreast of new developments

Behind every successful business decision, there is always a **CMA**

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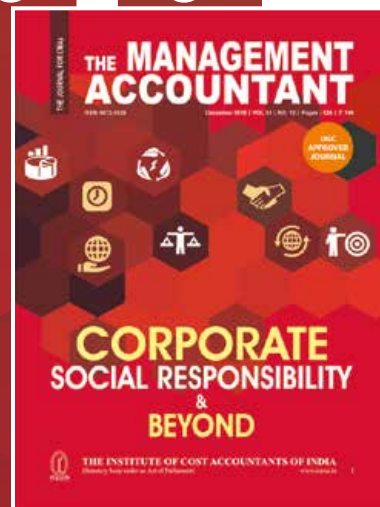
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Greetings!!!

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. Corporate Social Responsibility (CSR) is how companies manage their business processes to produce an overall positive impact on society. It covers sustainability, social impact and ethics.

The term "Corporate Social Responsibility" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to companies' efforts that go beyond what may be required by regulators or environmental protection groups. CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustainability.

CSR today forms the crux of all corporate activities. It is an area of major focus for all corporate entities. Owing to the excessive outburst of globalization CSR is a global concept in this contemporary world. Under CSR activities, waste minimization and pollution prevention address key issues related to resource use, energy, and significant environmental trends that affect a wide range of stakeholders, including consumers and communities. An effective performance management framework and vision, which includes CSR, involves linking corporate strategies and activities for action, aligning organization's decision making to the governance structure, integrating information assets throughout the value chain, with properly aligned business drivers and associated metrics, streamlining data sourcing and developing a single source reporting environment.

Corporate Social Responsibility is all about stakeholder accountability, transparency and sustainability. With CSR, companies must establish themselves as good corporate citizens. Integrating CSR with regular branding activities can play a significant role impacting peoples' insights regarding a company, products or services. It can build a corporate

culture leading to business sustainability. A CSR approach can help to improve corporate governance, transparency, accountability and ethical standards. CSR professionals need to balance and recognize the links between the society welfare and the success of the organization. They need to examine the opportunities which should be designed to benefit the organization as well as the community, now and in future. To build a stronger commitment it is important to integrate CSR into key business areas, by identifying and managing the positive and negative impact of business activities on the society.

Corporate social responsibility is the viewpoint that a business should be more aware of its impact on society and the environment. The intent is to deliver positive outcomes for all stakeholders in the business that result in long-term sustainability, not just a positive return for its shareholders.

CSR is in fact an essential element of business strategy for today's SMEs. In some ways SMEs are in a better position than large corporations to reap tangible benefits from socially responsible business practices.

CSR Audit and other proper monitoring systems are essential to ensure efficient utilisation of the CSR expenditure. There are number of issues to be brought into the notice of the concerned authorities so that amendments are initiated for effectively implementation of CSR. Cost and Management Accountants could apply techniques like Lean Accounting, Just-in time (JIT), Kaizen Costing, Six Sigma, resource mapping etc for efficient risk management and effective implementation of CSR in organizations.

This issue presents a good number of articles on the cover story theme 'Corporate Social Responsibility & Beyond' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.



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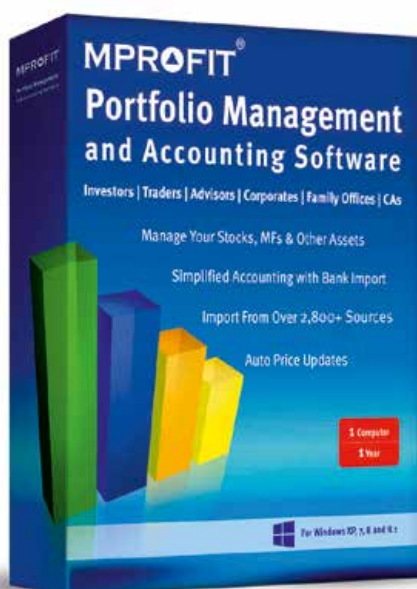
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THE MANAGEMENT ACCOUNTANT

:- PAPERS INVITED :-

Cover stories on the topics given below are invited for 'The Management Accountant' for the four forthcoming months.

Theme January 2019 Indian Banking Scenario: Dynamism and Optimism	Subtopics <ul style="list-style-type: none"> ◆ India Post Payments Bank (IPPB): A revolutionary step towards financial inclusion ◆ Digital banking: The Road Ahead ◆ Financial Reforms & Innovation in Indian Banking Sector ◆ Demonetization effect ◆ Indian banks' NPA woes 	<ul style="list-style-type: none"> ◆ Scams: recurring scar on Indian banking sector ◆ RBI's new measures towards restructuring of the domestic banking industry ◆ Insolvency code: the biggest reform in banking
Theme February 2019 Contemporary Issues in Corporate Governance	Subtopics <ul style="list-style-type: none"> ◆ Corporate Governance Global Framework ◆ Corporate Governance in India & SEBI Regulations ◆ E-governance ◆ Governance and Sustainability 	<ul style="list-style-type: none"> ◆ Corporate Governance and its Impact on Audit Practice ◆ Corporate Law and Corporate Governance ◆ Mergers and Takeovers ◆ The Role of Institutional Investors in Corporate Governance
Theme March 2019 Artificial Intelligence - An Emerging Trend of Technology	Subtopics <ul style="list-style-type: none"> ◆ Artificial Intelligence AI: New Horizons for Cost Estimation and Modeling ◆ The Digital Transformation of Accounting and Finance - AI, Robotic Process Automation and Chatbots ◆ AI in Project Management ◆ AI in Powered Banking Sector 	<ul style="list-style-type: none"> ◆ AI and Robotics: Redrawing the Healthcare Landscape ◆ AI - a catalyst for reducing cost in Digital Marketing ◆ AI - reshaping the contour of Supply-Chain and Logistics Industry ◆ Role of CMAs
Theme April 2019 Public Sector Accounting	Subtopics <ul style="list-style-type: none"> ◆ Public Sector Accounting and Financial Reporting: Today and Tomorrow ◆ Public Sector Accounting System and Public Governance ◆ Developments and Challenges in Public Sector Accounting ◆ Ethics and Integrity in Public Sector Accounting ◆ Pros and Cons regarding International Public Sector Accounting Standards (IPSAS) implementation in the Public Sector 	<ul style="list-style-type: none"> ◆ The Impact of International Financial Reporting Standards (IFRS) adoption on Public Sector Financial Statements ◆ Reforms in Public Sector Accounting ◆ Strengths and Weaknesses of existing system of Public Sector Accounting in India ◆ Role of CMAs

The above subtopics are only suggestive and hence the articles may not be limited to them only.

Articles on the above topics are invited from readers and authors along with scanned copies of their recent passport-size photograph and scanned copy of declaration stating that the articles are their own original and have not been considered for publication anywhere else. Please send your articles by e-mail to editor@icmai.in latest by the 1st of the previous month.



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PRESIDENT'S COMMUNIQUÉ



"Many of life's failures are people who did not realize how close they were to success when they gave up."

-- Thomas A. Edison

CMA AMIT ANAND APTE

President

The Institute of Cost Accountants of India

My Dear Professional Colleagues,

Namaskaar!!!

The month of November has been extremely vibrant. Apart from the Diwali festivities, there have been many activities to share with all of you. During the month, I along with CMA Niranjana Mishra, Chairman, Taxation Committee and CMA P. Raju Iyer, Chairman, PD and CPD Committee of the Institute met Shri B. N. Sharma, Chairman, National Anti-Profiteering Authority and CMA Upender Gupta, Commissioner (GST), Central Board of Indirect Taxes & Excise to discuss the matters related to our Profession. The talks were very positive for our profession.

Activities at Regional Councils & Chapters

Golden Jubilee Celebrations of Kochi Chapter

I am pleased to inform that Kochi Chapter of the Institute celebrated its "Golden Jubilee" during 11th to 17th November 2018 by organizing various Professional Development programs and a Blood donation camp. A family get-together for members of the Institute was organized on 11th November 2018. I was fortunate to join the Chapter for inaugural program on the theme "Engaging with the Changing Global Economy and Role of CMAs" at Ernakulam, Kochi.

Program on Techniques of GST Audit by Raipur Chapter

I am pleased to inform that I was invited to the training program on Techniques of GST Audit organized by the Raipur Chapter of the Institute for the members of the Institute in Raipur on 17th November 2018. CMA (Dr) Sanjay Bhargave, Former CCM of the Institute was the speaker for the program.

Events by Kota Chapter

The Institute of Cost Accountants of India - Kota chapter organized the CMA Summit on the theme "Avenues for CMA" and

Felicitation of Commerce Faculties on 18th November 2018. CMA Balwinder Singh, Vice President, CMA Vijender Sharma, CCM of the Institute graced the programs by their presence.

National Seminar of the WIRC

I am happy to note that the Western India Regional Council of Institute of Cost Accountants of India hosted a National Seminar on the theme "New India 2022" on 23rd and 24th November 2018 at Mumbai. I along with CMA P.V.Bhattad, Past President & CCM of the Institute attended the Seminar.

Regional CMA Convention of the SIRC

I am pleased to share that I also attended the Regional CMA Convention 2018 organized by the Southern India Regional Council of the Institute in association with Bengaluru Chapter on the theme "Business Growth through Proactive Thinking & Strategic leadership" on 23rd and 24th November 2018 at Bengaluru.

Banking and Insurance Committee

As informed in my earlier monthly communiqué the month of November 2018 was observed as "Banking Month" across the country. Multiple programs and webinars on Banking were organized by the Institute and its Chapters across the country. The Banking and Insurance Committee of the Institute organized "Banking Symposium 2K18" on 30th November 2018 at Mumbai. Shri Satish Marathe, Government Nominee to the Central Board of Directors of Reserve Bank of India graced the occasion as Chief Guest and CMA Kewal Handa, Chairman, Union Bank of India was the Guest of Honour. Eminent panelists, having expert knowledge of the Banking sector shared their experiences and guided the participants in recognizing the professional services of CMAs to the Banking and Insurance Sectors. The Symposium was attended by Professionals and Bankers from across the Country.

Observance of December 2018 as Insurance Month

Buoyed by the response to the Banking Month, I am pleased to announce that the Institute will observe the month of December as "Insurance Month". The Regions and Chapters are requested to organize programs on various aspects of Insurance during the month and give suggestions and guidance on specific matters to be taken with the feedback from members from insurance sector in their area.

I urge the members to give constructive suggestions, ideas to bi@icmai.in to make this endeavor a grand success.

International Affairs

IFAC Council Meeting & WCOA 2018

I along with CMA Sanjay Gupta, Immediate Past President of the Institute attended the IFAC Council Meeting and World Congress of Accountants (WCOA) 2018 jointly hosted by CPA Australia and Chartered Accountants Australia and New Zealand, during 5th to 8th November 2018 at Sydney, Australia.

CAPA meetings & events

The Confederation of Asian and Pacific Accountants held its Members Meeting, Extraordinary General Meeting (EGM) and AFA-CAPA Joint Forum in Sydney, Australia on the sidelines of the WCOA. I attended the EGM of CAPA as voting representative and CMA Sanjay Gupta, Immediate Past President attended as designated advisor to the meeting.

Joint strategic meeting of SAFA and CAPA Board

SAFA and CAPA Board held its Joint Strategic Meeting in Sydney, Australia on 4th November 2018. Our Institute was represented by CMA Sanjay Gupta, Immediate Past President & Chairman, International Affairs and Sustainability Committee of the Institute.

Meeting with CIPFA & ACCA officials

I wish to inform the members that I along with CMA Sanjay Gupta, Immediate Past President & Chairman, International Affairs and Sustainability Committee of the Institute met CIPFA officials and ACCA officials at Sydney, Australia on the sidelines of WCOA and discussed about possibilities of further strengthening the relationship between both the Institutes.

Insolvency Professional Agency (IPA) of Institute Of Cost Accountants of India

The Insolvency Professional Agency of the Institute continued its professional development initiatives and organized various Round table Interactions and workshops during the month. Two Round table interactions were organized in Kolkata on 2nd and 9th November which were attended to by Whole Time Director, Chief General Manager and the Chairperson IBBI on Corporate Insolvency Resolution Process, Liquidation and Preferential,

Fraudulent, Undervalued and Extortionate Transactions, Draft Regulations and Rules on Bankruptcy Process for Personal Guarantors etc. IPA was an Associate Partner with National Law University on "Corporate Insolvency Law Practicum: Training of Trainers (ToT)". IPA is also organizing Insolvency Professionals Conclave at Hyderabad on 1st December, 2018.

Professional Development and CPD Committee

Continuing Professional Development Committee

I sincerely appreciate our Regional Councils and Chapters for organizing 52 programs, seminars and discussions on the topics of professional relevance and importance for the members such as, Insolvency and Bankruptcy code 2016 - Latest Developments, Basel Norms III, Working Capital Financing - Issues and Solutions, GST Impact on Insurance & Banking sector, Business Valuation, Role of CMAs in Banking Sector, NPA Management in Banking, Cost Audit of Edible Oils and so on.

Representation to Government, PSUs, Banks and Other Organizations:

PD Directorate is sending representation letters to various organizations for inclusion of cost accountants for providing professional services. I am pleased to inform you that on the basis of the representations sent by the PD Directorate, Andhra Pradesh State Civil Supplies Corporation Ltd. issued Corrigendum and included Cost Accountants for Internal Audit Services, National Safai Karamcharis Finance & Development Corporation included for GST Audit and Indian Institute of Information Technology Allahabad included Cost Accountants for preparation of Annual Accounts and various regulatory works.

Further, Nagar Parishad Mihijam, Andhra Pradesh State Civil Supplies Corporation Ltd., Kerala Electrical & Allied Engg. Co. Ltd, Bharat Earth Movers Limited, Bangalore, Central Warehousing Corporation Guwahati, Bharat Heavy Electricals Limited (BHEL) Bhopal, Central Coalfield Ltd, Northern Railways, and Kolkata Port Trust, Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Distribution Company Limited, Port Blair Municipal Council, Food Corporation of India etc., have included Cost Accountants in their Tenders/EOIs during the month of November 2018.

Technical Department

Cost Accounting Standards Board (CASB)

I am happy to note that the CASB and PD & CPD Committee of the Institute in association with Ludhiana Chapter organized Seminar on Cost Governance and GST Audit at Ludhiana. CMA Balwinder Singh, Vice-President and Chairman, CASB addressed the delegates and highlighted the role of Cost Accounting Standards in the Cost Governance. There was also a session on

PRESIDENT'S COMMUNIQUÉ

GST Audit and Annual Returns.

Another seminar was organized at Patiala by CASB and PD & CPD Committee of the Institute in association with Patiala Chapter. CMA SC Arora, Former Director (Finance), PSPC Ltd., was the Chief Guest of the event. CMA Balwinder Singh, Vice-President and Chairman, CASB spoke about the Cost Governance and role of CAs and SCAs in sustenance of Cost Mechanism in the organisation. There were sessions on Practical aspects of Cost Governance by CMA DC Arya, Member, CASB; GST Audit and GST Annual Return by CMA B.M. Gupta and CMA Robin Singh. I hope that the delegates found the seminars enriching and fulfilling.

Cost Auditing and Assurance Standards Board (CAASB)

The CAASB in its 35th meeting held in New Delhi decided to implement the decision taken in the 34th meeting of the Board to hold members interaction with the members of the CAASB at Mumbai in the first half of 29th December 2018 before the next meeting of the Board to be held in the second half of 29th December 2018. The interaction will focus on the practical issues being faced by the members in complying with the Standards on Cost Auditing in order to include the same in the FAQs on SCAs. It is also planned that the interaction will be joined by the members of other regions and chapters of the Institute through Video Conferencing. I congratulate the past and present Chairmen of the Board for taking this step as this will be the first time that such an arrangement is being made by any Committee / Board of the Institute.

The Board also decided to hold joint seminars with Cost Accounting Standards Board (CASB) on Cost Accounting Standards and Standards on Cost Auditing for the capacity building of the members of the profession. I wish both the Boards success in this endeavour.

Taxation Committee

Congratulations to all the learners who have successfully cleared the online examination of Certificate Course on GST (2nd Batch), conducted by the Tax Research Department on the 18th of November, 2018. The department along with the Raipur Chapter has successfully organised a seminar on Techniques of GST Audit on the 17th of this month. Two webinars were conducted for the month on the topics - GST Audit analysis, assessment and Export License, and Accounts and Records under GST and Role of GST Auditor.

Benevolent Fund

It is a priority of your council to provide benevolent services to its members. The Council has approved to fix the Annual assistance from the Institute to the Benevolent Fund for the Members of The Institute of Cost and Works Accountants of India at Rs.10 lakhs or 2% of the surplus of the HQrs and Delhi Office whichever is higher.

Also as a onetime contribution an amount of Rs. 1 Crore has been approved to be paid to Benevolent Fund. I urge all the members of our Institute to also be members of the Benevolent Fund and reap benefits of the facilities available to the members of this fund.

Upcoming Events

Over the next month's our Institute will be having a few Mega Events.

National Taxation Seminar and Practitioners Meet

We will be having the National Taxation Seminar at Bhubaneshwar on 21st and 22nd of December 2018. At the same venue on 23rd December we will also be conducting the Practitioners Meet.

National Convention & SAFA Events

I am pleased to announce that the **59th National Cost Convention of the Institute will be conducted in Pune on 20th and 21st January, 2019**. I am delighted to inform that CMA Dr. P.V.S. Jagan Mohan Rao our Council member will be taking charge as President of South Asian Federation of Accountants (SAFA) on 1st January 2019. The National Convention of our Institute will also host the SAFA representatives from various SAARC countries for the SAFA Events planned along with the National Convention. This will be the first time that the National Convention of our Institute will also host the SAFA events!!!

Students Convention

National Students Convention will be conducted at Thrissur on 6th & 7th February, 2019. It is proposed that this event will also host many International Students who will participate in various competitions to be held during this Convention.

I request all our members and students to participate in large numbers in the various programs planned.

I wish prosperity and happiness to members, students and their family on the occasion of Christmas & Seasons Greetings and wish them success in all of their endeavors.

Thanking you!!!

Warm Regards,



CMA Amit A. Apte

1st December, 2018



CMAs Role in Insurance Industry

The Institute of Cost Accountants of India, the Profession and Professionals play vital roles in the growth of Insurance Industry since inception and contribute in different ways.

The Insurance Sector in the present day scenario is facing stiff competition for its contribution to the economic growth of the Country in various ways. In the pricing mechanism on various products & different types of policies be it life, movable or immovable properties, valuations and arrival of rate fixing and or claims settlement the pivotal role of Cost and Management Accountants by virtue of their analytical skills will be meeting the needs of the stakeholders and Insurance companies.

The Institute of Cost Accountants of India and its professionals are always in the forefront when it comes to implementation of Government policy and reforms in Insurance Sector too.

The pricing of the various products can be better arrived at with the skill and talent of the Cost and Management Accountants. This can be crucial aspects when it comes to profit making by individual Insurance companies in the present competitive world, wherein present activities of Insurance companies are watched on how much operating profit, net profit or hassle free claim settlements they arrive at on a given point of time. Gone are those days where Insurance sector was seen as social service sector and now looked upon as profit making sector to compete at Global level.

With this background we the Institute of Cost Accountants of India have declared December Month as Insurance Month and are exploring the possibilities in expanding the CMAs talents to serve this Sector to fall in line with the growth of the economy joining hands with the Insurance Industry for betterment.

Insurance Month we have decided to be partner with all Insurance companies and as an initiative the Institute is organizing PAN India at all centres major programs, seminars, conference, conclave, round table discussion and webinars too to educate the membership and also understand from the Insurance officials the services they expect from our fraternity for mutual growth and contributions to the growth of the Indian Economy.

Together Let us move ahead

Regards,

CMA H Padmanabhan, Chairman
Banking and Insurance Committee ICAI



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1. Hon'ble Chief Minister of Kerala, Sri Pinarayi Vijayan honored by CMA Manas Kumar Thakur Past President and CMA H Padmanabhan, Council Member of the Institute along with CMA Pushpakumar, Chairman TCCA and CMA S Prasannakumar, CFO Smart City Trivandrum

2. CM Maharashtra – CMA Amit A. Apte, President, along with CMA V. V. Deodhar, Past President and CMA Neeraj Joshi, RCM had a meeting with Shri. Devendra Fadnavis, Chief Minister Government of Maharashtra to discuss role of CMAs in various initiatives of Maharashtra Government

3. FM Maharashtra - CMA Amit A. Apte, President, along with CMA V. V. Deodhar, Past President gave a representation on behalf of the Institute to Shri. Sudhir Mungantiwar, Finance Minister Government of Maharashtra

4-5 CMA Amit Anand Apte, President of the Institute at Banking Symposium 2K18 on Challenges and Opportunities in Banking Sector with Sri. Satish Marathe, RBI Director, CMA Kewal Handa, Chairman UBI, Dr J D Sharma, CMA P V Bhattad, Former President, CMA Sanjay Gupta, Immediate Past President and CMA H Padmanabhan, Council Member and Chairman Banking and Insurance Committee of the Institute

6. CMA Amit Anand Apte, President of the Institute addressing at Banking Symposium 2K18 on Challenges and Opportunities in Banking Sector.

Sri Satish Marathe, RBI Director, CMA Kewal Handa, Chairman, Union Bank of India, CMA P V Bhattad, Past President of the Institute, CMA Sanjay Gupta, Immediate Past President, Dr J D Sharma and CMA H Padmanabhan Council Member and Chairman Banking and Insurance Committee ICAI are seen on the dais

7. CMA Sanjay Gupta, Immediate Past President of the Institute chairing Technical Session in Banking Symposium held in Mumbai

8. CMA H Padmanabhan Council Member of the Institute addressing in Cochin Chapter, Golden Jubilee celebrations at the Gateway Hotel, Marine

Drive, Ernakulam on 11 and 12 November, 2018.

CMA Amit Anand Apte, President of the Institute, CMA Suresh Gunjalli, Chairman, CMA Sankar Panicker, Secretary SIRC, CMA Rakesh Warriar, Chairman and CMA Suresh Kumar KP, Secretary Cochin Chapter are also seen on the dais

9 CMA Manas Kumar Thakur, Past President of the Institute addressing in Banking Seminar in Trivandrum.

CMA Dr I Ashok, Council Member, CMA H Padmanabhan, Council Member and Chairman, Banking and Insurance Committee of the Institute, CMA P V Bhattad, Former President of the Institute, Sri. Salim Gangadharan, Chairman, The South Indian Bank and CMA Raman Pushpakumar Chairman Trivandrum chapter are also seen on the dais

10. Panel discussion session at Trivandrum on Banking Challenges and Opportunities chaired by Sri. SALIM Gangadharan Chairman The SIB Ltd

11. CMA H Padmanabhan, Council Member and Chairman, Banking and Insurance Committee of the Institute addressing in the Banking Month Study Circle meet at Chennai

12. CMA Dr PVS Jaganmohan Rao, VP SAFA honored by CMA Sanjay Gupta, Immediate Past President of the Institute and CMA H Padmanabhan, Council Member and Chairman, Banking and Insurance Committee of the Institute

13. CMA H Padmanabhan, Council Member and Chairman Banking and Insurance Committee of the Institute addressing in Banking Seminar in Chennai in the presence of CMA Sanjay Gupta, Immediate Past President, CMA Dr PVS Jaganmohan Rao, VP SAFA, CMA Gopalakrishna Raju, CMA Jyothi Satish, Vice Chairperson SIRC and CMA Suryanarayanan K, Treasurer, SIRC

14. CMA Dr PVS Jaganmohan Rao, VP SAFA and Council Member of the Institute taking session on Banking Challenges and Opportunities at Chennai in Banking Seminar

15. CMA Sanjay Gupta, Immediate Past President inaugurating Banking Seminar in Chennai with CMA Dr PVS Jaganmohan Rao, Council Member and VP SAFA, CMA Gopalakrishna Raju, CMA Jyothi Satish Vice Chairperson SIRC, CMA Suryanarayanan, Treasurer SIRC and CMA H Padmanabhan, Council Member and Chairman Banking and Insurance Committee of the Institute

16. CMA Dr PVS Jaganmohan Rao, VP SAFA & Council Member of the Institute lighting the lamp in Banking Seminar at SIRC.

CMA Sanjay Gupta Immediate past president of the Institute, CMA Gopalakrishna Raju, CMA Jyothi Satish Vice Chairperson SIRC, CMA Suryanarayanan Treasurer SIRC and CMA H Padmanabhan, Council Member and Chairman Banking and Insurance Committee of the Institute are also seen

17. CMA Gopalakrishna Raju, RCM SIRC taking session on Insolvency Bankruptcy during Banking Seminar in Chennai

18. CMA Niranjan Mishra, Chairman, Regional Council & Chapters Co ordination Committee and Council Member addressing the group of representatives from Southern India Regional Council and Chapters under SIRC at the “Regional Council and Chapters Co ordination Meet” organised at Bangalore on 13 October 2018. Representatives of 17 Chapters and SIRC attended the meet.

From Left: CMA Suresh R. Gunjalli, Chairman, SIRC, CMA Papa Rao Sunkara, Council Member, CMA Niranjan Mishra, Chairman, Regional Council & Chapters Co ordination Committee and Council Member, CMA Dr. I. Ashok, CMA Dr. P.V.S. Jagan Mohan Rao, Council Members of the Institute

19. Group photo of all participating Members of the Council of the Institute, SIRC of the Institute and Managing Committee of the Chapters under SIRC

20. CMA Niranjan Mishra, Chairman, Regional Council & Chapters Co ordination Committee and Council Member addressing the group of representatives from Eastern India Regional Council and Chapters under EIRC at the “Regional Council and Chapters Co ordination Meet” organised at Ranchi on 29th September 2018. Representatives of 15 Chapters and EIRC attended the meet.

From Left: CMA Niranjan Mishra, Chairman, Regional Council & Chapters Co ordination Committee and Council Member, CMA Cheruvu Venkata Ramana, Vice Chairman, EIRC, CMA Pranab Kumar Chakrabarty, Secretary, EIRC, CMA Bidyadhar Prasad, Chairman - Ranchi Chapter.

21. From Left: CMA Cheruvu Venkata Ramana, Vice Chairman, EIRC, CMA Niranjan Mishra, Chairman, Regional Council & Chapters Co ordination Committee and Council Member, CMA Pranab Kumar Chakrabarty Secretary, EIRC, CMA Bidyadhar Prasad, Chairman - Ranchi Chapter at the “Regional Council and Chapters Co ordination Meet” organised at Ranchi on 29th September 2018.

22-23. CMA Balwinder Singh, Vice-President and Chairman, CASB of the Institute inaugurating the Seminar on Cost Governance and GST Audit organised jointly by CASB and PD&CPD Committee in association with Patiala Chapter of the Institute on 25th November 2018 in Patiala.

24. CMA Sanjay Gupta, Immediate Past President of the Institute, addressing the participants at London Global Convention 2018 organised by Institute of Directors (IOD) during October 24-27, 2018 at London.

25. CMA Amit A. Apte, President and CMA Sanjay Gupta, Immediate Past President of the Institute congratulating newly elected President of International Federation of Accountants (IFAC) Dr. In-Ki Joo, President during IFAC Council & Board Meetings & WCOA Events held at Sydney during October 31 to November 8, 2018.

26. Mega Career Counselling Event – CMA Summit by Kota Chapter in association with TEF&P Committee on 18th November, 2018 (wherein schools/colleges exceeding 100 participated and 291 Commerce faculties were felicitated) inaugurated by CMA Balwinder Singh, Vice President of the Institute with Dignitaries, Sh. Mahesh Vijay - Mayor Kota, Prof. Neelima Singh - Vice Chancellor University of Kota, Sh. Govind Maheshwari - Director Allen Group of Institutions and Sh. Akhilesh Kumar Jain - Asstt Director Secretary Education, Kota

27. Mega Career Counselling Event – CMA Summit by Kota Chapter in association with TEF&P Committee on 18th November, 2018 (wherein schools/colleges exceeding 100 participated and 291 Commerce faculties were felicitated)

CSR PERFORMANCE AND ADVERTISEMENT EXPENDITURE AND ITS IMPACT ON REVENUES OF THE COMPANIES



In the recent past, corporate social responsibility is gaining its importance tremendously. Companies' having consciousness towards social responsibility are growing in number due to various reasons. Companies inclined to embrace the philosophy of social responsibility, because it yields gamut of positive benefits to them. CSR helps in building and maintaining positive brand image in the market and thereby, it augments companies' reputation. Customers perceive that socially responsibility companies produce quality products at affordable prices. So, it increases loyalty of the customers resulting in lower churning rate of the customers. Moreover, it enables differentiation of the product easily. Product differentiation is one of the building blocks of competitive advantage. Besides, CSR creates a shield against the negative information about the products. Consumers are more resilient to the negative rumours which may spread in the market about the company having good social responsibility. Thereby, it averts imminent damage to the brand equity of the companies.



CMA. Dr. P. Srikanth
Assistant Professor
ICFAI Business Schools (IBS)
Hyderabad

From the employees view point, companies embracing social responsibility, are perceived to be employee-welfare oriented companies catering to the needs of the employees. It augments employee motivation and morale leading to increased productivity of the employees. Furthermore, such companies may experience lower employee turnover which would have positive impact on the long run survival of the companies. Because, employee retention is a challenging task in the private organisations.

CSR encompasses four different facets viz., economic, legal, ethical and philanthropic. From the economic perspective, companies should strive hard to maximize the wealth of the shareholders. From the legal view point, a company should obey the law of the land. The companies, which frequently violate the corporate laws, are perceived to have poor social responsibility. Business ethics reflect in following ethical standards in terms of maintaining the quality of the product, not resorting to profiteering, giving due care to employee welfare etc.,. Finally, philanthropic attitude is manifested in the commitment of a companies in giving back to the society. It is mentioned rightly, that as a company is a part of the society, it should have social concern. The social concern must be reflected in its programs undertaken for the betterment of underprivileged people in the society. So, CSR is the harmonized integration of these four facets.

Provisions of Companies Act, 2013 relating to CSR

CSR was made mandatory from 1st april, 2014 through section 135(1) of Company Act, 2013 for the companies which are satisfying certain conditions. The companies having net worth of Rs. 500 crores or turnover of Rs. 1,000 crores or net profit of Rs. 5 crores come under the ambit of this section. As per section 135(5), all the companies falling under section 135(1) have to spend 2% of their average net profit of three immediately preceding financial years. Schedule VII of the Company Act, 2013 mandates the spending of CSR expenditure on specific activities like eradicating hunger and poverty, promoting education, promoting gender equality, ensuring environmental sustainability, protection of national heritage, promoting rural sports, contributing to PM's National Relief Fund etc., Every company to which section 135(1) is applicable should constitute a CSR committee consisting of minimum three directors and out of which one must be an independent director. Board of Directors (BOD) should take into account the recommendations of CSR committee in framing and implementing the CSR policy.

Relationship of Corporate Social Responsibility with Revenue and Financial Performance of a Company

Classical economics focused on sole economic objective of a business firm i.e., maximizing the profits of the shareholders. The classical economic theory dominated the business world till the early 1980s. Stakeholder theory which was development by 'Edward Freeman' ushered into a new era in framing the long term objectives of a firm. Transition from shareholders' perspective to stakeholders' perspective brought tremendous changes in prioritizing the objectives by the

ABSTRACT

Corporate Social Responsibility (CSR) implies the responsibility of a firm towards its stakeholders. It acts as a conduit to reach the strategic economic objectives of the firm. CSR strengthens the relationship between the firm and its stakeholders by effectively modelling the socially responsible behaviour of the firm. CSR performance cannot create fortified brand image for the firm, unless, it is effectively showcased to the customers through advertisement. Hence, it can be hypothesized that firm which cater to CSR performance spend more on advertisement also to effectively communicate its socially responsible to its various stakeholders. In the present study, a modest attempt has been made to analyse the relationship between CSR performance and advertisement expenditure and the impact of such relationship on the revenues of the select companies. The results of the present study confirm the hypothesized relationship between CSR performance and advertisement expenditure.

business entities. They have realized that sole objective of profit maximization entails negative externalities which in turn endangers the long run survival of the business. Stakeholders' theory provides theoretical background for the functional relationship between CSR and 'financial performance' of the company. It emphasizes that satisfaction of stakeholders like customers, employees, suppliers etc., entail raft of positive benefits to the firms. Satisfied customers would have more loyalty and also have lower churning rate; satisfied employees work with motivation increasing their productivity; and satisfied suppliers ready to provide comparatively more discounts. All these implications will have positive impact on the revenues and 'financial performance' of a firm. Furthermore, shareholders may also expect CSR perspective embedded in the long run objective of the business even at the cost of reduced financial performance by virtue of their ambition to become a socially responsible citizen of the nation.

Relationship Between CSR Performance and Advertisement Expenditure

One of the fundamental objectives of CSR spending is to create and maintain corporate image in the society. Companies which spend reasonable to huge amount on CSR are perceived to be socially responsible and giving importance to sustainable development of the nation. In this way, they create cherished corporate image in the country as well as in the world.

A firm can create its niche in this way, only when its CSR performance is effectively showcased to its stakeholders. Advertisement acts as a conduit for reaching out the stakeholders and creating awareness about the CSR performance of the firm among the stakeholders. So, advertisement helps in building or sustaining a reputation for quality, reliability or honesty. It may also foster product differentiation enabling a firm to charge a premium price. So, nexus between CSR performance and advertisement expenditure can be legitimately hypothesized.

Importance of the Study

As discussed earlier, both Advertisement and CSR activities contribute to the image building of the companies and thereby, facilitate product differentiation in the market. The CSR activities, besides creating brand image in the market, contribute to the many social welfare activities and thereby, play pivotal role in improving the living standards of the underprivileged people in the country. CSR activities create long standing impression in the minds of the consumers about the companies. It helps in fortifying the image of the companies. However, the CSR performance will

come to fruition only when it is effectively communicated to the stakeholders. In this regard, advertisement plays pivotal role. Against this backdrop, in the present study, a modest attempt has been made to analyze the relationship between CSR performance and advertisement expenditure and the impact of such relationship on the revenues of the companies. The findings of the present study are useful in making insightful planning of discretionary spending on advertisement.

Literature Review

Julie Pirsch et al. (2007) classified CSR programs into institutionalized programs and promotional programs. Institutionalized CSR programs have positive impact in increasing customer loyalty, enhancing attitude toward the company, and decreasing consumer skepticism while Promotional CSR programs were more effective at generating purchase intent of the consumers. **Rim Makni et al. (2009)** examine the causal relationship between corporate social performance (CSP) and financial performance (FP). The results of the study reveal that there is no significant relationship between a composite measure of a firm's CSP and FP, except for market returns. However, when individual measures of CSP are considered the study found robust significant negative impact of the environmental dimension of CSP and three measures of FP, viz., 'return on assets', 'return on equity' and 'market returns'. **Supriti Mishra et al., (2010)** examine the impact of corporate social responsibility (CSR) towards primary stakeholders on the financial and the non-financial performance (NFP) of Indian firms. Findings indicate that listed firms exhibit responsible business practices and better financial performance than non-listed firms. **Ker-Tah Hsu(2012)** investigated the persuasive advertising and informative advertising effects of CSR initiatives on corporate reputation and brand equity. The study found that policyholders' perceive CSR initiative as a positive effect on customer satisfaction, corporate reputation and brand equity. The study also discovered that CSR initiative is informative and has persuasive effect on the brand equity. **Saurabh Mishra et al. (2013)** made a study providing a framework linking both positive and negative CSR to idiosyncratic risk of firms. Results of the study reveal that CSR has a significant effect on the idiosyncratic risk of firms, with positive CSR reducing risk and negative CSR increasing it. **Adriana Galant et al. (2017)** analyzed measurement issues pertaining to corporate social responsibility (CSR) and corporate financial performance (CFP). The study found that CSR measurement approaches include reputation indices, content analyses, questionnaire-based surveys and one-dimensional measures. On the other hand, CFP measurement approaches include accounting-

based measures, market-based measures and combined measures. The study found two problems inherent in most approaches viz., researcher's subjectivity and selection bias. These two problems may influence the nature of CSR–CFP relationship.

Research Gap

The literature review documented above centres around the analysis of the functional relationship between CSR and financial performance of the firm. CSR can have its positive impact on the financial performance of a firm only when its CSR performance including the CSR attributes of the products are effectively communicated to various stakeholders, especially, customers. Hence, advertisement play instrumental role in this regard. The firm which gives more importance to CSR should also give priority to advertisement while planning its discretionary spending. The present study tries to establish a link between CSR Performance and 'Advertisement Expenditure'.

Objective of the Study

The objective of the present study is to analyze the relationship between CSR Performance and 'Advertisement Expenditure' and how this relationship influences the revenues of the manufacturing firms in India.

Hypotheses of the Study

Null Hypothesis: CSR Performance does not influence the 'Advertisement to Sales' ratio of the firms.

Alternative Hypothesis: CSR Performance influences the 'Advertisement to Sales' ratio of the firms.

Methodology of the Study

Period of the Study

The required variables for the analysis of data have been collected for the year ending 31st march, 2018.

Data Sources

The statistical model designed for the study requires three variables viz., Sales, CSR Spending and Advertisement Expenditure. The data relating to all the required variables has been collected from CMIE Prowess Database.

Sample Design

The CMIE Prowess database consists of 17,840 manufacturing companies' financial data as on 16th October, 2018. Out of them, 735 companies have reported their CSR information for the year ending 31st march, 2018. But, out of 735 companies, only 352 companies have

data relating to Advertisement Expenditure. The industry-wise CSR spending is computed for 735 companies and regression analysis is performed only on 352 companies.

Analytical Framework of the Study

In the present study, CSR performance of a company is measured through the amount of CSR spending made by the company. As advertisement expenditure is directly related to the sales of the firm, the ratio of 'advertisement expenditure to sales' is considered for the analysis, but not the absolute amount of advertisement expenditure.

The underlying motive of the study is to analyze the direct effect of CSR performance on the advertisement expenditure and its indirect effect on the sales of the companies. Hence, two-stage least squares (2SLS) regression with 'instrumental variable' is considered to be more appropriate model for the present context.

In the 2SLS regression model, sales in natural log form are considered as dependent variable, 'advertisement to sales' ratio is introduced as independent variable while CSR spending in its log form is introduced as instrumental variables.

Scope of the Study

The present study is confined to analyze the relationship between CSR performance and discretionary spending on advertisement. Only cross-section data of the manufacturing companies has been analyzed.

Limitations of the Study

The data of the required variables is not available for most of the companies for the year ending 31st march, 2018. That's why, regression analysis is limited to 352 companies only. If the sample size is increased the results may be more precise. Sectoral differences have not been captured in modelling the relationship between advertisement and CSR performance. CSR spending is considered as a proxy for CSR performance.

Results of the Analysis

In this section, results of the data analysis have been presented.

CSR Spending by the Manufacturing Companies in India in the year 2018

The following table shows the industry-wise aggregate amount of CSR spending by the companies in manufacturing sector for the year ending March, 2018.

Table 1: CSR Spending by the Manufacturing Companies in India for the year ending March, 2018

Industry	CSR Expenditure to be Incurred as per Companies Act 2013	Amount spent on CSR Activities during the Year	% of CSR Spent	No. of Companies
Food and Agro-based	4,801.80	4,748.80	98.90	79
Chemical & Chemical Products	21,864.00	19,800.80	90.56	191
Construction Material	2,859.00	3,136.50	109.71	52
Consumer Goods	2,914.40	2,804.90	96.24	48
Diversified Sector	1,296.10	1,416.40	109.28	23
Machinery	2,362.20	1,644.90	69.63	87
metal & metal products	4,674.10	5,587.50	119.54	71
Textile	1,446.80	1,280.00	88.47	71
Transport Equipment	8,206.40	7,447.90	90.76	82
Misc. Manufacturing	498.10	210.90	42.34	31
All Manufacturing Companies	50,922.90	48,078.60	94.41	735

Source: Computed from the Data Compiled from CMIE Prowess Data

As per CMIE prowess database, there are 735 companies in manufacturing sector which are reporting their CSR information

for the year ending march, 2018. The figures shown in the table-1 are the aggregate value of CSR expenditure to be incurred as per the companies act, 2013 and actual amount of CSR expenditure spent by the companies in each industry in the manufacturing sector. Industries like construction material, metal & metal products and diversified industries have crossed the stipulated limit of CSR spending indicating better compliance and social concern of the companies in the industry. Industries like food & agro-based, consumer goods, have also spend the expenditure on CSR with very less shortfall as compared to stipulated amount of spending. The aggregate of CSR spending by all the companies in manufacturing industry is 94.41% indicating a very good compliance of the companies.

Results of Instrumental Variable Regression

The following table shows the results of instrumental variable regression.

**Table 2: Results of Instrumental Variable Regression
[D.V. Ln_Sales]**

Variable	Coefficient	Std. Error	t-statistic	Prob.
ADVERTISING_EXPENSES/SALES	26.09369	9.101298	2.867029	0.0044
LOG(TOTAL_ASSETS)	0.857807	0.039133	21.92029	0.0000
CONSTANT	0.952919	0.294432	3.236463	0.0013

Source: Computed from the Data Compiled from CMIE Prowess Data

In the two-stage least squares regression model presented in table 2, dependent variable is sales in natural log form and Independent variable is the ratio of 'Advertisement to Sales' and Total Assets in natural log form as a proxy of size of the firm, while CSR spending and Total Assets in natural log form are introduced into the model as an instrumental variables.

The results of the regression analysis reveal that 'Advt./Sales' ratio has significant positive impact on the sales. It indicates that higher the spending on advertisement, more will be the volume of sales. It is quite consistent with the intuitive relationship between sales and advertisement expenditure.

But, the underling motive of the regression analysis is to uncover the relationship between advisement expenditure and CSR spending. Hence, CSR spending is introduced as instrumental variable in the regression model.

Diagnosis of Instrumental Variable

Two diagnosis tests have been applied viz., testing the Endogeneity of the advertisement expenditure and another one is testing the strength of instrumental variable (i.e., CSR spending). In order to analyze the instrumental impact of CSR spending on 'advtd./sales' ratio, the following two tests have been conducted.

Testing the Endogeneity of Advertisement Expenditure

As discussed earlier, in the regression model, it is hypothesized that the CSR spending influences advertisement expenditure which in turn influences the sales of the companies. If the advertisement expenditure is influenced by the instrumental variable i.e., CSR spending, it is called endogenous variable in the regression model. To test the Endogeneity of the advertisement expenditure with respect to CSR spending and size of the assets, J-Statistic has been employed and the results are presented in the following table.

Table 3: Testing the Endogeneity of 'Advertisement/Sales' Ratio

J-Statistic of Restricted Model	J-Statistic of Unrestricted Model	Difference in J-Statistic	Degree of freedom	'p' value
12.61197	3.77E-39	12.61197	1	0.0004

Source: Computed from the Data Compiled from CMIE Prowess Data

As shown in table 3, difference in J-statistic is 12.61197,(as J-statistic of unrestricted model is almost zero) degrees of freedom is equal to number of regressors tested for Endogeneity. In the present case, it is one i.e., 'advtd./sales' ratio. The difference in J-statistic follows chi-square distribution with '1' degree of freedom. The null hypothesis is "the 'advtd./sales' ratio is an exogenous variable". The associated 'p' value is 0.0004. So, null is rejected inferring

that the 'advtd./sales' ratio is not exogenous variable indicating that it is influenced by the CSR spending.

After confirming the endogeneity of 'advtd./sales' ratio, the strength of the instrumental variable is tested by employing Cragg-Donald F-Static. The results are presented in the following table.

Table 4: Testing the Strength of Instrumental Variable (i.e., Ln_CSR Spending)

Test	Test Statistic	Stock-Yogo Critical Values
Cragg-Donald F-statistic	14.62067	8.96(at 15% level of Significance) 16.38(at 10% level of Significance)

Source: Computed from the Data Compiled from CMIE Prowess Data

As shown in Table 4, Cragg-Donald F-statistic has produced a test statistic value of 14.62067. The null hypothesis of the test is "instrumental variable is weak". Critical values of the test cannot be produced as there is only one 'instrumental variable' in the model. The equivalent

critical values of Cragg-Donald F-statistic are Stock-Yogo critical values. In the present case, the Stock-Yogo critical value at 15% level of significance is 8.96. As the test statistic value is more than its corresponding critical value, null hypothesis is rejected inferring that instrumental variable

is not weak.


Final Findings and Conclusions

Many of the CSR activities initiated by the companies are helping the society in bringing the underprivileged people to the main stream of the society. It helps in improving education and health conditions of the poor people in the country. The research issue addressed in the present study is how the firms use advertisement as a conduit to showcase its CSR performance to its stakeholders and thereby, create and maintain its positive image in the society. The present study hypothesizes that the firms who give importance to CSR activity, spend more amount on creating publicity about their CSR activities among the people. The indirect (or instrumental) impact of CSR performance on the discretionary spending of advertisement expenditure has been analyzed by employing 2SLS regression. The results of the regression confirm the impact of CSR performance on the advertisement expenditure incurred by the firms.

The results suggest that CSR performance should be showcased through advertisement in order to build strong positive image in the society which in turn helps in developing monopolistic power in the market. Thereby, the firms can charge premium price on its products which possess CSR attributes. If the firms do not effectively communicate their CSR performance or CSR attributes of its products, they will not be successful in creating and maintaining niche in the market through its social concern.

Scope for Further Research

There is ample scope for research in this area. The existing studies are basically, confined to analyze the relationship between finance performance and CSR. The further research can be done on the analysis of relationship of CSR performance with size of the firm, level of diversification of the firm, research and development, nature of goods produced by the firm, price of the substitute products available in the market, consumer income, unionization of the workforce etc., Further research on CSR and its relationship with other aspects of performance will be

helpful in integrating the CSR policy with long-run objectives of the companies. 

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CORPORATE SOCIAL RESPONSIBILITY - A DYNAMO GENERATING BASIC AMENITIES FOR LOW LYING SOCIETIES



A

corporate is a company brought into being through the Companies Act that provides in depth measures and activities which it should partake day in and day out through a set-mix of functions like trades, commerce, finance, management, marketing, accounting, auditing, all in the outer shell of its atomic sole. Now a days value additions through productive facilities and operations using smart technologies be the most common sole creating interface of the whole gamut of an economic entity that surely adds to GDP of the Nation so much so that a huge legislature had been in place since long for its well being. It's befitting with the nature of this world of industries. These companies are constituents of the Economy and part and parcel of the human society of the country of its origin and a bigger one may cover the globe with the august intention of serving mankind. A subtle attempt was made to infuse constructive attitudes and culture among the corporate soles for participating into the well being of the backward



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ABSTRACT

A corporate body for business and commerce is created through statutes and therefore a legal economic entity. Its journey begins with the association of handful of persons subscribing to the some common faiths and goals. In order to achieve those targets some more people unskilled, semiskilled and skilled and a rich mix of right kind of professionals are brought in so that the legal entity now runs through the turbulent fields of trade and commerce elegantly complying with the laws of the land giving returns both to the owners and the Nation as well. With the passage of time successful corporate entities grew all round serving the society providing with some basic amenities at different remote corners of the country. Administration recognised this in-built welfare nature of the corporate entities and put a soft target of sharing some of its profit with the needy people there by uplifting their quality of life under 'Corporate Social Responsibility', a unique jubilant interface that India first brought under legal compliance of the Companies Act. Actual CSR activities of some corporate entities of reputes were scrutinised and found encouraging that approves success of CSR initiatives rolled out by the Administration.

societies abundant in and around its productive activities through the provision of CSR. This has been a unique step taken by the Administrative Authority of the Nation. Corporate history of course vouch the facts that CSR kind of services and activities were provided to the poor people since long by the corporate bodies of repute because they believe in the culture of serving the deprived class providing with basic amenities of livelihood side by side of their creed of doing business. It is also because corporate survival is not possible singly. More over it would be in stake without survival of these ranks of the Society whose indirect role in elementary areas of production, generation and manufacturing at the primary stages are omnipresent. It was well understood by the guardians of the Nation and as such statutory provision were made as assurance of providing amenities to the needy people as a free flow stream through the able corporate entities. Section 135 of the Companies Act 2013 thus defines the parameters like net worth, turnover and net profit as a basis such that a company having either net worth of Rs.500 crores or more or turnover of Rs.1000 crore or more or net profit of Rs.5 crore or more during any financial year must comply with the statutory requirements under CSR.

To make it more authoritative CSR Rules were notified expected sole and body of CSR was also outlined. Board of Directors were given direct involvement through formation of CSR Committees and CSR Policy has to be laid down so that CSR Activities new and ongoing must not collate with the normal business activities. It is prohibited that no such CSR Projects or Activities should provide any benefit to the employees in some way or other. It expected own capacity building by the entity for executing CSR activities directly however execution through agencies and Institutions having established track records of at least three financial years were permitted and that total such expenses including administrative overhead shall not exceed five percent of total CSR expenditure of the company in one financial year. It has defined Net Profit as well as annual quantum of CSR expenditure that should be at least 2% of previous three years'

average net profit. A well structured Annexure was defined through which comprehensive details of the CSR projects and activities were disclosed. Further it made it very clear that contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity. Schedule VII of The Companies Act gave a comprehensive list of activities to be executed under CSR made the work of corporate entities of framing CSR projects comprehensive without difficulties. Practices and activities by some corporate entities in the field of CSR were surveyed and are presented to see if the purpose was achieved.

Pharmaceutical companies blistering services need no mention in shaping quality of life of people covering all segments apart from flora and fauna that its all pervading existence is perceived by all and sundry. Human civilization owes much to this domain of economic entity need no elaboration. More such entities with finer and sharper technologies evolved through outstanding R&D projects is a sure sign of progression in the country and the society as well. It's a pure blessing. CSR activities of two pharmaceutical entities are given.

Biocon Ltd created its Foundation with the sole aim to serve the most elementary strata of population which need much assistance in primary healthcare, basic education, rural infrastructure alongside humane environment. In the process it has developed a unique eLAJ Smart Clinics numbering twenty one and served 230000 patients in the FY-2017-18 itself. It has also established Primary Healthcare Centres now got recognition as 'model' PHC from the Gov. It's flagship cancer detection program covered 53000 patients for oral, breast and cervical related cases. Water quality of two large lakes were improved upon through 'Bioremediation' to a great extent and steps are taken to keep them free from sewage, debris and garbage dumping, nothing less a divine act for the society facing crisis of drinking water. During FY-2017-18 it incurred Rs.88.21 million including a permissible overhead of Rs.3.46 million against three years' average profit of Rs.4411 million in fine tune with the statutory limit.

Aurobindo Pharma Ltd undertook CSR projects in the areas such as i) Promoting Education ii) Supporting Preventive Healthcare iii) Eradicating Hunger, poverty and malnutrition iv) Making Available Safe Drinking Water v) Encouraging Environment Sustainability vi) Sustaining Ecological Balance & Conservation of Natural Resources vii) Developing Rural Sports & viii) Setting up old age Homes. It generates around 90% of its revenues from the international markets. It's three years average profit stood Rs.19968.4

million pertaining to FY-2017-18 and CSR statutory target amounted Rs.424.9 million. Carry forward unspent CSR fund stood at Rs.345.1 million and as such total CSR fund for the FY-2017-18 amounted to Rs.770.0 million. It spent the fund for promoting education and assisted in providing employment enhancing vocational skills for the socially and economically backward students. Free educational supports were given to orphans and under privileged girl children. Hearing impaired children were provided with skill development activities. It also built skill development centre. It arranged free eye check-up camps and medical treatment for mentally handicapped persons and mentally retarded children and poor patients suffering from kidney and cancer related diseases, all through NGOs. Funds were provided for construction of 30 bed hospital and towards repairs and maintenance of toilets at girls' orphanage. Under safe drinking water project it spent a cumulative sum of Rs.845.80 million upto FY-2017-18. It spent Rs.1043.40 million for fully automated centralised kitchen for cooking foods for 25000 under privileged poor families. It spent a cumulative sum of Rs.1696.67 million for expansion and maintenance of old age homes.

The mining and metal companies produce huge resources for long lasting infrastructural facilities using robust technologies and employing millions of hands unskilled and skilled giving a decent livelihood to more millions than employed, no doubt a yeomen service to the society. The Nation get huge revenues from these entities and run its nation building activities too. The better the performance it adds more to GDP an yardstick of progress in economy of the country. Three entities of repute were surveyed in brief.

Vedanta Ltd during FY-2017-18 spent Rs.45.19 crores against 2% limit that amounted to Rs.9.42 crores. Its subsidiaries spent Rs.185.21 crores and Vedanta Subsidiaries Global spent Rs.13.62 crores. In aggregate Vedanta conglomerate spent Rs.244.33 crores. It covered almost all the basic areas. Under Education and Nutrition the conglomerate spent Rs.7.61 crores. It spent Rs.20.48 crores under health, child care, water management. Under sustainable livelihood and agriculture Rs.4.59 crores were spent. Schemes under Women empowerment benefited by a sum of Rs.1.01 crores. Environment and Plantations consumed Rs.0.41 crores. Infrastructure development got Rs.2.17 crores and Rs.2.86 crores were spent for skill development. In Tuticorin-Thoothukudi it spent Rs.4.25 crores covering all the basic areas.

JSW Steel believes in empowering social strata being much above its core activities of steel making and accordingly

framed its CSR activities in achieving the divine goal and in the process created JSW Foundation, a dedicated arm to furthering smooth propagation of CSR projects to its satisfaction. During FY-2017-18 it spent Rs.5300.00 million against a statutory limit of Rs.3500.00 million being 2% of three years' average profit. The projects it carried directly includes malnutrition, midday meal, leprosy, general health and cataract camps, supply of drinking water, Artificial Limbs Replacements and rural transportation program as a part of improving living conditions of the target society. In inculcating social development it created schools for differently abled, vocational training institutes, infrastructures for schools and projects enhancing quality education. It supported old age homes, arranged battery operated transport facilities to Sr. citizens, empowered self-help groups and made programs for adolescent girls with a view to addressing social inequalities. Water management, conservation of natural resources, plantation of trees, management of garbage and construction of toilets all were executed to mitigate environmental issues in some way or other. Historical monuments were restored in keeping the national heritage in place. Construction of community halls, village roads, drainage and bus shelters were built as a part of rural development.

Tata Steel in its CSR initiatives covered basic areas of social build up from the grass root level such as Health, Education, Livelihood, Drinking water, Sanitation, Sports, Empowerment, Infrastructure and Ethnicity some of which are in existence since long can be anticipated from its gigantic presence in those areas of service. Their approach towards the CSR projects were made on thorough assessments directly with the communities that it served now more of 1 million persons tagged tribes and scheduled castes. Signature programmes such as Maternal and New born Survival Initiation - MANSI, enhancing school education and Sambaad are some examples that had been deployed in large tract of geographies. SABAR, centre for Abilities was created to empower Persons with Disabilities (PwDs) through skilling programmes enabling them to lead productive and dignified lives. Under this scheme 28 PwDs got empowered through training on skills and 15 persons including six PwDs under went Training of Trainers (ToT) model. Under Enhancing School Education it covered 2 lakhs children across 2800 habitations. Its close initiatives made 1165 habitations free from child labour. Its continuing efforts improved school attendance upto 90% in some of the schools. Two girls and one boys schools served 319 children. Nine model schools were constructed and handed over to the State Gov. to provide quality secondary education that covered 5000 rural children. Its

classic initiatives in productivity improvement in agriculture and allied activities helped to **increase paddy yields by almost 1 tonne/acre** through transfer of technology and intelligence in close association with the communities, surely a glittering drive. In the fields of Health, MANSI brought down Neonatal Mortality up to 61% and achieved reduction in infant Mortality up to 63% since inception. Under RISHTA a Safe Sexual Health initiative enabled adolescents to make informed choices about sexual and reproductive health and well being. It also provided coaching on life skills and self development. 700 adolescents were identified and trained for educations and reached out to 19601 adolescents and launched RISHTA mobile application for profiling adolescents. Sambaad, annual tribal conclave, offers a platform for indiginous communities to discuss critical issues and showcase their heritage. Sambaad were attended by luminaries of national and international stature who worked on aspects of tribal and social development. It was held in 2017 at several places like Wayanad (Kerala), Netrang (Gujrat), Guwahati (Assam), Amarkantak (Madhya Pradesh), Ranchi (Jharkhand) and Bhubeneswar (Orissa). A large cross section of tribal youths were groomed through a structural leadership programme. Massive initiatives it launched under Sports need no elaboration. None can deny that a good number of sports celebrities of world class it gifted to the Nation. During FY-2017-18 it spent a sum of Rs.231.62 crores against statutory limit of Rs.85.62 crores confirms its huge presence in shaping low lying societies of Indian civilization.

Two corporate entities serving every walks of life were studied.

Nestle India Ltd under Nestle' Healthy Kids programme covered all most all the States and spent Rs.115.1 million. Under project Jagriti it targeted malnutrition during pregnancy and spent Rs.57.0 million through MAMATA Health Institute for Mother & Child and covered nine states. Under clean drinking water, water management and sanitation it spent Rs.63.3 million covering fourteen states and constructed 257 water tanks in seven states. Under livelihood enhancement for street food vendors it covered five states and spent Rs.3.6 million and reached to 4800 vendors to improve their income, sustain livelihood and enter into strategic employment opportunities in new market conditions. A countrywide awareness campaign imparting education to under privileged girl child was launched and a sum of Rs.17.3 million was spent spanning the whole country. Against 2% limit amounting Rs.268.8 million its actual CSR spending was Rs.269.1 million for the FY-2017-18.

ITC Ltd, a Hotel to Tobacco conglomerate spent Rs.290.98 crores during FY-2017-18 against 2% limit of Rs.290.47 crores. It spent Rs.102.16 crores under Health, Sanitation, drinking water and Eradication of poverty. Under Vocational training it spent Rs.37.62 crores and under Livestock development and Livelihood Rs.7.87 crores were spent. Rs.15.85 crores were spent under Women Empowerment and Rs.10.06 crores were spent for social forestry. It spent Rs.2.43 crores for protection of national heritage and culture. Under Rural and Agri Development a sum of Rs.52.01 crores were spent. It touched most of the States all though these projects.

All these entities meticulously performed regularly through close participation straight with the target mass as desired by the Statute. They have CSR Policy and CSR Committee to carry forward the activities under close administrative watch. All the facts and figures were well covered under the Directors' Report and adequate projects details with Budget and Actual expenditures were given in the Annexure, shows that expected penetration as was envisaged by the Statute under CSR made reasonable strides.

The Table below gives 2% limit, Actual, Unspent, CumUnSpent of CSR amounts for the three Financial Years 2015-16, 2016-17 and 2017-18. All amounts are in Rs.crore.

FY	FY-2015-16				FY-2016-17				FY-2017-18			
Entity	2%	Act	UnS	CuUnS	2%	Act	UnS	CuUnS	2%	Act	UnS	CuUnS
Biocon	8.1	8.1	0	0	9.0	9.0	0	0	8.8	8.8	0	0
Aurobindo	28.2	18.8	9.5	15.3	38.6	19.4	19.2	34.5	42.5	20.0	22.5	57.0
Vedanta	Loss	17.5	0	0	Loss	48.5	0	0	9.4	45.2	0	0
JSWSteel	51.2	51.4	0	0	36.8	42.9	0	0	35.0	53.0	0	0
TATASteel	150.0	204.0	0	0	115.8	193.6	0	0	85.6	231.6		
Nestle	33.3	20.6	12.7	28.5	28.3	31.4	25.5	25.5	26.9	26.9	25.4	25.4
ITC	246.8	247.5	0	0	275.3	276.0	0	0	290.5	291.0	0	0

Biocon relatively a new entrant entered the Industry in 2002 has been consistent in its culture and attitude that during the three years it spent 2% statutory limit with zero unspent amount. Its eLAJ scheme has digitised the detail medical information of the people it serviced with medical facilities so that quality services in future is possible with the digital database so created.

Aurobindo Pharma starts growing since 1992 has a huge build up of unspent amount of Rs.57.0 crores. They have made it clear that this amount would be spent and for that right kind of CSR projects are under process of scrutiny. A cumulative sum of Rs.84.6 crores spent for Safe drinking

water is expected to provide lasting benefit to the society.

Vedanta came into being in 2006 through merger and acquisition incurred average losses during 2015-16 and 2016-17. In spite of losses it continued with regular CSR spending shows its emphatic attitude and culture in this sphere. It regularly spent under CSR projects in Tuticorin-Thoothukudi during all the three years where more initiatives may provide environmental peace in that area touching the whole society.

JSW Steel a growing steel behemoth since 1994 has put the CSR culture and attitude above its core business issues

undoubtedly unparallel in the world of Industry is very much conspicuous by its much higher annual spending it made regularly over 2% prescribed limits.

Tata Steel a veteran in the steel industry since 1907 has taken the CSR in its core of activities since long and its actual spending is in multiples of 2% limits. They have trained a large number of local youths as Training of Trainer (ToT) who now competent to propagate its knowledge down the society for ever. Its scheme for enhancing paddy yields by almost 1 tonne/acre is a huge gift to the Nation. No doubt CSR is in their life line.

Nestle India Ltd doing business since 1959 spend regularly but its unspent amount is on the rise. 257 nos. of water tanks constructed in seven states would obviously provide lasting benefits.

ITC Ltd a large conglomerate has been in the business since 1910 and it is spending regularly in keeping with the 2% prescribed limit and covering most of the states.

All the projects as was recorded in the respective reports are found to be fitting the prescribed nature of CSR activities. The facts and figures as was extracted in brief from the Boards' Report contained in the Annual Reports of all the entities are available in their websites. There are huge materials very pertinent to CSR activities could not be produced here. The whole of the materials as are available would undoubtedly show emphatically that a serious culture and attitude of serving backward people now flowing through the corporate veins. A huge achievement that CSR campaign attained down under the scheme of corporate governance is without any doubt. It is gradually crystallising into the nature of a self propelled dynamo that would generate basic amenities for the low lying societies in continuum. **MA**

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CORPORATE SOCIAL RESPONSIBILITY:

MOVING FROM “I” TO “WE” TO CREATE NEW INDIA!



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“For me IT plus IT is equal to IT (IT +IT =IT)

“Information Technology (IT) + Indian Talent (IT) = India of Tomorrow (IT)”

-Asserted by Honourable Prime Minister Mr. Narendra Modi while launching “I to We” portal

“Mai Nahi Hum” (I to We) portal and Self4Society app were launched by Honourable Prime Minister Mr. Narendra Modi for volunteering efforts and initiatives to empower India in social arena. On October 24, 2018 while addressing a town hall of more than 2,000 employees from IT sector and start ups, our honourable Prime Minister Mr. Narendra Modi asserted that social start up should be an intrinsic part of our ecosystem. The portal “I to We” and Self4Society app was launched with a vision to create a new India by

ABSTRACT

Corporate social responsibility was given a legislative shape with the vision to build better India and empowered India. The top performing companies of India have the potential to transform India from third largest start up base to a giant social power country. But these companies cannot make researches in different areas for elevating the society and identifying suitable sectors for CSR activities as the companies have to focus on their core businesses. Together we can make great things to happen and do the miracle. Government, professional institutions, researchers, employees and public at large can come together and synergise their energies to bring the societal change and to achieve the vision of sustainable development.

combining strengths, connecting, and contributing for the society. Together we can do great things to happen!

This article throws a beam of light on the CSR activities and progress made after mandating CSR and its shortcomings. This article also tries to focus on CSR expenses of some countries and importance of CSR activities in building new India.

Definition of Corporate Social Responsibility

According to UNIDO (United Nations Industrial Development Organisation), CSR can be defined as Triple Bottom Line (TBL) approach which can help to gear up the social, environmental and economic growth of country. The vision of CSR is to achieve sustainable developmental growth. The corporate social responsibility is different from charity as the charity is only donating or making philanthropic activities but CSR is contributing towards the social, environmental, and economic growth of the nation.

Legislative Structure of Corporate Social Responsibility In India:

India is the first country in the world for giving legislative structure to corporate social responsibility by bringing it within the ambit of Companies Act, 2013. Section 135 (1) mandated that the companies with annual turnover of Rs. 1,000 crore or more or net worth of Rs. 500 crore or more or net profit of Rs. 5 crore or more during any financial year shall constitute Corporate Social Responsibility Committee of Board consisting of three or more directors. Among three directors, one director shall be independent director. The committee will also be responsible for the issue of annual report on the CSR activities undertaken during the year.

According to Section 135 (5), board of directors of CSR committee are required to contribute 2 percent of average net profit earned during previous three financial years towards the corporate social responsibility in every year. The average net profit will be computed as per the provisions of Section 198. It will be computed after considering the subsidiaries and holding companies also. Even the foreign corporation engaged in business activities in India are also within the periphery of CSR. Such company is required to create a committee with at least three directors (one director being independent director) for the enforcement of CSR activities.

The first proviso to section 135 (5) of Companies Act, 2013 states that the companies shall give preference to the local area and area around it where it operates for spending the

amount on corporate social activities.

Section 134 (3) (o) mandates the Board of directors shall specify the reasons and explanations for not spending the specified amount on CSR activities.

Growth of CSR Expenditures in India since FY 2014-15:

Expenditure on CSR:

CSR came into effect in India from April 2014 vide notification dated on 27.02.2014. The voluntary pursuit has taken the shape of legislative requirement. The stakeholders are interested in the report of changes after the conformation of CSR into mandatory requirement. The expenses on CSR activities for two financial years can be viewed as follows:

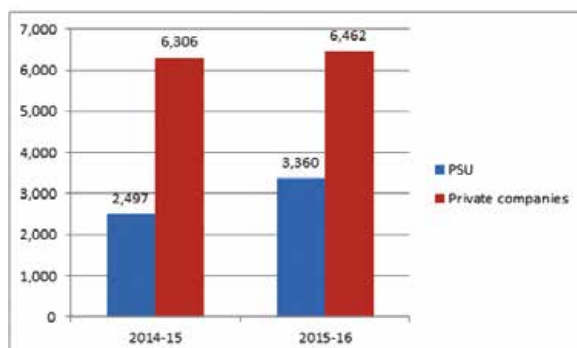
Year	2014-15	2015-16
Expenditure (INR in crore)	8,803	9,822
Number of companies	7,334	5,097

Source: Ministry of Corporate Affairs

	Financial Year 2014-15		Financial Year 2015-16	
	Number of companies taken	Actual expenditure (in crore)	Number of companies taken	Actual expenditure (in crore)
Public Sector undertakings	226	2,497	172	3,360
Private sector companies	7,108	6,306	4,925	6,462
Total	7,334	8,803	5,097	9,822

Source: Ministry of Corporate Affairs

The graph of expenditures made on CSR activities by the private sectors and the public sector companies can be seen as follows:



Decline in percentage of non participation in CSR:

The assessments made during two financial years showed that 4195 and 1995 number of companies did not incur any expenditure on CSR during the FY 2014-15 and FY 2015-16 respectively. The percentage of non participation in CSR activities during these two years were as follows:

Financial Year	Total number of companies	Number of companies making no expenses on CSR	Percentage of companies not making any CSR expenses
2014-15	7,334	4,195	57%
2015-16	5,097	1,995	39%

Source: Ministry of Corporate Affairs

The percentage of companies with no expenditure on CSR has reduced by 18% in one year.

Participation of public and private companies in CSR:

The participation of private and public companies in the CSR activities for the year 2014-15 and 2015-16 can be seen as follows:

It can be concluded the expenditure made by private sector companies is more than the public sector undertakings.

Sector wise expenses on CSR activities during the year 2014-15 and 2015-16:

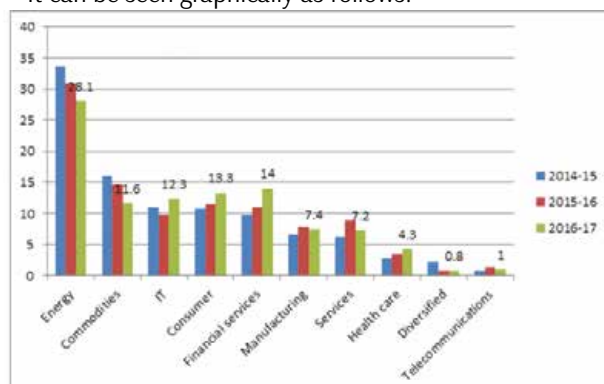
Energy sector constitutes only 3.1% of the industries in India but this sector remained at top for making expenses on CSR. The contribution of energy sector towards CSR continued to be at the top position for three financial years while the telecommunications sector has been consistently at the last position. The sector wise expenditures on CSR activities for the three financial years can be viewed from

the chart shown below:

Sectors	Years		
	2014-15	2015-16	2016-17
Energy	33.7	30.8	28.1
Commodities	16.1	14.7	11.6
IT	11.0	9.8	12.3
Consumer	10.8	11.4	13.3
Financial services	9.7	11.0	14.0
Manufacturing	6.5	7.8	7.4
Services	6.3	8.9	7.2
Health care	2.7	3.4	4.3
Diversified	2.2	0.9	0.8
Telecommunications	0.9	1.3	1

Source: CSR year book of CRISIL

It can be seen graphically as follows:



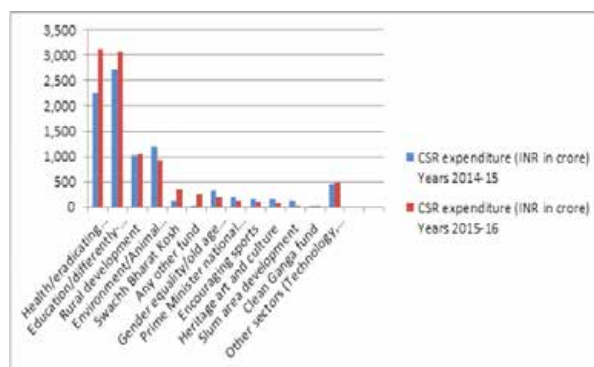
Areas of CSR spending by corporate:

The data shows that the lion's share of the CSR spending is moving towards the promotion of health care and education in India. The expenditures made by the corporate in different sectors of our country can be viewed as follows:

CSR expenditure (INR in crore)		
Sectors	Years	
	2014-15	2015-16
Health/eradicating hunger/poverty/safe drinking/sanitation	2,246	3,117
Education/differently-abled/live-lihood	2,728	3,073
Rural development	1,017	1,051

CSR expenditure (INR in crore)		
Sectors	Years	
	2014-15	2015-16
Environment/Animal welfare/conservation of resources	1,213	923
Swachh Bharat Kosh	121	355
Any other fund	36	262
Gender equality/old age homes/reducing inequality	326	213
Prime Minister national Relief Fund	192	136
Encouraging sports	160	95
Heritage art and culture	157	90
Slum area development	123	9
Clean Ganga fund	19	3
Other sectors (Technology, incubator and benefits to armed forces)	465	497
Total	8,803	9,822
Total number of companies for which data has been compiled	7,334	5,097

Source: Ministry of Corporate Affairs



Top ten companies of India for CSR activities in FY 2015-16:

Reliance Industries remained at the top position for CSR expenditures for the FY 2015-16. Top ten companies for highest expenditures in the CSR activities among 5,097 companies for the financial year 2015-16 are as follows:

Ranking	Company	Expenditures (INR in crore)
1	Reliance Industries	652.0
2	NTPC limited	491.8

Ranking	Company	Expenditures (INR in crore)
3	Oil and natural gas corporation limited	421.0
4	Tata Consultancy Services limited	294.2
5	South Eastern Coalfield limited	270.9
6	ITC limited	247.5
7	Central Coalfield limited	212.8
8	NMDC limited	210.1
9	Tata Steel limited	204.5
10	Infosys limited	202.3

Source: Ministry of Corporate Affairs data on CSR

CSR Awards:

FICCI Corporate Social Responsibility Award is the first CSR award in India to reward the companies with best CSR projects in different areas. The selection of the company for award is three tier assessment processes which make the award highly competitive. National CSR Award was an initiative of Ministry of Corporate Affairs to award the companies with best CSR activities for growth and sustainable development. The total number of awards is 20 under three categories.

Contribution of states towards CSR:

Maharashtra has the highest share of aggregate CSR spending for three financial years while Gujarat shows the fastest growth for making expenses on CSR. State wise expenditure details on CSR for the year 2016-17 remained as follows:

Ranking	States	CSR expenditure (In Rs. crores)
1	Maharashtra	702.37
2	Delhi	229.87
3	Madhya Pradesh	213.48
4	Karnataka	202.71
5	Tamil Nadu	202.53
6	Odisha	191.43
7	Gujarat	152.04
8	West Bengal	121.12
9	Uttar Pradesh	120.34
10	Haryana	107.87

Source: Ministry of Corporate Affairs

Worldwide report on CSR for the year 2017:

Corporate social responsibility is gaining repute over the world. The increase in social and environmental issues like global warming has driven the attention of companies towards corporate social responsibilities. Good CSR reputation improves the brand and image of the company. It helps to build strong relationship with different stakeholders. The survey made by KPMG for 4,900 companies over the world. It constituted top 100 companies on basis of revenue from 49 countries.

The study showed that more than 60 percent of companies are reporting of corporate responsibility. The corporate responsibility reporting rates of different sectors for the year 2017 was as follows:

Sectors	Percentage of corporate reporting
Oil and gas	81%
Chemicals	81%
Mining	80%
Automotive	79%
Technology, media, and telecommunications	79%
Forestry and paper	77%
Health care	76%
Utilities	74%
Food and beverages	73%
Financial services	71%
Transport and leisure	70%
Personal and household goods	70%
Construction and material	69%
Industrial manufacturing and metal	68%
Retail	63%

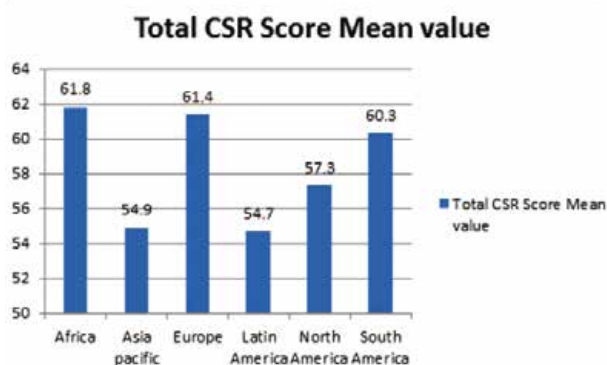
Source: Report of KPMG

Region-wise CSR score:

The CSR score has been computed on basis of three facets, environmental issues, social issues, and governance issues. The CSR score for different regions for the year 2017

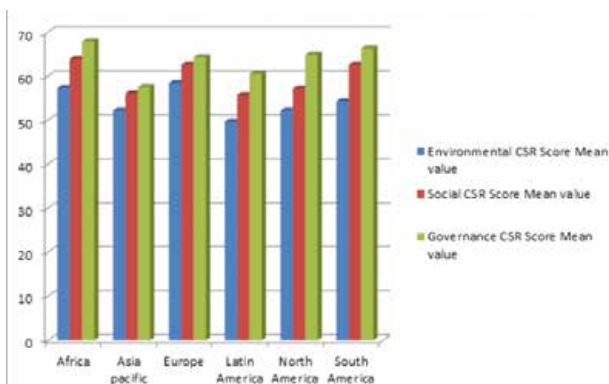
are as follows:

Region	Total CSR Score Mean value
Africa	61.8
Asia pacific	54.9
Europe	61.4
Latin America	54.7
North America	57.3
South America	60.3



CSR ranking of various regions on different dimensions:

Region	Environmental CSR Score Mean value	Social CSR Score Mean value	Governance CSR Score Mean value
Africa	57.3	63.9	67.9
Asia pacific	52.2	56.1	57.5
Europe	58.4	62.6	64.3
Latin America	49.7	55.7	60.5
North America	52.2	57.2	64.9
South America	54.3	62.6	66.3



Africa has the highest CSR score on basis of social and governance scores.

The environmental dimension score is computed with the help of scores gained on the facets of operating business, supply chain management and product and services.

The social dimension has been computed after determining the performance on the level of employees, supply chain, customers and society.

The CSR score on governance will be given after evaluating the performance for business ethics, corporate governance, and public policy.

Top ten companies with best CSR reputation for the year 2017:

Forbes has released the list of top ten companies with best CSR reputation for the year 2017 after analysing 170,000 companies from 15 countries. The list of top ten companies with best CSR reputation is as follows:

Position	Companies	RepTrak Points
1	Lego	74.4
2	Microsoft	74.1
3	Google	73.9
4	Walt Disney	73.5
5	BMW	71.5
6	Intel	71.1
7	Robert Bosch	71
8	Cisco System	71
9	Rolls Royce Aerospace	70.7
10	Colgate Palmolive	70.4

Source: Forbes

Adherence of CSR In India:

Section 135 of Companies Act mandates that at least two percent of the net profits should be spend on CSR activities. However, the CSR spending by the companies are below 2%. Out of 4,939 companies listed on BSE and NSE only one third or 1,688 companies spend on CSR. The CSR spending

profiles of different companies can be viewed as follows:

Amount spent on CSR as a % of profit for the year 2016			
Amount spent on CSR as a % of profit	Turnover between 100-500 crore	Turnover between 500-10,000 crore	Turnover above 10,000 crore
2% or more	57%	56%	53%
1.5% or more	69%	70%	69%
Less than 1.5%	31%	30%	31%
Less than 1%	22.1%	22%	22%

Source: CSR Year book of CRISIL, 2017

Companies who fail to spend 2% of net profit towards CSR are required to give explanations and they are committed to carry forward the unspent amount to next year.

The total amount of CSR spending by the companies has dropped by 0.23 percent. Total CSR spending for different financial years showed the following trend after the mandatory implementation of CSR spending:

CSR spending as a percentage of net profit	
FY 2016-17	2.05%
FY 2015-16	2.28%
FY 2014-15	1.80%

Source: CRISIL

The survey made by KPMG for disclosure of CSR spending in director's report showed that only 47% of the companies selected for survey have disclosed the amount spent on CSR in director's report.

Disclosure of CSR spending in Director's report	
FY 2016-17	47%
FY 2015-16	49%
FY 2014-15	36%

Source: KPMG

The companies are not adhering to the disclosure standards of CSR in director's report.

Building inefficient CSR activities to efficient CSR activities:

The problem arises before the companies regarding the selection of area and sector. Generally, the Companies select the areas which can help to build their brand or

related to the core value of business. But it is not necessary that our country needs expenses in that sector. Therefore, vital steps should be taken by the government regarding the selection of areas and sectors for CSR expenditures. Some of the measures for the efficient CSR activities are as follows:

Conversion of expenses to smart expenses: The benefits from CSR activities can be enhanced by converting the spending to smart spending on CSR activities. Now, the spending can be made smart in number of ways. For example, the telecom companies can provide the amount of their CSR expenses in providing subsidised or free of cost telephone services to nearby villages or backward areas. It will strengthen the infrastructure of country.

Research on areas for expenditure: The research institutes can provide the list of areas and sectors where the CSR expenses should be made by the companies. The data provided by the research institutes will be based on the current research and scope of improvement.

Collaboration with other companies and people: The partnership with other companies on for CSR activities can improve the impact of work. The survey made by CRISIL on it showed that 89% of the companies believed that the collaboration between corporate can improve social impact. The companies can interact with the people below poverty line and they can find out their requirements before making expenditures.

Connecting with team of professionals: Government of India can connect with the professional institutions for the collaboration and creating a team of experts in different areas to provide suggestions to the companies in that area involving in CSR activities. The team can comprise of professionals from Information technology, finance, and management.

Role of Cost and Management Accountant:

Cost and Management Accountant can play a vital role in the team for coming up with different ideas for improving the expenses on CSR activities. He /She can act as a catalyst in creating new India with the implementation of cost reduction and cost controlling techniques and with suggestions of efficient strategic management. Reduction and controlling of cost will enable companies to pass the benefit to the society at large. Cost and management accountant can be the best resource person to make researches and suggest measures for cost control and other strategic management methods for enhancing operational efficiency. He/ she can make researches on the sectors and areas demanding more expenses through CSR activities and suggest the cost efficient methods for application of amount to be spent on these activities. He or she can actively take part in formulation and implementation of innovative strategies for CSR activities. Cost and Management Accountant can act as a game changer for the development of social India and new India.

Role of Self4society app:

On October 24, 2018 our honourable Prime Minister Mr. Narendra Modi addressed a town hall of more than 2,000 employees from IT sector and starts ups and launched Self4Society app. He appealed to the IT sector and knowledge companies to replicate their capabilities in addressing the social issues and help in promoting different government initiatives like Swachh Bharat and Skill India. He launched Self4Society app with the vision to pool the resources of corporate for the CSR and their alignment with government initiatives. This app will also help the employees of companies to collaborate with other employees on different projects.

Conclusion:

Corporate social responsibility was given a legislative shape with the vision to build better India and empowered

India. Despite of positive responses and strong vision, the mission of CSR seems to be inefficient. The top performing companies of India act a backbone for the country. These companies have the potential to build the world third largest start up base to a giant social power country. But the companies cannot make researches on the areas of improvement of society and identify sectors for CSR activities as the companies have to focus on their core businesses. Only the legislative requirement of CSR is not sufficient to create a new India. To achieve the vision of sustainable development, companies should be encouraged to focus on cost effective programmes under CSR. Self4Society app is one of the measures taken by the Government of India for creating social India and enhancing the CSR activities. Together we can make great things to happen and do the miracle. Government, professional institutions, researchers, employees and public at large can come together and synergise their energies to bring the societal change.

"I can do things you cannot, you can do things I cannot; **together we can do great things.**"

- Mother Teresa



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Obituary

With profound grief, the Institute conveys about the sad demise of CMA Jugal Kishore Puri, former President of the Institute (1989-90).

President, Council Members, employees, members and students of the Institute pay their homage to the departed soul and convey their deepest condolences to the bereaved family.

A COMPARATIVE STUDY OF CSR INITIATIVES IN INDIAN PUBLIC AND PRIVATE SECTOR COMPANIES



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“The business of business should not be about money. It should be about responsibility. It should be about public good, not private greed”

– Anita Roddick, Founder, Body Shop

The above quote perfectly explains that organisations have to run their business not just for making of profits and creation of wealth, but also for well-being of the society. It is a fact that businesses cannot exist in silos and they need to have an environment where they can survive and thrive. Therefore, it is the responsibility of the organisations to give back to the society to reciprocate the utilization of resources from the environment. Businesses are also a part of this society and they have to play a crucial role in the overall growth and sustainable development. They should aim at a win-win scenario for both the society and businesses since the former gets benefitted in terms of societal development and the latter in terms of sustainability. CSR is not just about allocating two percent of average net profits of

ABSTRACT

The concept of Corporate Social Responsibility is not new to Indian companies. However, this has attracted attention due to mandatory requirements of Ministry of Corporate Affairs since 2014. The essence of CSR is that the Corporate should demonstrate concern towards Environmental, Philanthropic, Ethical as well as Economic issues of the society, while focusing on wealth creation of its owners. Quality of success of Corporates should be measured by the extent of social responsibility that they demonstrate in their business practices. Spending by companies on CSR is increasing consistently and has crossed Rs.100 billion (10.71% growth over the previous year) in FY 2017-18. This article emphasizes the importance of mandatory requirements as per Companies Act, compares the CSR initiatives in public sector and private sector companies, their thematic spending and also suggests areas that need more attention. This article also explores a new approach wherein Govt. and Corporates can collaborate effectively on CSR.

the immediate preceding three financial years. It talks about their accountability towards the society, beyond philanthropy, more sustainability, creating shared values.

Objective of the study:

The main objective of this article is:

1. To provide an overview of CSR initiatives by Public and Private sector companies
2. To compare the initiatives based on financial parameters and relative successes of the initiatives.

Mandates as per Companies Act:

Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, clearly provides the rules and guidelines regarding applicability, scope, definitions, nature of activities for CSR, CSR committee and policy, CSR reporting and the minimum expenditure (as a percentage of profits) etc. The point to note here is that all the rules and provisions which are applicable to the companies in Public sector are equally applicable for the companies in Private sector, excepting a few provisions relating to the number of directors in the CSR committee and the requirement to appoint independent directors in that committee. This clearly reiterates that the law does not differentiate between the companies in public sector and private sector, with respect to CSR and it is mandatory for the companies both in private and public sector, to adhere to the requirements.

Some notable CSR initiatives by Public and Private sector companies:

1. Wipro Limited:

The multinational IT giant, Wipro Ltd is well known for its CSR initiatives and programmes for the betterment of the society. This company is spending more than the prescribed amount allocated for the CSR from past 3 years and the amount is increasing year on year.

Year	2014-15	2015-16	2016-17	2017-18
Prescribed CSR (in crores)	128.3	156.00	176.4	183.3
Actual CSR	132.7	159.8	186.3	186.00

Source: https://csrbox.org/India_Company_Wipro-Ltd-Karnataka_33

“Wipro Cares” is a trust started in the year 2003 to focus on certain key areas like primary healthcare, education, ecology, community development, skill development etc. It collaborates with many organisations and foundations for implementation of the CSR projects.

2. Coal India Limited:

Coal India Limited is a public limited company headquartered at Kolkata which produces approximately 81% of Coal production in India. Some of the thematic areas for CSR are armed forces veteran welfare, healthcare, skill training, construction of charitable centres etc. Recently the company started a project for construction of houses for cancer patients, installation of Integrated Domestic Energy Systems, setting up Knowledge cum Resource centres in schools, providing eco-friendly transport by purchase of electric cars and buses for residents of New Town, Kolkata.

3. Tata Steel Limited:

Tata Steel Ltd is a prestigious Indian steel company. Established in 1907, its Initiative TSRDS (Tata Steel Rural Development Society) started in 1979, concentrates on the developmental activities in rural areas like education, employability, agriculture, safe drinking water for villagers, healthcare and sanitation, environment and livelihood projects etc. Tata Steel has a record of spending more than the prescribed amount in the last 4 years.

4. Bharat Heavy Electricals Limited (BHEL):

BHEL incorporated in 1964, is one of the largest engineering and manufacturing companies in India. It serves industry sectors like Oil and Gas, Railways, Defence, Power generation and distribution etc. Some of the notable CSR initiative by BHEL are in the areas of Preservation of National Heritage, Clear India Programme (by installation of Biodigester toilets), support to Aao Saksham Bane Program, Disaster relief fund etc. The trend of CSR spending in comparison with the prescribed amount was less for the past three years for BHEL.

5. Mahindra & Mahindra Ltd.

Mahindra & Mahindra is a pioneer in automobile sector. It engages in manufacturing of tractors and utility vehicles. They have their own foundation “KC Mahindra Education Trust” which was established in 1953. One of the important initiatives under this trust was “Project Nahni Kali” started in the year 2005 along with 19 NGO’s to provide 10 years of quality education to girl children who are economically under privileged. Some of the other projects are Lifeline express (for providing healthcare to rural using Indian railway network), Project Haryali (Sapling of trees),

Watershed Management initiative in M.P etc.

6. State Bank of India:

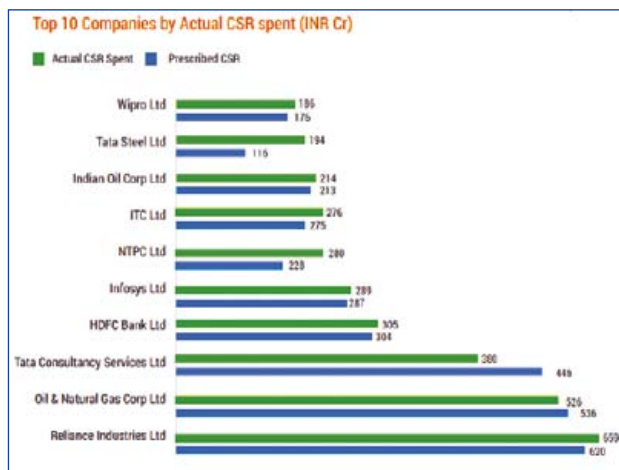
State Bank of India is the largest Public sector bank in India, in terms of market share, in terms of Balance sheet size, Loans and Deposits. The “SBI Foundation” started in the year 2015 for its CSR activities, projects is involved in their well known initiatives such as “Swachh Vidhya Campaign” to construct toilets, especially in Girls’ Schools. So for they have constructed toilets in close to 400 schools across the country. Their involvement in helping the society during natural calamities, in livelihood enhancement projects, protection of art and culture, Vanita Arogya Sampada, helping PwD’s etc. are praiseworthy. Their CSR spending for the FY 2016-17 was Rs.109.82 Crore while in FY 2015-16 it was Rs.143.92 Crore.



Comparison of CSR initiatives between public sector and private sector companies:

Both Public sector and private sector companies are spending considerable amount of money on CSR initiatives for sustainability of the businesses. They recognise the 3P’s of the CSR i.e; People, Planet and Profit emphasising social, environmental and financial aspects in conducting the business. However it is interesting to note that the Private sector spending has generally been more when compared to Public sector companies. In a report by NGOBOX “India CSR Outlook Report 2017” it is mentioned that out of top 10 companies that actually spend on CSR, 7 companies belongs to private sector.

Chart No. 1. Comparative actual CSR spends by top 10 Indian companies



Source: <http://ngobox.org/media/India-CSR-Outlook-Report-2017-NGOBOX.pdf>

In a survey conducted by NextGen, and NGO, among eighty five out of the top hundred companies based on market capitalisation in the year 2015, nineteen public sector companies spent Rs.1,686 crore and remaining sixty six private sector companies spent Rs. 3,307 crore. The chart below shows the comparative results:

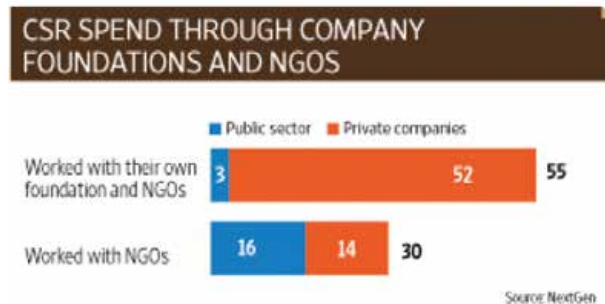
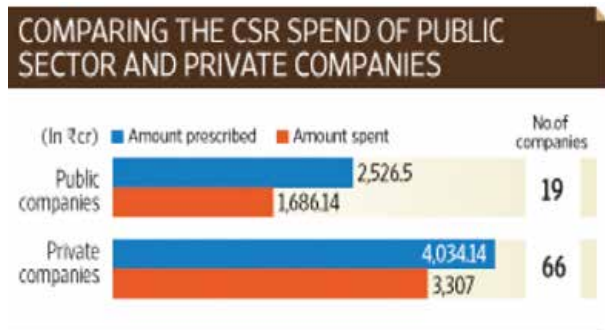
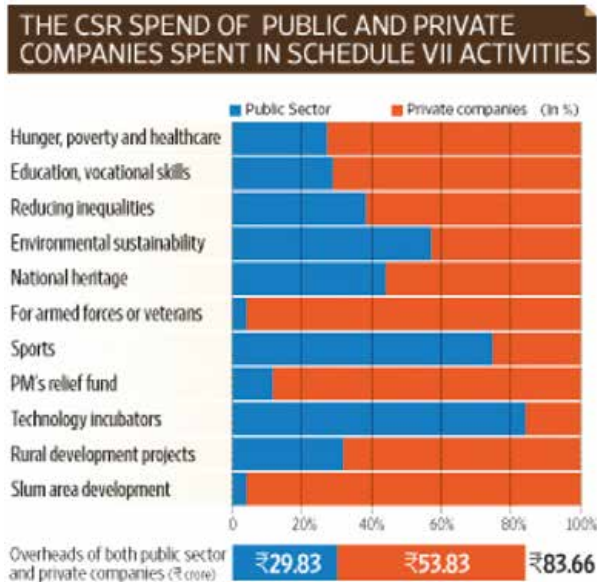


Chart No. 2. Comparison of CSR spends by Private and Public Sector companies.

Source: <https://e27.co/startup/nextgen> and <https://yourstory.com/2015/02/nextgen-pms-funding/amp>

In the initial years of mandating of CSR rules, the companies spent less than the amount prescribed under the companies act and rules. However later the private sector companies are spending more than the prescribed amounts. One interesting point to be noted here is that many private companies have their own trusts, foundations for implementing CSR initiatives, but PSU's worked with external NGO's for their projects.



COMPARING HOW THE TOP 5 PUBLIC SECTOR AND PRIVATE COMPANIES FARE ON CSR SPEND

	Amount prescribed (In ₹ cr)	Amount spent (In ₹ cr)	% spent
PRIVATE COMPANIES			
Reliance Industries	532.96	760.58	142%
Infosys	243.00	243.00	100%
ITC	212.92	214.06	100.50%
TCS	285.00	218.42	76.60%
Tata Steel	168.26	171.46	101.90%
PUBLIC SECTOR			
ONGC	660.61	495.20	74.90%
NTPC	283.48	205.15	72.30%
NMDC	250.19	188.58	75.30%
OIL INDIA	98.19	133.31	135.70%
SBI	109.00	115.80	106.20%

Chart 3: Comparison of CSR spends of Public and Private sector companies

Source: <https://www.livemint.com/Specials/PiwvOfqACWArNyQX45THWJ/CSR-spend-How-public-and-private-sectors-fared.html#>

Companies spent a total of Rs.37,897 crore till F.Y 2016-17 (i.e: 3 years from date of applicability of CSR Rules 2014) and it is also expected that the amount might reach Rs.50,000 crore mark in the end of 2018. A further drill down shows that a substantial portion (nearly 90%) is contributed by Big500 companies in India. The top 20 companies spent approximately 35% of the total CSR amount (in 2016-17).

Thematic spending by Indian Companies:

According to the National CSR portal data, in FY 2016-17 Indian companies (both in public and private sectors) spent nearly 38% of the total CSR in providing educational facilities, training, skill development, education for girls in rural areas etc. The next major share was for healthcare (25%) which was followed by rural development (11%). These three broad categories of areas covered about 70% of the spends. Rest was spent on various activities like environmental initiatives (10%), protection of art, culture and heritage sites, disaster relief funds, Swachh Bharat scheme etc. Chart No. 4 provides a pictorial view of the same.



Total CSR amount spent for year 2016-17 was Rs.13,465 crore, out of which Rs.10,222 crore (76%) was spend by private sector companies and the remaining Rs.3241 crore (24%) by public sector companies. The picture below shows the information.

It is evident that organisations are spending major amount of money in the areas like education, healthcare, sanitation and water, rural development etc. But there are some areas which would perhaps require attention in the days to come and the corporates can contribute to these areas every effectively. Some of them are listed below.

A. Education:

Providing digital classrooms in schools in rural areas.

- Training teachers, mentors, counsellors on new pedagogical tools.
- Skill based training to students and teachers on technology and applications

B. Skill development:

- Make skill development a part of curriculum for students.
- Setting up Institutions / Centre for imparting special sectorial skills.

C. Women empowerment:

- Providing financial aid to women to start their own businesses
- Provide requisite training, resources and markets for their products.
- Conduct awareness programmes relating to gender equality, women safety

D. Healthcare:

Provide technological help in the area of healthcare. Especially in locations where there are no proper medical facilities. Conduct health awareness programmes in rural areas, slums, small communities about the diseases measures to be taken, nutrition etc.

E. Others:

- Create awareness of solar products which promote sustainability.
- Encourage recycling of waste materials.
- Setting up permanent water tanks, to deliver water in areas where there is no proper distribution.

More can be added to the list. Corporates can start focussing on these areas in addition to the traditional activities for addressing possible gaps in the society owing to changes in technology. They can also adopt a village or locality in which the people are not able to meet their basic needs.

There are no proper statistics related to SME's (who are private limited companies) contribution to CSR in the public domain. Even SME's have an opportunity to participate in CSR activities by collaborating with the larger pool of other companies which are in similar space.

Another approach to CSR:

Corporates have successfully completed 4 years under mandatory CSR rules and now they are into the fifth year of implementation. We have seen a some significant changes

not only in terms of numbers but also in the focus areas, the perception and the strategies adopted by organisations towards CSR. Some companies have included society in their business strategies. However, there is still a substantial gap. There are some organisations who have spent very little or nothing towards CSR, even though there are mandatory requirements under law. The CSR board and Committee should be held accountable for such lapses. Some of the reasons for non-compliance appear to be too flimsy and lame. Hence, the law enforcing authorities must initiate actions as appropriate on the companies not adhering to the norms on CSR spends.

Government can also bring in some innovative practices in meeting the CSR obligations. Normally companies (whether public or private) spend towards CSR on planned activities through their own trusts/foundations, or in collaboration with NGO's, or implementation partners etc. This process seems to be working fine for many of the companies. However, there are some organisations, especially the ones who are smaller in size are likely to face certain challenges in allocating and more so in implementing the CSR initiatives on their own. In such circumstances, the Governments (including local bodies) can come up with some initiatives, and companies can contribute, so that a large corpus can be created to fund important and sizeable initiatives. Typical steps involved would be as follows:

1. Government / local bodies can identify schemes or themes for CSR for a certain year or shorter time period.
2. Overall budgetary requirement for initiating the project should be agreed and published.
3. Government / local body should announce the percentage of contribution required from the private participants which can be considered as a part of CSR.
4. A separate fund created to collect the funds received and spent on the project.
5. Regularly report to the public and also to the contributing companies, about the utilisation of funds and progress of initiatives against plans, which can ensure transparency and accountability.

Conclusion:

CSR is a collective responsibility of the corporates to build a society which supplements Government's efforts to achieve inclusive growth which includes broad based benefits to all the stakeholders in the society. It must ensure

easy access to such benefits for all the sections of the society. Such initiatives are usually successful when there is larger acknowledgement of the need and participation across the board. For an emerging economy like India, CSR would be successful only when there is collaboration between the Govt and the private enterprise. While the Governments can begin the initiatives for social causes. The society especially the corporates should take up the initiative to make substantial contribution for its success. Need for collaborative effort in such initiatives can not be overemphasised. **MA**

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CORPORATE SOCIAL RESPONSIBILITIES & SUSTAINABLE DEVELOPMENT GOALS



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Corporate Social Responsibilities (CSR)

A business entity primarily earns its revenue/income from the society and in return it is expected to pay back to the society a reasonable share of its income/profits. In this regard Corporate Social Responsibility (CSR) has emerged in India as a business initiative to deploy a part of its profits for the social well being of the society as a whole. The concept of CSR is very much relevant and important in India due to social and economic backwardness in many areas.

As sustainable development is the prime objective of Indian Government, various initiatives including legislative measures have been taken to ensure that development initiatives are not halted due to paucity of funds.

Accordingly, under Section 135 of the Companies Act, 2013, CSR was made compulsory w.e.f. 1st April 2014 for all companies- Government or private or otherwise, provided they meet any one or more of the following conditions:

- ★ The net worth of the company should be Rupees 500 crore or more
- ★ The annual turnover of the company should be Rupees 1000 crore or more
- ★ Annual net profits of the company should be at least Rupees 5 crore.

Such companies/corporates have to ensure that at least 2 percent of their average net profits of last three years are spent on following activities which have been defined in Schedule VII of the Companies Act:

(i) Eradicating extreme hunger and poverty (ii) promotion of education (iii) promoting gender equality and empowering women (iv) reducing child mortality and improving maternal health (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases (vi) ensuring environmental sustainability (vii) employment enhancing vocational skills (viii) social business projects (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and (x) such other matters as may be prescribed.

Sustainable Development Goals (SDGs)

On 1st January 2016, 17 Sustainable Development Goals (SDGs) of the "2030 Agenda" for Sustainable Development – adopted by world leaders in September 2015 at an historic UN Summit, came into force. Over the next fifteen years, the 193 UN member countries will mobilize efforts and resources to end all forms of poverty, inequalities and tackle climate changes while ensuring that no one from their country is left behind.



Source: UNO

India is welfare-State which derives this feature from the Constitution. The government plays a key role in the protection and promotion of economic and social well-being of its citizens. A welfare state is based on the principles of equality of opportunity and equitable distribution of wealth. It also focuses on the governmental responsibility for those who are unable to avail themselves of the minimal provisions of a good life.

If we analyse the 17 SDGs in detail, we will find these are very much relevant for the socio/economic development of India and its people. In fact, the introduction of these SDGs at the crucial juncture when India is under a transformational phase from being developing to the developed nation offers a mammoth opportunity to channelize the resources for attainment of these goals. Since India is better placed than most of the other UN member countries, the target can be achieved even before 2030.

Integrating CSR with SDGs

Considering this as a major challenge the Government has roped in NITI Aayog to achieve these ambitious targets by aligning these with the national development agenda. NITI Aayog has mapped the Ministries/Departments associated with the programmes relating to SDGs. However looking at the huge size of Indian population, achievement of the goals may not be possible with government initiatives alone. Thus, a concerted approach is needed to bring efforts and resources by the Government and private sector to achieve these tasks in a planned and effective manner.

In this context the role of CSR comes into focus where the funds earmarked by the corporate sector could be channelized towards SDGs as there is a commonality in Central/State sector schemes, Schedule VII items and SDGs.

The areas of CSR prescribed under Schedule VII of the Companies Act, 2013 could be linked to multiple SDGs. To illustrate this point with a few examples: CSR area #1 on eradicating poverty, hunger and malnutrition and promoting preventive healthcare and sanitation could be correlated to SDG goals #1 (No Poverty), #2 (Zero Hunger), #3 (Good Health & Well Being) and #6 (Clean Water & Sanitation). Similarly, CSR area #2 on promoting education and vocational skills, including special education for the aged, differently abled and women, and livelihoods could be correlated with SDGs #1 (No Poverty), #2 (Zero Hunger), #4 (Quality Education) and #8 (Decent Work and Economic Growth). CSR area #3 on promoting gender equality, empowering women, providing housing for women, orphans, elders and day care centres for children and reducing inequalities faced

ABSTRACT

A business entity primarily earns its revenue/income from the society and in return it is expected to pay back to the society a reasonable share of its income/profits. CSR has emerged in India as a business initiative to deploy a part of its profits for the social well being of the society as a whole. The concept of CSR is very much relevant and important in India due to social and economic backwardness in many areas.

Sustainable development is the prime objective of Indian Government, various initiatives including legislative measures have been taken to ensure that development initiatives are not halted due to paucity of funds. 2030 Agenda for Sustainable Development – adopted by world leaders in September 2015 calls for the member countries to mobilize efforts and resources for ending all forms of poverty, inequalities and tackle climate changes while ensuring that no one from their country is left behind.

India is welfare-State which derives this feature from the Constitution. The government plays a key role in the protection and promotion of economic and social well-being of its citizens. A welfare state is based on the principles of equality of opportunity and equitable distribution of wealth. Government has roped in NITI Aayog to achieve these ambitious targets by aligning these with the national development agenda. All participants in the development process are expected to align their ideas, innovations and efforts keeping the national interest as supreme. Hence the public sector, private sector and Government have to work in a synchronised manner for making CSR initiative an important contributing factor for achievement of SDGs in India.

by socially and economically backward groups could be correlated with SDGs #1 (No Poverty), #5 (Gender Equality) and #10 (Reduced Inequalities).

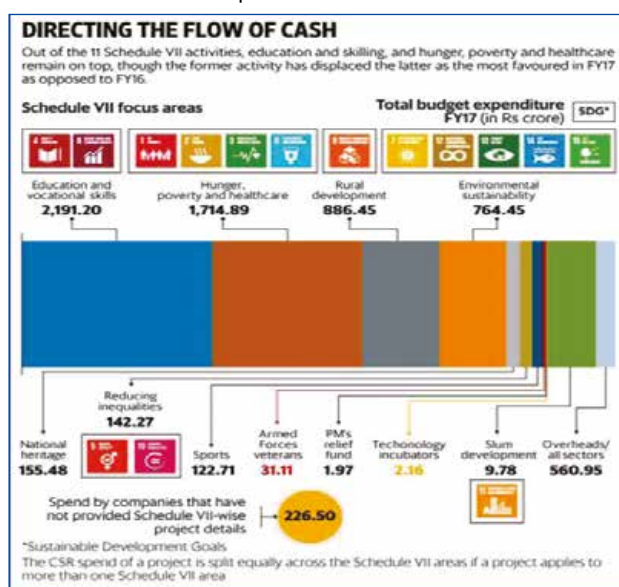
The initiatives of the Government coupled with CSR activities have helped in directing the flow of resources towards SDGs. A significant amount of funds have entered the country's development sector post the law's implementation. The CSR expenditure has increased by about 40% during 2016-17 as compared to 2014-15, the first year of the law's implementation. The CSR spending trends of the top 100 NSE companies by market capitalisation shows a significant increase in the alignment of CSR initiatives to national priorities.

The CSR regulation has formed a broad framework and direction for better sustainable future and the SDGs have helped in setting the well-defined targets to measure the outcome of activities. SDGs explicitly call for business to apply their creativity and innovations in deployment of their resources. SDG targets are measurable outcomes from the CSR projects.

The CSR spending by India's Top ten corporate houses during the period 2014-15 to 2017-18 can be seen from Table-1.

Table-1
Spending by Major Indian Corporate Houses on CSR

Name of the Company	2014-15	2015-16	2016-17	2017-18
	(Rs. In Crore)			
Reliance Industries Limited	760.58	651.57	674.00	771.00
Oil & Natural Gas Corporation	495.23	421.00	517.16	503.44
Tata Consultancy Service Limited	219.00	294.00	379.77	400.00
HDFC Bank Limited	118.55	194.81	305.42	374.54
Infosys Limited	239.54	202.30	289.44	312.60
NTPC Limited	205.15	491.80	277.81	241.54
ITC Limited	214.06	247.45	275.96	290.98
Tata Steel Limited	171.46	204.46	193.61	232.00
Wipro Limited	132.70	159.82	186.31	186.60



Source: Livemint

Source: Respective Balance Sheets

During the last three years there has been a gradual increase rise in the financial commitments towards CSR compared to the previous years. This is evident from the sample companies listed in Table-1. The spending towards CSR by some of these corporate houses has surpassed their stipulated 2 percent of their net profits. This is a clear indication of the growing interest in the companies towards implementing CSR projects.

The following trends in CSR spending emerged in a study done by NGOBOX covering 359 listed companies in India, during 2017-18:

- ★ Actual CSR spending was Rs. 8876 Crore as against the prescribed Rs. 9544 Crore.
- ★ CSR fund deposit in PM Relief Fund has gone down substantially by 80% from FY 15-16 to FY 17-18.
- ★ Maharashtra, Karnataka and Gujarat together received over 25% of India's total CSR fund. The north-eastern states of Nagaland, Meghalaya, Mizoram and Tripura have received lowest CSR funding.
- ★ Public sector enterprises accounted for over 1/4th of India's total CSR spend amounting Rs. 2419 Crore. Oil, refinery and petrochemicals sector companies commanded almost 1/4th of the CSR funds i.e. Rs. 2092 Crore, while the lowest spend was on Healthcare & Pharmaceuticals amounting Rs. 294 Crore.
- ★ CSR funding on education and skill development areas increased by 50% from FY 15-16 to FY 17-18 at Rs. 3121 Crore. Over 1/3rd of the CSR spend was on education and skill development projects while over 1/4th of the CSR spend was on WASH (Water, Sanitation & Hygiene) and healthcare projects amounting Rs. 2385 Crore.

Present Status of India and Future Challenges

As per SDG Index and Dashboards Report 2018, India is ranked at 112 in SDG Global Rank with a global index score of 59.1 while Sweden topping the chart with ranking as 1 and global index score of 85. Thus, there emerge ample opportunities for the Government and business houses to follow a pragmatic approach in realizing the SDGs and bring about transformational changes in the country via CSR as a catalyst for growth.

Considering the fact that by the year 2050, the world's urban population is projected to grow by 2.5 billion people,

to over 70 percent of the world living in cities. With about 90 percent of the growth expected to be in the developing regions, India is estimated to have its 50 percent population living in cities by 2050. This needs effective planning for rural and urban development and upgrading current urban infrastructure. Channelizing rural development can assist in reducing migration, better living conditions and access to better quality of life. If migration is not stopped in a strategic way it will prove a threat on the India's food security and will lead to further burden the urban-infrastructure.

Forms of Partnership

Without an effective public-private partnership the challenges are difficult to be mitigated. It is important that we embark on projects which are scalable, replicable and sustainable and this sort of a collaborative framework will require determined individuals and institutions working to solve common sustainability challenges. As the government's schemes and programs are inter related with the 17 SDGs, it is very important to coordinate the efforts and resources of all the partners towards sustainable development.

Indian Government is aggressively integrating the national agenda with SDG by taking many measurable actions. The private sector initiatives such as integrated watershed management, skill development and projects on hygiene and sanitation can be closely linked with the SDGs. India has been declared as the sixth most vulnerable nation for climate risks, not only there will be region specific climate risks, but also the multiple socio-economic and environmental risks that will have impact on business verticals.

The need for capacity building for effective implementation of SDGs has been emphasized at various forums by the policy makers. It is important to monitor the progress of the goals at national level on a concurrent basis. Capacities related to implementation of local projects with a clear vision towards SDGs are also needed at local level. Certain initiatives and Schemes of the Government such as the PradhanmantiUjjwala Yojana, National Rural Drinking Water Programme, Swachh Bharat Abhiyan, PradhanmantriFasalBeemaYojnaPradhanmantri Jan Arogya Yojnaetc. form part of a crucial strategy for eliminating poverty and enabling access to basic services and empowerment.

The inputs, outputs and outcomes are to be matched periodically. For measuring the impact and quantifying the progress on SDG targets, developing effective indicators is also important. In order to effectively execute the

sustainable growth agenda is it essential to revitalize the partnership between key stakeholders on a sustainable basis. The non-government sector can bring a fresh impetus to the path set for achieving the SDGs by breaking down the long route of 2030 into several small milestones.

Conclusion

A significant portion of Indian budget expenditure is attributed to welfare schemes. In comparison the annual CSR spending in India is miniscule. Keeping in view Government's limited sources of funds, it would be important that the CSR spending is increased. Government may consider incentivizing the corporate sector for ensuring higher outlay on CSR.

The CSR resources can be mobilized and directed towards attainment of SDGs. While Government is the major driver, development is a collective responsibility and not the subject of Government alone. History and experience show that development is always a product of collective efforts of all stakeholders. All participants in the development process are expected to align their ideas, innovations, resources and efforts keeping the national interest as supreme. Hence, the public sector, private sector and Government have to work in a synchronised manner for making CSR initiative an important contributing factor for achievement of SDGs in India. **MA**

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Articles invited

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SYNERGISTIC OUTCOME ON SOCIAL RESPONSIBILITY IN INDIA THROUGH



GST is a sensible and identified terminology in all over India. This term is popular in such a way through which most of the people can understand. Here, the term synergistic outcome means a better outcome reaches in the Indian economy. The Union govt. expected to generate 14% revenue under this new tax system². Now this paper highlights some approaches of GST through pictorial explanations relating to social responsibility aspects.

II. Synergistic effect of GST in India:

A. Digital Economy:

The entire mechanism of GST is done through computer based application, no need of papers. Only one official website is there for GST i.e. "www.gst.gov.in". All the buyers – sellers, service providers - receivers and practitioners are using this website. Due to this, India is getting a paperless and transparent economy. So we can save our greenery and also be reduced the cash transactions.



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Picture 1 –



Source: <https://www.gst.gov.in/>

The above picture represents the impact of GST on the digital economy in India.

B. Health Care Services:

GST has high impact on Indian health care services. GST is exempted in case of health care services if it will be provided by the hospitals, doctors' clinic, nursing home, medical practitioners. This exemption provision is applicable to normal diagnostic including ambulance facility. But, GST is applicable for different costly treatment like plastic surgery, hair transplant, etc.³ So it may clear that the poor people is getting treatment at minimum cost whereas upper middle class and rich people are paying tax for different costly treatment.

Picture 2–



Source: <https://www.livemint.com/Opinion/qXD81719wXXDQVpGyyARrO/Seven-charts-that-show-why-Indias-healthcare-system-needs-a.html> and <https://www.harpersbazaar.com/culture/features/a9555312/teenage-plastic-surgery-feminism/>

From the above pictures and discussion, it can say that GST regime thinks about financial matter of weaker section and categories different rates according to treatment.

C. Educational Services:

Nil rated GST is applicable in case of education provides to the students, staff, faculties and their transportation costs by an educational institution from pre-school to higher-secondary or equivalent. Nil rated GST is also applicable in

ABSTRACT

Goods & Services Tax (GST) is an ample and contemporary reshuffle framed in the periphery of Indian indirect tax regime. It is imposed on the supply of goods and services. Initiation of GST is a rational thinking in the era of the post liberalisation scenario. GST augments a wide range of revenue in both the central and state governments. It has a synergistic impact on the social responsibility and social development in the economy of India. Especially, GST emphasises on the digital economy¹, health care services, educational services, and also takes care about the daily consumption of the necessity & sensitive items. Due to this tax regime, a large scale of poor people will be benefited in the society. Hence, government (govt.) can think about poverty free economy. This mechanism also creates job prospect in all the sectors of India. It also generates a good opportunity of employment in the hands of tax practitioners, professionals like CMAs, CSs, CAs and Commerce Graduates. This paper highlights different approaches of GST and also discusses the synergistic effect on social responsibility in India.

case of catering services of 'mid-day meal' scheme.⁴

Picture 3-



Source: <https://www.thehindu.com/news/cities/puducherry/rising-egg-price-hits-noon-meal-scheme/article20667770.ece>

The above discussion and picture again can claim that there may be a synergistic effect of GST on social development in Indian education system. Hence the backward class of people may be interested to get primary to secondary education easily.

D. Necessary items like vegetables and fruits:

GST is exempted on fresh and unprocessed vegetables and fruits like potatoes, garlic, tomato, onions, carrot, mangoes, apples, bananas, pineapples, etc. Whereas in case of preserving, processed vegetables and fruits are attracted GST. Dry fruits, juice, jams, etc. are also attracted high rate of GST.⁵

Picture 4-





Source: <http://sonalidalal.blogspot.com/2010/07/vegetable-market-ahmedabad.html> & <https://medium.com/earth-ethics/down-to-the-nitty-gritty-of-meat-f3e8144a17ba>

So from the above pictures and discussion, it may consider that GST council has thought about the social responsibility in such a way that a low earning people can purchase vegetables and fruits for their daily life from open market so they will pay less. In other hands, many people often visits to shopping mall and purchased so many food items with an extra amount. Hence it may be a wise thinking to balance our society.

E. Employment opportunity:

Due to GST, large scales of employment opportunity are generated in India. Most of the companies are hiring people in the field of accounting & finance related to GST system. So lots of scopes have opened now a day in all the sectors.

Picture 5 –



Source: <https://www.wisdomjobs.com/careeredge/what-is-gst-how-it-will-impact-job-creation-2570>

Conclusion

From the above discussion, it may be concluded that after launching GST, India is growing from all aspects. GST is collected in huge amount in the hands of the State as well as Central. 7.5 % will be the estimated economic growth in the fiscal year 2019-2020⁶. GST has a synergistic outcome for backward class of people, all types of employment opportunities, health care services, etc. In this way India will be turning up into a developed economy. **MA**

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CSR PRACTICES MAKE COMPANY PERFECT: UNDERSTANDING THE IMPORTANCE OF WALK WITH STAKEHOLDERS

Earning profit every year and taking business to new heights is likely to be the main objective of every enterprise, but it is also important to consider the stakeholders in the business as well. However, corporate social responsibility is not just about picking a charity to donate every year; it is the responsibility of every business to pay back to every stakeholder who is attached with the business directly or indirectly. Corporate social Responsibility is the responsibility of the corporate entity towards society in consideration of the support given and sacrifices made by the society. Corporate social Responsibility measure the impact of a company's actions on society. Corporate Social Responsibility is a business idea that stresses the importance of keeping the best interests of stakeholders in mind.

Historical Background of CSR

The Concept of Social Responsibility is not new to Indian Society. It is as old as Indian Culture and Civilisation. The Bhagavad Gita lays utmost emphasis on “Loksamagrah” which means keeping human beings or the world together, regulating them such that they acquire strength from mutual cooperation. “Sarva loka hitam” in Vedic mythology which means “well-being of all stakeholders”.

In the Global Context, the CSR in the modern form has its roots in the industrial revolution of the 18th century, which took place in the UK and the other European countries. In India, the industrialization and independence struggle went on side by side. Consequently the idea of CSR worked with freedom movement, which was mostly dominated by Gandhian philosophy. Mahatma Gandhi advocated the system of trusteeship, which required that property under



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the control of a private person, the person must regard himself as its proprietor not its master this is derived from the ideal of non-possession influenced by Gandhi and as a result most businessmen in India saw their business empires as a “trust” held in the interest of community at large.

In the modern context the term CSR gained in the early 1970’s where as by 1990’s the concept was fully recognised. Individuals and organizations across the globe started supporting it. This can be underpinned by the fact that in 1977, less than half of the fortune - 500 firms mentioned CSR in their annual reports, Where as at the end of 1990, nearly 90 percent of the fortune - 500 firms imbibed CSR as an essential component in their organizational goals, and actively supported their CSR initiatives in their Annual reports.

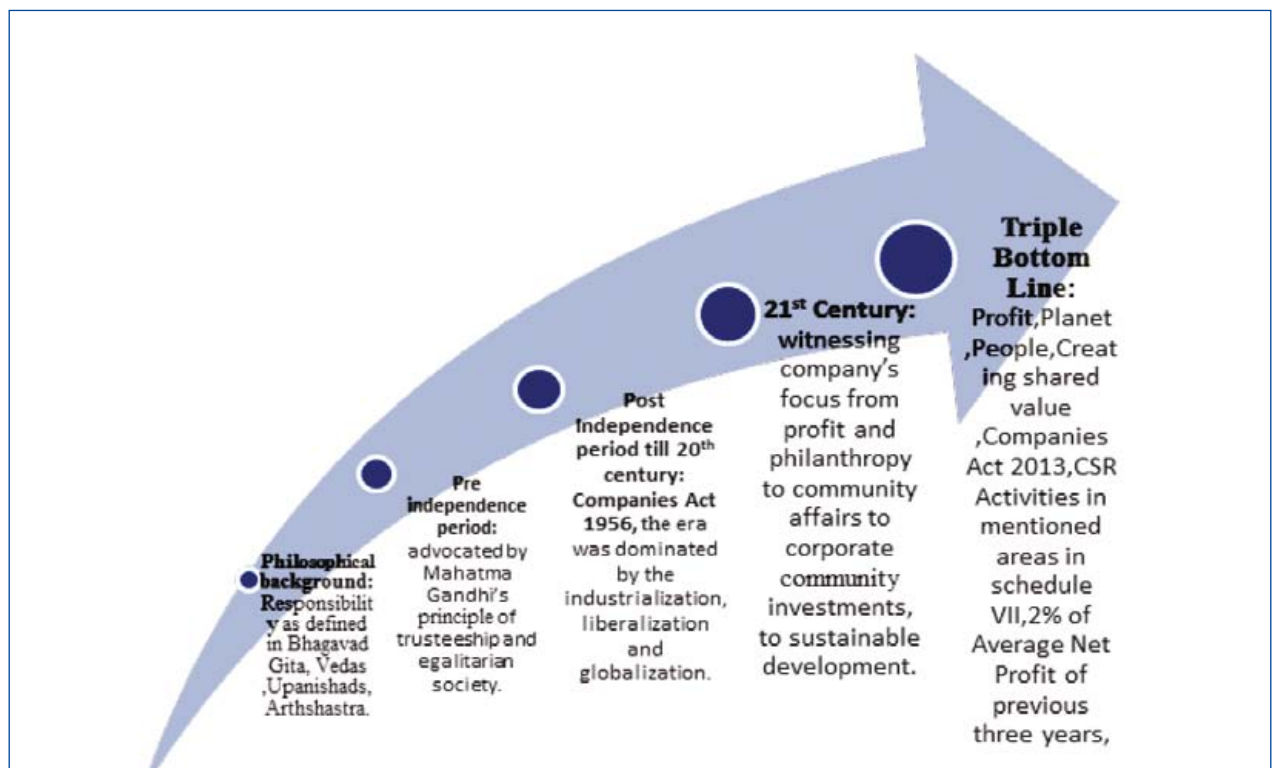
Liberalisation of the economy in 1991 saw the private sector become an entity in itself. Increased growth

momentum of the economy helped Indian Companies grow rapidly and this made them more willing and able to contribute towards social cause. Globalisation transformed India led a focus towards labour laws, Environment Standards in developing Countries there by giving birth to a more structured form of social responsibility where by organizations take responsibility for the impact of their activity on various Stakeholders.

Twenty first century witnessed company’s focus from profit and philanthropy to community affairs to corporate community investments, to sustainable development.

Corporate Social Responsibility is now firmly rooted on the national business agenda after the companies’ act 2013 and CSR became imperative for the management of the corporate to make sincere and concerned efforts towards its responsibility to the society in which it operates.

The Phases of Corporate Social Responsibility:



CSR u/s 135 of Companies Act 2013

It is Applicable to all the Companies registered with the Registrar of Companies. The Applicability is with effect from 1st April, 2014. The conditions are the Company should have a profit of Rs. 5 Crores or more or a net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more in the current financial year. The scope of this section 135 extends to cover all companies percentage to spend is 2% of the average profits of the preceding three financial years.

CSR Activities

The Schedule VII of the Companies Act 2013 contains various elements such as:

Elements	Elements	Elements
1] Eradicating hunger and poverty	6] Hostels for women and orphans	11] Contributions to PM relief fund
2] Promotion of education and employment	7] Old age homes	12] Measures to benefit armed forces veterans
3] Lively hood enhancement projects	8] Day care	13] War widows and dependents
4] Promoting gender equality	9] Environmental sustainability	14] Promotion of sports
5] Women empowerment	10] Protection of flora and fauna	15] Rural development projects

CSR Contribution of Companies in India

After the Companies Act 2013 Many companies made their contribution towards various activities mentioned in the Schedule VII of the companies Act 2013. The details of amount utilized by the public and private sector companies under the Corporate Social Responsibility (CSR) and the major tasks undertaken during the last three years i.e. 2014-15, 2015-16 and 2016-17, the expenditure made by such companies on Corporate Social Responsibility (CSR) is given in the Table below and the sector-wise details of CSR expenditure have been given in Annexure.

Table No.1. CSR expenditure for the three Financial Years

Sl. No.	Company Type	Financial Year 2014-15 (amt. in Rs. crore)	Financial Year 2015-16 (amt. in Rs. crore)	Financial Year 2016-17 (amt. in Rs. crore)
1	PSUs	2673.85	4163.09	1325.83
2	Private Sector Companies	6890.92	9664.77	3393.17
	Total	9564.77	13827.86	4719.00

The contribution made by the companies for the years 2014-15, 2015-16 and 2016-17 was Rs. 9564.77 crore, Rs. 13827.86 crore and Rs. 4719.00 crore respectively out of which the contribution made towards 'rural development projects' under Schedule VII of the Companies Act, 2013 by the companies for the years 2014-15, 2015-16 and 2016-17 was Rs. 1031.02 crore, Rs. 1327.57 crore and Rs. 628.56 crore respectively.

Table No.2. Sector-Wise CSR Expenditure For FY 2014-15, FY 2015-16 and FY 2016-17

CSR Expenditure (In Rs. Crores)				
Sl. No.	Sectors	2014-15	2015-16	2016-17
1	Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation	2,382.27	4,330.21	1,201.37
2	Education/ Differently Abled/ Livelihood	3,021.47	4,689.81	1,605.05
3	Rural development	1,031.02	1,327.57	628.56
4	Environment, Animal Welfare, Conservation Of Resources	812.31	901.80	306.68
5	Swachh Bharat Kosh	94.52	323.24	89.35
6	Any Other Funds	272.58	322.63	137.70
7	Gender equality / Women empowerment / Old age homes / Reducing inequalities	172.63	331.50	122.60
8	Prime Minister's National Relief Fund	211.04	206.08	109.81
9	Encouraging Sports	53.36	134.76	51.73
10	Heritage Art and Culture	113.62	114.90	49.64

CSR Expenditure (In Rs. Crores)				
Sl. No.	Sectors	2014-15	2015-16	2016-17
11	Slum Area Development	101.07	13.60	1.97
12	Clean Ganga Fund	4.64	32.52	22.97
13	Other Sectors (Technology Incubator And Benefits To Armed Forces, Admin Overheads and others)	1,294.24	1,099.24	391.57
	Total Amount (in Rs. Crore)	9,564.77	13,827.86	4,719.00

The major amount of CSR Expenditure made by the companies in India were towards Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation, Education/ Differently Abled/ Livelihood and Rural development. Environment protection has also given due importance while spending CSR Expenditure.

Literature Review:

Alok Kumar Mathur and Aditi Vyas (2012), in their study highlighted the importance of CSR, its role in the pharmaceutical sector and the social initiatives taken up by some of the pharmaceutical companies in varied dimensions. Five pharmaceutical companies were selected for the study. It has come to the fore that the pharmaceutical companies are making considerable contribution to the society in varied spheres, in particular, environment. Other areas of corporate social responsibility are health, education, community care, livelihood & skill development, etc. and are actively involved in social activities or responsibilities other than profit making.

Rajani Bhalla (2013), study was confined to various dimensions, features and the impact of CSR on the Indian Corporate Sector i.e. TATA Consultancy Services, Coca Cola India, BHEL and Wipro. She studied the practices followed by select companies in the field of CSR for attaining sustainability. The time period considered by researcher was from 2009-2012. The outcome of her study shows that the companies under study are following the CSR practices in many fields like Education, Community development, Environmental Protection, Energy Conservation, Waste Material Management, Health Management, Waste Management etc. and are trying to encourage CSR awareness among different parts of the society.

Ramendra Singh and Sharad Aggarwal (2013), discussed the broad patterns of CSR Practices among top 200 Indian corporation which are categorized in "A" category by Bombay Stock Exchange (BSE) Variables used by them in their study are education, health, community welfare, entrepreneurship development, market place and environment and rural development. They have used content analysis technique

in their study. In their study they observed that most firms have adopted the same sectors for CSR e.g. Health care or education and then they spend CSR budgets on a project to project basis like health camp, adopting village, building road etc.

Chandanaswal and Poojarani (2014), Their study made an attempt to know whether the size of the company affects CSR activities or not. the authors studied the sustainability reports of top 50 selected Indians companies and determined the effect of size of the company i.e. natural log of Total assets on CSR score which is calculated by using 12 sustainability variables such as water, electricity, education, women empowerment, rural development, global compact, sustainability, employee welfare, HIV aids, disaster, health & safety, waste management and used regression analysis technique. They found that Companies are paying more attention to education, sustainability, rural development and health & safety which is the demand of the current scenario. The study concludes that size and CSR score are significant to each other.

B Charumathi, Padmaja Gaddam, (2015), made an attempt to understand the status of CSR initiatives and practices made by Maharatna Central Public Sector Enterprises (CPSEs) in India by measuring their CSR disclosure. For this, an original Corporate Social Responsibility Disclosure Index for Maharatna Central Public Sector Enterprises (CSRDI - MRCPSE) was constructed and used. The required data for the period of five years from 2010-2011 to 2014-15 was collected from the annual reports of Maharatna companies using content analysis. It is found that the Maharatna CPSEs focus their CSR initiatives in the areas of education, environment, health and community and rural development as well as the capacity building and skill development.

Nisha Single, R. Arora (2015), basically at examining social disclosure practices of 22 Indian manufacturing units belonging to different industries. The study examines the social disclosure practices of 22 manufacturing companies belonging to four industries namely consumer goods, pharmaceuticals, industrial manufacturing and energy.

The companies were selected from CNX 100 index of NSE. The data has been collected from secondary sources. The study was based on 18 voluntary items of Corporate Social Disclosure Index. The social disclosure practices have been examined corresponding to years 2008-09 and 2013-14 which represent negative and positive sentiments of market respectively. It has been empirically tested whether there is any significant difference in social disclosure scores of companies with regard to market sentiments.

The Scope of the Study

This study makes an attempt to assess the Performance of corporate social responsibility and the profitability of the Companies in the Indian context. It examines commitments of the companies towards the thrust areas, the practice and implementation aspects of Corporate Social Responsibility (CSR) of some selected industries across India have been studied during the financial years 2004-05 to 2016-17

Study Period

For the purpose of evaluating, the performance of Select Manufacturing Companies in terms of Net Profit, Corporate Social Responsibility Expenditure and Corporate Social Responsibility Expenditure (%) wise has been taken. The

study covers the period of Thirteen Years from 2004-05 to 2016-17.

Sampling Unit

The companies selected for the study, are out of the top 1000 companies as per Economic Times Report and Business Today Report of the year 2012-13. Out of 1000 companies, only the manufacturing companies were taken as sampling unit for the study. These companies are selected by taking into consideration factors like, Average Market Capitalisation, Net Income, Net profit, Total assets.

Sample Size

Sample size for the study is 40 companies.

Sampling Method

★ Stratified sampling method is employed.

★ At the first stage, all the manufacturing companies are conveniently classified into eight categories viz. Cement, Iron & Steel, Pharmaceutical, Auto, Oil & Gas, FMCG, Chemicals & Fertilizers and Mining. At the second stage, top five companies from each sector are selected for the study. All together 40 companies are studied.

NAME OF THE COMPANIES			
AARTI INDUSTRIES LTD	GHCL	JUBILANT LIFE SCIENCE	OIL AND NAT GAS
ACC LTD	GLAXO SMITHCLINE PHARMA	KIOCL	PIDILITE
AMBUJA CEMENT	GODREJ CONSUMER PRODUCT	LUPIN LTD	RASTRIYA ISPAT NIGAM LTD
ASIAN PAINTS	HERO MOTO CORP	MAHINDRA AND MAHINDRA	SHREE CEMENT
BAJAJ AUTO	HINDALCO IND LTD	MARUTI SUZUKI	SAIL
BHARAT PETROLIUM CORP LTD	HINDUSTAN PETRO L CORP LTD	MOIL	TATA CHEMICALS
CIPLA	HUL	NALCO	TATA MOTORS
DABUR INDIA LTD	INDIAN OIL CORP LTD	NESTLE INDIA	TATA STEEL
DR. REDDY'S LAB	JSW STEEL LTD	NFCL	THE RAMCO CEMENT
GAIL INDIA LTD	JINDAL STEEL AND POWER LTD	NMDC	ULTRA TECH CEMENT

Objectives of the Study

The Research attempts to explore the field of Corporate Social Responsibilities and therefore the study proposes to analyse the following objectives:

- 1] To Evaluate the Sector-wise CSR expenditure spent by the Companies are as per the standard in India.
- 2] To examine Corporate Social Responsibility Practices of Select Companies in India.

Diagram No.1. shows the practices expected from corporates as their social responsibility towards society at large.

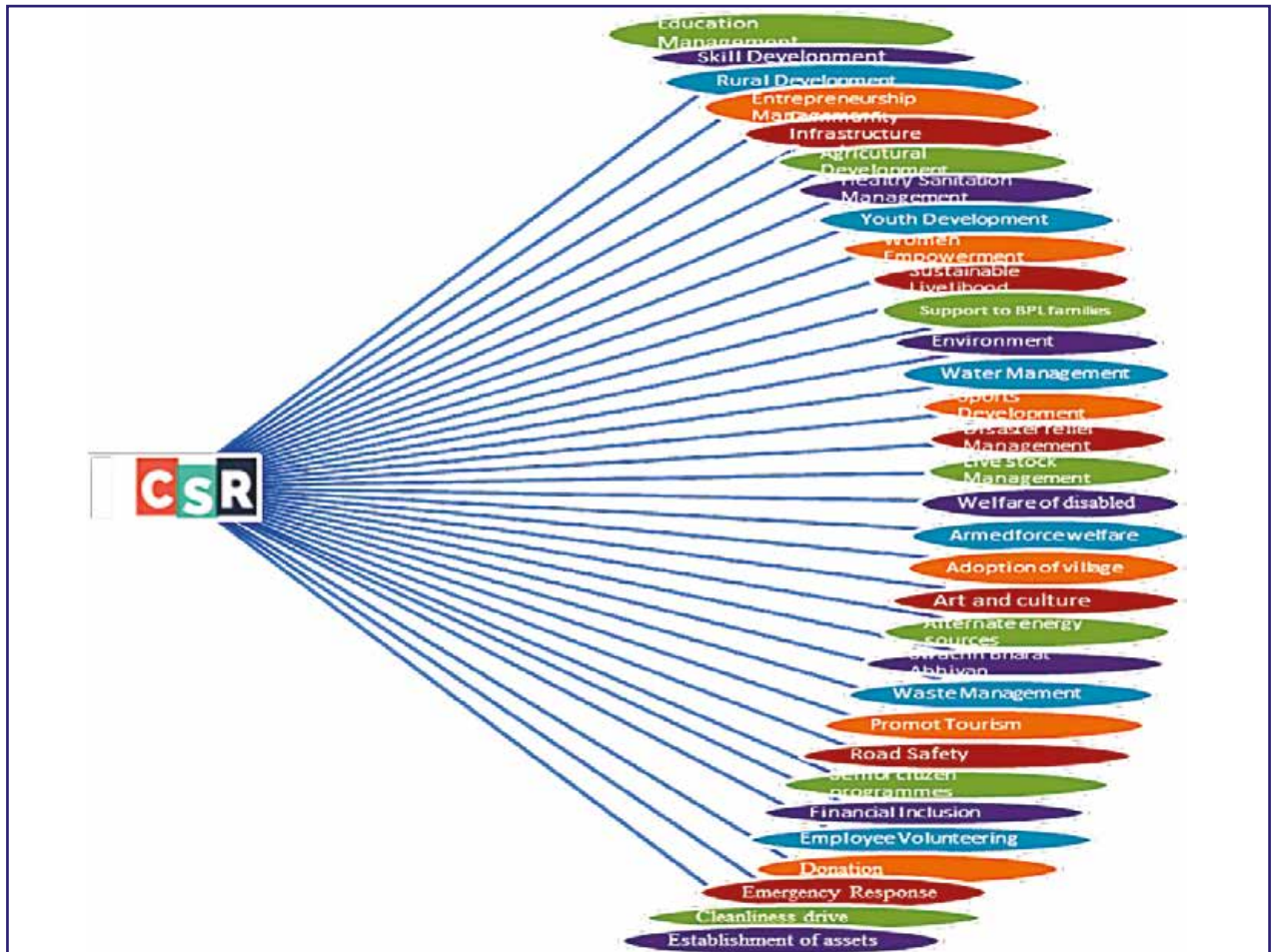


Diagram No.1: Corporate Social Responsibility practices towards Society

Corporates are not merely profit making institutions. They have a responsibility to help out society to overcome their problems. Some of the areas in which corporate social responsibility has to be practiced are health, environmental issues, education, community and rural development, promotion of art and culture and sports, climate change and aid towards relief fund etc.

Hypothesis:

H0: There is no significant difference in the CSR Practices with respect to sectors.

H1: There is a significant difference in the CSR Practices with respect to sectors.

The main objective of this test is to find out whether practices of CSR are different from sector to sector that is sector has any effect on CSR practices. Total Forty

companies were taken for study and the companies were divided into eight sectors and from each sector five companies were randomly selected for the study (Annexure-I). Out of the 32 practices (activities) done by the select companies for the period of Thirteen years as mentioned earlier (Condensed into Ten Activities) were undertaken for the study. The objective behind using this test i.e. to find out whether the companies are doing all activities or not? It is found that not a single company is doing their practice above 30 activities but it is found that out of 32 First sectors i.e. cement sector covers 28.38% of the activity that is hardly 9 activities. Second sector i.e. Iron and Steel sector undertakes 25.88% of the activities that is 8 activities. The third sector i.e. Pharma sector provides 20% of activities that is 6 to 7 activities .the fourth sector i.e. auto Sector Contributes 6 to 7 activities of CSR The fifth sector i.e. Oil and Gas are doing 22.56% of the activities

ABSTRACT

Every company which is a going concern is in debt of community, on which they rely heavily. Corporate social Responsibility is the responsibility of the corporate entity towards society in consideration of the support given and sacrifices made by the society. An attempt has been made to study 40 manufacturing companies in India to find out CSR practices made by the companies in general and to analyse whether companies has spent towards CSR expenditure are as per the standards provided by companies act 2013 in particular. Education Management, Skill Development, Health and sanitation, Rural Development, Agricultural Development, Women Empowerment, Environment Protection and recently many companies came forward to do activities towards Cleanliness Drive. has been given more attention while spending towards CSR expenditure by the companies and with regards to CSR activities undertaken by the companies, it is seen that out of 32 activities and out of 40 companies under study on an average atleast 7 to 8 activities are budgeted by the companies towards CSR Investments.

that is 7 activities the sixth sector i.e. FMCG Sector invests in 26.19% of activities that is 8 activities. seventh sector i.e. Chemical and fertiliser sector provides 22.19% of activities that is 7 activities whereas eight sector i.e. Mining sector devised for 22.25% of activities that is 7 activities. So it is inferred that in overall basis out of 32 activities and out of 40 companies under study on an average atleast 7 to 8 activities are budgeted by the companies towards CSR Investments.

Table No. 3. Showing Test of Normality with regards to groups

Tests of Normality				
Group Statistic		Shapiro-Wilk		
		df	Sig.	
Average score	Cement Industry	.784	5	.060
	Iron and Steel Industry	.932	5	.613
	Pharma Industry	.840	5	.164
	Auto Industry	.904	5	.432
	Oil and Gas Industry	.949	5	.727
	FMCG Industry	.927	5	.573
	Chemical and Fertilizer Industry	.918	5	.518
	Mining Industry	.856	5	.214

Source: computed by the author

To test whether sector wise CSR score is normally distributed normality test has been conducted i.e. to test whether the data group is normally formed or not the test of normality is used and it is found that since $p > .05$ implies data is normally distributed i.e. The data is statistically normal.

Table No. 4. Showing Descriptive statistics of different Sectors

Group	N	Mean	Median	Range	Std. Deviation
Cement Industry	5	28.38	23.13	21.88	9.23
Iron and Steel Industry	5	25.88	25.94	8.44	3.61
Pharma Industry	5	20.00	17.50	19.06	7.61
Auto Industry	5	20.00	18.13	23.13	9.27
Oil and Gas Industry	5	22.56	21.88	15.00	6.01
FMCG Industry	5	26.19	26.88	16.56	6.74
Chemical and Fertilizer Industry	5	22.19	20.31	19.06	7.52
Mining Industry	5	22.25	21.25	4.69	1.97
Total	40	23.43	22.19	32.19	6.91

Source: computed by the author

Above score is computed based on 32 points related to CSR which includes Education Management, Skill Development, Health and sanitation, Rural Development etc. Above score is based on compilations of these areas. Data was found to be statistically normal, to test further ANOVA test has been conducted to study H_0 . and the result is $F(7,32) = 0.9709$, $p = 0.4687$ since there is no significance difference in the CSR scores with respect to section so The alternative hypothesis is Rejected i.e. Null hypothesis is accepted.

Conclusion

It is found that not a single company is doing their practice above 30 activities but it is found that out of 32 First sectors i.e. cement sector covers 28.38% of the activity that is hardly 9 activities. Second sector i.e. Iron and Steel sector undertakes 25.88% of the activities that is 8 activities. The third sector i.e. Pharma sector provides 20% of activities that is 6 to 7 activities .the fourth sector i.e. auto Sector Contributes 6 to 7 activities of CSR The fifth sector i.e. Oil and Gas are doing 22.56% of the activities that is 7 activities the sixth sector i.e. FMCG Sector invests in 26.19% of activities that is 8 activities. Seventh sector i.e. Chemical and fertiliser sector provides 22.19% of activities that is 7 activities whereas eight sector i.e. Mining sector devised for 22.25% of activities that is 7 activities. Out of

32 points related to CSR most of the companies Practices Education Management, Skill Development, Health and sanitation, Rural Development, Agricultural Development, Women Empowerment, Youth development and recently many companies came forward to do activities towards Cleanliness Drive.

ANNEXURE I

Sr.No.	Group	Name of the company	Areas of investment (2004-05- 2016-17)									
			Education Management	Rural Development	Entrepreneurship Management	Health/ Sanitation Management	Women Empowerment	Support to BPL families	Environment protection	Disaster Management	Welfare of disabled/Sr .Citizen	Others
1	1	ACC (Cement)	Y	Y		Y	Y	Y	Y	Y		
2	1	Ambuja Cement	Y	Y		Y	Y					
3	1	Shree Cement	Y	Y		Y	Y		Y			Y
4	1	Ultratech cement	Y	Y		Y	Y	Y	Y	Y		
5	1	The Ramco cement	Y	Y		Y	Y		Y	Y	Y	Y
6	2	Tata Steel (Iron& Steel)	Y	Y		Y			Y			
7	2	SAIL	Y	Y		Y			Y	Y		Y
8	2	RINL	Y	Y		Y	Y	Y	Y			Y
9	2	JSW STEEL	Y			Y	y					
10	2	JSPL	Y	Y		Y	Y		Y		Y	
11	3	Dr Reddy LAB (Pharma)	Y	Y		Y	Y		Y			
12	3	GSK	Y	Y		Y	Y		Y	Y		
13	3	Lupin	Y	Y	Y	Y	Y		Y			Y
14	3	Cipla	Y	Y		Y			Y	Y		Y
15	3	Jubilient life science	Y	Y		Y	Y					
16	4	Hero Moto Corp (Auto)	Y	Y		Y	Y	Y	Y			
17	4	M&M	Y	Y		Y	Y	Y	Y	Y		Y
18	4	Tata Motors	Y			Y		Y	Y	Y		
19	4	Bajaj auto	Y	Y		Y	Y		Y			Y
20	4	Maruti Suzuki	Y	Y		Y	Y	Y	Y	Y		Y
21	5	Gail (Oil & Gas)	Y	Y		Y	Y		Y			Y
22	5	BPCL	Y	Y		Y			Y	Y		Y
23	5	HPCL	Y	Y		Y	Y	Y	Y			Y
24	5	ONGC	Y	Y		Y			Y	Y		
25	5	IOCL	Y	Y		Y			Y			Y
26	6	Nestle India Ltd (FMCG)	Y	Y		Y	Y		Y	Y		Y
27	6	Godrej Consumer Products Ltd	Y	Y		Y		Y	Y	Y		Y
28	6	HUL	Y	Y		Y	Y		Y	Y	Y	Y
29	6	Dabur India Ltd	Y	Y		Y	Y	Y	Y			

Sr.No.	Group	Name of the company	Areas of investment (2004-05- 2016-17)									
			Education Man- agement	Rural Develop- ment	Entrepreneurship Management	Health/ Sanita- tion Manage- ment	Women Empowerment	Support to BPL families	Environment protection	Disaster Management	Welfare of dis- abled/Sr .Citizen	Others
30	6	Asian Paints (India)	Y	Y		Y			Y	Y		
31	7	Tata Chemicals (Chemical)	Y	Y	Y	Y	Y		Y			Y
32	7	PIDILITE	Y	Y		Y						Y
33	7	AARTI IND	Y	Y		Y	y	Y	Y	Y		Y
34	7	GHCL	Y	Y		Y	Y		Y			Y
35	7	NFCL	Y	Y	Y	Y	Y		Y		Y	Y
36	8	MOIL(Mining)	Y	Y		Y	Y	Y	Y	Y		Y
37	8	HINDALCO IND LTD	Y			Y	Y		Y			
38	8	NALCO	Y	Y		Y	Y		Y			Y
39	8	NMDC	Y	Y		Y	Y	Y	Y	Y	Y	Y
40	8	KIOCL	Y	Y		Y	Y	Y	Y			Y

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COMPANIES (AMENDMENT) ACT, 2017 AND ITS IMPACT ON CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE



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A

s we know the Companies Act, 2013 has been one of the most important legal reforms in India which facilitated in bringing Indian company law in line with the global standard. This Act brought significant changes in the company law especially in regard to disclosures, investor protection, accountability and corporate governance. However, the companies and other entities have been facing practical difficulties in many areas while implementing some of the provisions of the Act. The Govt. of India received several representations from different quarters requesting further review and simplification of the enactment. A Company Law Committee was formed by the MCA to address these issues. The Committee's report on the same was submitted to the GOI which considered many suggestions and thereafter

ABSTRACT

The Companies Act, 2013 has been one of the most important legal reforms in India which facilitated in bringing Indian company law in line with the global standard through various significant changes. However, the companies and other entities have been facing practical difficulties in many areas while implementing some of the provisions of the Act. The Govt. of India introduced the Companies (Amendment) Act, 2017 in January, 2018. The Amendment Act, 2017 has addressed difficulties in implementation and rectified various inconsistencies prevailing in the Act, 2013. In this article, the author discusses the changes taken place to the 2013 Act in regard to key topics such as, Corporate Social Responsibility (CSR) and Corporate Governance (CG).

referred to the Standing Committee on Finance for further examination.

After considering the suggestions of the Standing Committee, the Companies (Amendment) Bill, 2017 was introduced in Lok Sabha and passed in July, 2017. The Bill was approved by the Rajya Sabha in December, 2017 and notified in the Official Gazette as Amendment to the 2013 Act after obtaining assent from the Honourable President of India in January, 2018.

The Amendment Act, 2017 has addressed difficulties in implementation and rectified various inconsistencies prevailing in the Act, 2013, especially in regard to (i) definitions, (ii) loans and investments, (iii) related party transactions (RPT), (iv) corporate social responsibility (CSR), (v) corporate governance (CG), (vi) declaration and payment of dividend, (vii) financial reporting, (viii) audit and auditors, (ix) board matters, (x) managerial remuneration, (xi) acceptances of deposits by companies, (xii) merger, amalgamation and reconstruction etc. In this article, we shall discuss the changes taken place to the 2013 Act in regard to key topics such as, Corporate Social Responsibility (CSR) and Corporate Governance (CG).

Amendments to Section 135 and Rules on CSR

I. Section 135 (1) of the Companies Act, 2013 provides

that every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore or more or net profit of Rs. 5 crore or more 'during any financial year' shall constitute a CSR Committee of the board comprising 3 or more directors, out of which at least one director shall be an independent director (ID).

In fact, the meaning of the words 'during any financial year' used in this section is not clear as to whether a company should consider net worth / turnover / net profit of the current year or the immediately preceding financial year. The 2017 Act has now replaced the words 'during any financial year' with the words 'during the immediately preceding financial year'. Accordingly, the applicability of CSR requirement shall be decided based on net worth/ turnover / net profit for the immediately preceding financial year.

II. As per the criteria prescribed by 2013 Act, a company not covered under the requirement of ID appointment may also be required to appoint an ID for his induction into the CSR Committee. On the contrary, the CSR Rules provide that it is not required to appoint and induct an ID into the CSR Committee of a non-listed public company or a private company. In other words, such companies can have CSR Committee without an ID.

In order to avoid this anomaly the 2017 Amendment Act provides that where a company is not required to appoint an ID under Section 149(4), it shall constitute the CSR Committee with two or more directors.

- III. An Explanation to Section 135(5) of the 2013 Act provides that for the purpose of this section 'average net profit' shall be calculated in accordance with the provisions of Section 198. While dealing with the calculation of profit for managerial remuneration Section 198 requires specific addition / deduction to be made in the profit for the year. On the other hand, the CSR Rules provide that while calculating the net profit any profit arising out of overseas branches of the company and dividends received from other companies in India shall be reduced for the purpose of Section 135. As Section 198 does not include these deductions, there is apparently a conflict between these two provisions.

In order to resolve this anomaly the Amendment Act, 2017 provides that the Central Government may prescribe sums that will not be included for calculation of net profit of a company under Section 135.

- IV. Section 384 of the Companies Act, 2013 prescribes the applicability of various provisions to a foreign company. But it does not specify the applicability of CSR provisions, whereas Rule 3 of the CSR Rules states that foreign companies are required to comply with the provisions of CSR.

In order to resolve this contradiction, the 2017 Act has made an amendment to Section 384 whereby it provides that the provisions of Section 135 shall also apply to a foreign company provided it meets the prescribed criteria for its business operations in India.

- V. Section 135(5) provides that the board of every company referred to in sub-section (1) shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy.

However, neither the Companies Act, 2013 nor the CSR Rules have prescribed any specific penal provision in case a company fails to spend the money. Moreover, there is no legal obligation on companies to meet the deficiency of one year in the subsequent years. Only

the board of such company requires specifying the reasons for not spending the specified amount in the CSR report. The Committee deliberated on this issue and recommended that the current provision on disclosure of actual spending by the company should continue.

Amendments to Section 149(6) on CG [Independent Director (ID)]

- I. In regard to selection of IDs Section 149(6)(c) of the Companies Act, 2013 provides that ID shall have/had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year.

The actual meaning of the above provision is that even a small pecuniary relationship shall render a person ineligible for appointment as an ID. On the contrary, SEBI (LODR) Regulations, 2015 prescribe that only 'material' pecuniary relationships shall disqualify a person for appointment as an ID. In order to resolve this anomaly the 2017 Amendment Act has introduced the 'materiality concept' for determination of pecuniary relationship impacting independence. Therefore, according to the 2017 Act, remuneration as director or transaction not exceeding 10% of a person's total income or such amount as may be prescribed shall not impair independence.

- II. Section 149(6)(d) of the Companies Act, 2013 provides that a person shall not be appointed as an ID if any of his or her relatives has or had a pecuniary relationship or transaction exceeding a prescribed value with the company, its holding, subsidiary, or associate company or their promoters or directors during the two immediately preceding financial years or during the current financial year.

The Companies (Amendment) Act, 2017 now requires that the relatives of an ID should not:

- (a) hold any security of or interest in the company, its holding, subsidiary, or associate company during the two immediately preceding financial years or during the current financial year. However, the relatives may hold security of or interest in the company of face value not exceeding Rs. 50 lakh or 2% of the paid up share capital of the company, its holding, subsidiary, or associate company or such

higher sum as may be prescribed.

- (b) be indebted to the company, its holding, subsidiary, or associate company or their promoters or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year.
- (c) have given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary, or associate company or their promoters or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year.
- (d) have any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to 2% or more of its gross turnover or total income singly or in combination with the transactions referred to above.

III. Section 149(6)(e)(i) of the Companies Act, 2013 provides that a person shall not be appointed as an ID if that person or his or her relative is / was a KMP or an employee in the company, its holding, subsidiary, or associate company during any of the preceding three financial years.

The Committee opined that a person's independence is likely to be impacted only if the relative hold / held a significant position such as, director or KMP during the preceding years. Therefore, the Companies (Amendment) Act, 2017 provides that a relative who is / was merely an employee during any of the preceding three financial years shall not impact 'independence'. But there shall be no change in the prohibition with respect to the person's own employment in the company.

All the above Amendments are expected to relieve the burden of ensuring 'independence' for companies and their IDs.

Amendments to Section 177 on CG [Audit Committee (ACs)]

1. Section 177 (1) of the Companies Act, 2013 provides that the board of directors of 'every listed company'

and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. According to the Rules, the non-listed public companies meeting either of the following criteria shall also constitute an Audit Committee:

- (a) Non-listed public companies having paid up share capital of Rs. 10 crore or more
- (b) Non-listed public companies having a turnover of Rs. 100 crore or more
- (c) Non-listed public companies with aggregate outstanding loans, or borrowings, or debentures or deposits of Rs. 50 crore or more.

According to SEBI Debt Listing Regulations, a private limited company that had listed its debt instruments also is required to comply with this requirement. However, the Committee was of the opinion that it would not serve much purpose requiring a private company to constitute an Audit Committee. Accordingly, the Companies (Amendment) Act, 2017 has provided that instead of every listed company, every listed public company shall be required to constitute an Audit Committee. Moreover, the classes of companies as prescribed shall also be required to constitute an Audit Committee.

- II. Section 177(4)(iv) of the Companies Act, 2013 provides that the Audit Committee is required to pre-approve all related party transactions (RPTs) and their subsequent modifications. On the contrary, Section 188 requires the board and /or shareholders of the company to pre-approve specific RPTs only. It also provides two exemptions from the approval requirements viz. (i) transactions entered into by the company in the ordinary course of business and on an arm's length basis, and (ii) transactions not exceeding prescribed materiality threshold.

Though the 2017 Act has not prescribed any change to align the provisions of Section 177 with the provisions of Section 188 yet it has clarified that if the Audit Committee does not approve transactions not covered under Section 188 then the Audit Committee will make its recommendations to the board of the company and the board will need to consider and approve such RPTs.

On the basis of relaxation provided by the 2017 Act

to the Audit Committee, a director or officer of the company may enter into a RPT for an amount not exceeding Rs. 1 crore, without prior approval of the Audit Committee. Nevertheless such transaction shall be ratified by the Audit Committee within 3 months from the date of the transaction. In absence of ratification, such transaction will be voidable at the option of the Audit Committee. Moreover, if the transaction is with a related party to any director or is authorised by any other director, the concerned director will indemnify the company against any loss incurred by the company.

Amendments to Section 178 on CG [Nomination and Remuneration Committee (NRC)]

- I. Section 178 (1) of the Companies Act, 2013 provides that the board of directors of 'every listed company' and such other class or classes of companies, as may be prescribed, shall constitute the Nomination and Remuneration Committee.

Similar to the constitution of Audit Committee the Companies (Amendment) Act, 2017 has provided that instead of every listed company, every listed public company shall be required to constitute a Nomination and Remuneration Committee. Moreover, the classes of companies as prescribed shall also be required to constitute a NRC. Therefore, a private company having listed its debt instruments as per SEBI Debt Listing Regulations will be exempted from constituting a NRC.

- II. Section 178 (2) of the Companies Act, 2013 provides that the NRC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every director's performance.


While accepting the provisions of the above section in regard to the responsibilities to be undertaken by the NRC, the Companies (Amendment) Act, 2017 requires that instead of carrying out evaluation of every director's performance, the NRC shall specify a methodology for effective evaluation of performance of the board, its committees and individual directors. Therefore, 'evaluation' could be carried out by either the board, the NRC, or by an independent external agency. The NRC's responsibility would be to review the implementation and compliance of the evaluation

system.

- III. According to the provision of Section 178(4) of the Companies Act, 2013, the remuneration policy shall be disclosed in the board's report.

The companies (Amendment) Act, 2017 requires that such policy shall be placed on the website of the company also. The board's report shall disclose the salient features of the remuneration policy and any changes therein along with the web address of the policy.

Conclusion

It is no doubt that the Companies (Amendment) Act, 2017 has addressed many obstacles in implementation of various provisions of 2013 Act. It has facilitated ease of doing business and has helped in achieving better harmonisation with other statutes such as, RBI Act, 1934, SEBI (LODR) Regulations, 2015 etc. and has rectified inconsistencies prevailing in the 2013 Act. 

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CORPORATE PLAYS CATALYTIC ROLE IN CSR ACTIVITIES IN INDIA



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Corporate Social Responsibility (CSR) is an organizational policy beyond its regulatory requirements. A widely accepted definition of CSR in the business and social context has been given by the European Union (EU). It explains CSR as “the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business enterprises to contribute for economic development while improving the quality of life of the workforce and their families as well as of the local community and society. The usage of the term CSR frequently began in the early 1970s. In India, the evolution of CSR refers to changes over time in cultural norms of corporation’s engagement and the way businesses managed to develop positive impacts on communities, cultures, societies, and environment in which those corporations operated.

The companies in India focusing on public health, education, livelihoods, water conservation and natural resource management under the CSR policy.

We can draw four faces of social responsibilities i.e.

1. Economic:- Responsibility to earn profits for owners
2. Legal:- Responsibility to comply with the law
3. Ethical:- Not acting just for profit, but doing what is right, just and fair
4. Voluntary and philanthropic:-Promoting human welfare and goodwill. Being a good corporate citizen contributing to the community and quality of life

Growing Importance of CSR

CSR can provide benefit to a company because it forces the leadership to research and implement ways to be a benefit for the society. The establishment of a CSR strategy is vital component of a company’s competitiveness and something that should be led by the firm itself. This means

having policies and procedures in place which incorporate social, ethical, human rights, environmental or consumer concerns into business operations and core strategy with all stakeholders.

Apart doing better for society and the planet, CSR can be a significant competitive advantage in today's highly competitive environment.

- ★ **In the interest of enterprises** - CSR gives high benefits to companies in risk management, cost savings, access to capital, customer relationships, HR management, and their ability to innovate.
- ★ **In the interest of the economy** – CSR provides companies more sustainable and innovative, which contributes to a more sustainable economy.
- ★ **In the interests of society** - CSR offers a set of values on which we can build a more cohesive society and base the transition to a sustainable economic.

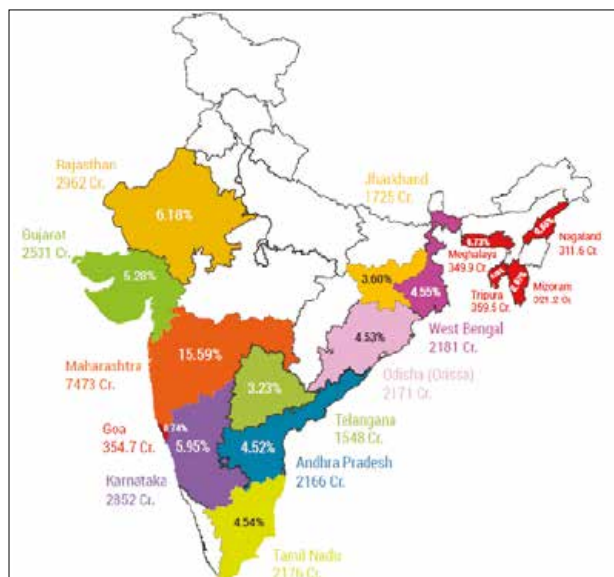
CSR in Indian context

CSR is not new in India. Ever since its inception corporates like ONGC, IOCL, NTPC, HPCL, BPCL, RELIANCE, HDFC, to name few have been involved in serving the community, through donations and charity events. In India, CSR policy is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. CSR policies within the Act is applicable to companies with an annual turnover of Rs 1,000 crore and more, or a net worth of Rs 500 crore and more, or a net profit of Rs 5 crore and more than Rs 5 crore.

According to Companies Act, 2013 rules, which effect from the fiscal year 2014-15 onwards, also require companies to set up a CSR committee consisting of their board members, including at least one independent director.

In India several companies have started thinking that it is a innovative move to take up CSR activities and integrate it with their business process. The main objective of CSR in these days is to optimize the company's overall impact on the society and stakeholders. Companies are becoming aware of their role towards the society. They are responsible bodies that realized the duty towards the common welfare and the environment. This ways they can feel that as an integral part of this society themselves, can contribute to its uplift and empowerment of whole country. Thus companies now are setting up separate departments and teams that

develop policies, strategies and goals which are for their CSR programs and allocate separate budgets to support them. These programs are based on well-defined social beliefs or are carefully associates with the companies' business process. CSR programs ranges from social development to development in education, environment, and healthcare and so on.



Source: Report CSR IN INDIA July 2018 by NGOBOX & CSRBOX

Top 10 States as CSR Fund Receivers (FY-14-15-FY18-19)

State	% India's of CSR fund	INR Cr.
Maharashtra	15.59%	7473
Rajasthan	6.18%	2962
Karnataka	5.95%	2852
Gujarat	5.28%	2531
West Bengal	4.55%	2181
Tamil Nadu	4.54%	2176
Odisha (Orissa)	4.53%	2171
Andhra Pradesh	4.52%	2166
Jharkhand	3.60%	1725
Telangana	3.23%	1548

ABSTRACT

The corporate sector plays catalytic role in uplift of the marginalized section of the society - the poor, the needy and the downtrodden. What a weary time they have to pass through -- to have the desire and the need to live but not the ability and on the other hand, there are corporates who influence, who possess the drift, the force whose implication leads them forward in the course of their lives. They are the ones who bring meaning to lives of the poor, who happen to inspire, who spark a fire that they carry with them for the rest of their days, who are pillars of hope, life-changers, life-savers, catalysts.

Corporate social responsibility is a management concept whereby companies incorporate social and environmental concerns in their business operations and interactions with their stakeholders. CSR policy functions as a self-regulating mechanism whereby corporate ensures its active compliance with the spirit of the law, ethical standards, and international norms. The companies in India started focusing on social need-based initiatives associate with the national priorities such as public health, education, livelihoods, water conservation and natural resource management. In the last five years, the Government of India has also enhanced its focus on persuading companies to participate in addressing social and developmental issues, not only as a part of their social responsibility but also their business concerns. Since the inception of CSR, corporate like the ONGC, IOCL, NTPC, HPCL, BPCL, RELIANCE, HDFC, to name few have been involved in serving the community, through donations and charity events. In India, the CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of 5 crore INR and more than 5 crore INR. In the last decade, CSR has developed gradually in India with some companies focusing on strategic CSR initiatives to contribute toward nation building and empower of the society.

Bottom 5 States as CSR Fund Receivers

State	% India's of CSR fund	INR Cr.
Nagaland	0.65%	311.6
Mizoram	0.67%	321.2
Meghalaya	0.73%	349.9
Goa	0.74%	354.7
Tripura	0.75%	359.5

In India, Some companies of CSR have initiatives to contribute toward nation building. Gradually, the companies in India started focusing on need-based initiatives in the area of public health, education, livelihoods, water conservation and natural resource management. National level of role and responsibility of the corporate sector in contributing toward addressing social issues were witnessed in the last decade.

In the last five years, the government of India has also extent its focus on persuading companies to participate in addressing social and developmental issues, not only as a part of their social responsibility but also their business handling. Establish an example for the private sector; guidelines regarding expenditure on CSR activities for Central Public Sector Enterprises were issued by Department of Public Enterprises. The Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises have revised every year guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises. In every year Central Public Sector Enterprises (CPSEs) makes a budgetary allocation for CSR and Sustainability activities/projects with the approval of its Board of Directors.

These guidelines came into effect from 23-May-2012 and are a revised version of the previous comprehensive "Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises" issued by The Department of Public Enterprises (DPE), in May-2012. While the previous guidelines focused mainly on CSR activities for external stakeholders, the revised guidelines by the DPE also take internal stakeholders, particularly employees, into account. Revised CSR guidelines also emphasis a dedicated section on sustainability reporting and disclosure. Department of Public Enterprises (DPE) has issued Guidelines on CSR vide OM No. 15(7)/2012-DPE(GM)-GL-104 dated the 12th April, 2013. These Guidelines is effective from 1st April 2014 with approval of Minister (Heavy Industries & Public

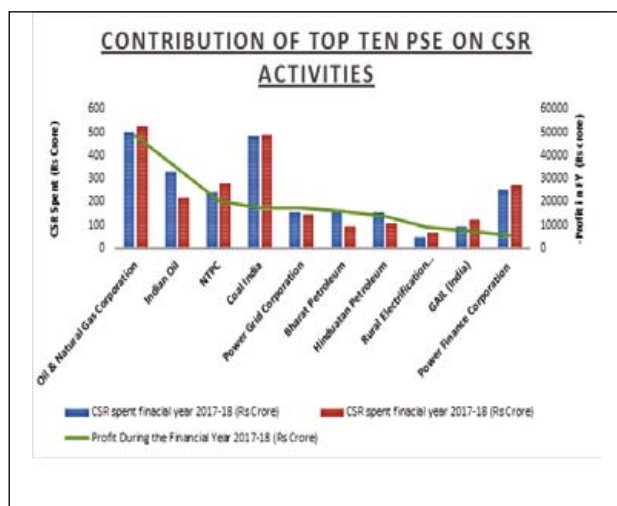
Enterprises).

The Ministry of Corporate Affairs has issued CSR Rules on 27.02.2014 and applicable to all Companies including CPSEs w.e.f. 1st April, 2014. As per Sec 135(1) of Companies Act 2013, The Companies shall spend at least 2% of the average net profit of the three immediately preceding financial Years.

A Top ten profitable of Central Public Sector companies with best Corporate Social Responsibility polices and their key implementing areas are:-

Contribution on CSR Activities of Top Ten Public Sector Companies			
			(Rs. In Corers)
Name of Company	Profit During the Financial Year 2017-18	CSR spent financial year 2017-18	CSR spent financial year 2016-17
Oil & Natural Gas Corporation ONGC	48475.52	503.4	525.9
Indian Oil IOCL	34804.42	331.05	213.99
National Thermal Power NTPC	20453.32	241.54	277.81
Coal India Limited CIL	17343.77	483.78	489.67
Power Grid Corporation	17179.25	157.99	147.27
Bharat Petroleum BPCL	15807.25	166.02	90.98
Hindustan Petroleum HPCL	13973.79	156.87	107.9
Rural Electrification Corporation REC	9012.69	49.45	69.8
GAIL (India)	7300.31	91.65	123.58
Power Finance Corporation PFC	5304.51	249.41	268.31

Source: Annual Report 2017-18 & 2016-17



Top ten profitable of Central Public Sector companies with best Corporate Social Responsibility polices

ONGC: The **CSR initiatives** by ONGC under the 12 focus areas. There areas are Education including vocational courses, Health Care, Entrepreneurship schemes, Infrastructure support near our operational areas, Environment protection, ecological conservation, promotion, Protection of heritage sites, Promotion of artisans, craftsman, musicians, artists etc, art and culture, Women's empowerment, girl child development, gender sensitive projects, Promoting sports/sports persons; supporting agencies promoting sports/sports persons, Water management including ground water recharge, Initiatives for physically and mentally challenged and Sponsorship of seminars, conferences, workshops etc

IOCL: Indian Oil has been actively engaged in a gamut of social welfare/uplift activities across the nation in addition

to reaching essential fuels viz. Kerosene, LPG, petrol, diesel, etc. to the nook and corner of the Country. Indian Oil's key Corporate Social Responsibility (CSR) thrust areas include 'Safe drinking water and protection of water resources', 'Healthcare and sanitation', 'Education and employment-enhancing vocational skills', 'Empowerment of women and socially/ economically backward groups', etc.

The CSR projects of Indian Oil are mostly undertaken in the vicinity of its establishments for improving the quality of life of the community. Indian Oil has a long standing CSR legacy, which started much before the CSR legislation (Companies Act, 2013) came into force in 2014-15. For the year 2017-18, achieved 100% budget utilization i.e. entire budget allocation of Rs.331.05 crore was spent on CSR activities.

NTPC: CSR has been an integral part of NTPC's business of power generation and lighting up the lives of millions of Indians. Since inception, NTPC has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development activities. NTPC policy grows its wings at the project sites the moment the project takes off. Thereafter extensive social development activities are taken up along with the project development. NTPC CSR initiatives and programmes are benefitting over a million of our countrymen in over 500 odd villages in the neighborhood of our stations and plants.

Coal India Limited: Coal India (including Subsidiaries) spent on CSR an amount of Rs. 483.78 Crore during the financial year 2017-18 as against Rs. 489.67 crore during the financial year 2016-17. Contribution to the society at large by way of development, imparting education, water

supply including drinking water, Medical facilities, Health awareness programme, Medical Camp, promotion of Sports & Culture, training and social awareness specially economically backward class for their development and generation of income to avoid any liability of employment.

GAIL (India) Limited: CSR initiative by GAIL are supporting communities in multiple thrust areas like health, sanitation, education, skill development, livelihood, and environment. Through Utkarsh project, the company has helped over 500 students from economically backward communities to join India's premier engineering institutes. GAIL Institute of Skills (GIS) is also involved towards bridging the skill gap faced by the oil and gas industry. GAIL's CSR programme running in 25 states and UTs.

Bharat Petroleum: CSR Areas by Bharat Petroleum are quality education (strengthening primary, secondary education and empowering teachers), water conservation, skill development, health/hygiene and rural development. In 2014-15, a CSR allocation of Rs 76 crore, of which it spent Rs 33.95 crore. The balance has been carried to the current fiscal, and has been spent on Swachh Bharat Swachh Vidyalaya project. Project BOOND, which is related to construction of rain water harvesting structures to making villages drought-free. In the past 6 years, it has been expanded to over 140 villages in Maharashtra, Tamil Nadu, Karnataka, Rajasthan, Uttar Pradesh and Andhra Pradesh, making them water positive. In 2014-15, 40 villages were made water positive by creating 7 crore liters of water, benefitting over 5,500 families.

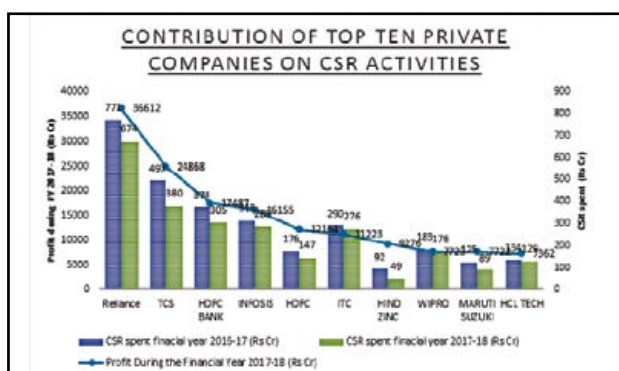
Corporate Social Responsibility policies of Top ten private sectors companies and their key implementing areas are :-

Contribution of Top Ten Private Companies on CSR Activities

			(Rs. In Crores)
Name of Company	Profit During the Financial Year 2017-18	CSR spent financial year 2017-18	CSR spent financial year 2016-17
Reliance	36612	771	674
TCS	24868	497	380
HDFC BANK	17487	374	305
INFOSIS	16155	313	289
HDFC	12164	176	147
ITC	11223	290	276

Contribution of Top Ten Private Companies on CSR Activities			
			(Rs. In Crores)
Name of Company	Profit During the Financial Year 2017-18	CSR spent financial year 2017-18	CSR spent financial year 2016-17
HIND ZINC	9276	92	49
WIPRO	7723	183	176
MARUTI SUZUKI	7722	125	89
HCL TECH	7362	134	129

Source: Annual Report 2017-18 & 2016-17



Infosys: CSR areas with Infosys Foundation, towards removing malnutrition, improving healthcare, infrastructure, supporting primary education, rehabilitating abandoned women and children and preserving Indian art and culture. Infosys Foundation USA is working on bridging the digital divide in America by supporting computer science education and training in underrepresented communities. The Infosys Foundation mid-day meal program spans several states across India with the partnership Akshaya Patra Foundation.

Reliance: Reliance industries limited has identified six focus areas that aim to positively and holistically impact society. These areas are Rural Transformation, Healthcare, Education, Environment, Protection of National Heritage, Art and Culture and Disaster Response.

TCS: CSR programs by TCS Foundation are education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. TCS implement CSR activities through NGOs, Trusts, government bodies, educational institutions, other corporate & industry associations.

HDFC Bank: The CSR projects undertaken by HDFC Bank

in FY 2017-18 are mentioned below: Rural development - Promotes holistic growth and development of rural communities, Promotion of education - Creates a conducive learning environment in communities across the country and promotes learning, Skills development and livelihood enhancement - To up-skill people in their occupations and train them for placement, Healthcare and hygiene - Focuses on improving sanitation facilities and promoting good and safe hygiene practices across several communities, Financial literacy and inclusion - To educate people and enable them to make informed financial decisions.

ITC: CSR activities by ITC are women empowerment, education, Health, Sanitation and Skilling & Vocational Training, Environment, Health & Safety, Water Security and Greenhouse Gases and Carbon Sequestration.

Maruti Suzuki: The company's CSR activities are primarily in the areas of community development, road safety and skill development. Projects are designed in consultation with beneficiaries and stakeholders, and are implemented directly by the Company.

Wipro: CSR programs by Wipro are education for children of migrant laborers for our new infrastructure projects, urban water programs in cities where we operate and access to social benefits for city municipal solid waste workers, Primary Health care, education for underprivileged, children with disability, environment and disaster Rehabilitation.

Hindustan Zinc: The Company's CSR focuses on Education, Sustainable Livelihoods, women's empowerment, health, water, sports and culture, environment and community development including Community Assets Creation

HCL: HCL Foundation is the corporate social

responsibility arm of HCL Technologies. It is a not-for-profit gold standard that uses international development standards to implement CSR programs that bring lasting impacts to the lives of people across urban and rural areas of India. The Company is doing CSR expenditure in Education, Infrastructure, Women Development and Health.

Conclusion & Suggestion:


India offers astounding variety in virtually every aspect of social life. Diversities of ethnic, linguistic, regional, economic, religious, class, and caste groups crosscut Indian society, which is also permeated with immense urban-rural differences and gender distinctions and it has variety of issues. We need to upgrade the living standards with collaborative efforts to find new ways for our citizens who are living in segregation for hundreds of years. Bringing equality should be the prime work of people, institution and business.

In a panel discussion organised by Business Standard this year in January, Infosys co-founder NR Narayana Murthy has suggested that the top 100 Indian companies could allocate an additional 8% as against the current 2% of the profits earmarked for corporate social responsibility under Section 135 of the Companies Act.

For making our heritage and tourism more sustainable through development, the ministry of tourism, Government of India initiated the scheme of adopt a heritage and released a complete guideline and project for development of tourist friendly destinations with an aim to involve public sector companies, private sector companies and corporate citizens/individuals to take up the responsibility to improve operation of world class tourist infrastructure and amenities at state heritage sites and other important tourist sites in India.

The status of CSR is still struggling, after 5 years of the mandate to current Govt. According to Ministry of Corporate Affairs (MCA) about Rs. 28,111.63 crore has been spent on CSR activities during the period from April 1, 2014 to November 30, 2017. The number looks attractive and fruitful but there are many challenges to resolve the issue. Only a small portion of companies leveraging technology to build an impact driven CSR program, we still have a long way to go.

On October 24, 2018 Hon'able Prime Minister Narendra Modi inaugurated a portal for corporate social responsibility (CSR). This is being developed by My Govt and will host CSR activities that have already been kicked off. This initiative

is to create a resource pool and find a way to "harmonies efforts with the priorities of the government in areas such as the Skill India, Digital literacy, Financial Inclusion, and Swachh Bharat campaigns. 

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STAKEHOLDERS' PERCEPTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY: A CASE STUDY OF INDIA

ABSTRACT

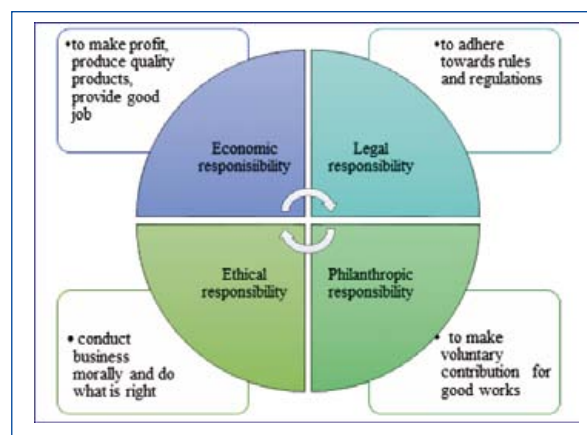
CSR is the obligation of the corporate houses towards society for the well-being of the society. It is based on the give and take ideology. A company takes resources from the society in the form of man, material, money, market etc. and gives something back to the society in the form of CSR activities. Business depends on society for input, and being so dependent on society business definitely has responsibility towards society. In the last two decades, there is a sea change in the responsible behaviour of the company and in the attitudes of various stakeholders towards CSR. This study is an attempt to know this perception of stakeholders' so that companies can understand their behaviour and fulfill their expectations in an appropriate manner. The findings of the study show that Responsible company has been rewarded by appreciating its responsible efforts, by purchasing its products and by talking positively about it. Through this, its image and social status improve which is beneficial for the company. There is no significant difference among selected stakeholders on CSR. These stakeholders are the group of knowledgeable person and their level of thinking is same for given CSR aspects.



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Corporate Social Responsibility (CSR) is the obligation of the corporate houses towards society for the well-being of the society. Basically it has 2 meanings- One for the company as profit making and other for the community as social welfare. The specific theory in which corporations interact with the community is named as corporate social responsibility having 4 types of obligations named as economic, legal, ethical, philanthropic given by Carroll as under:

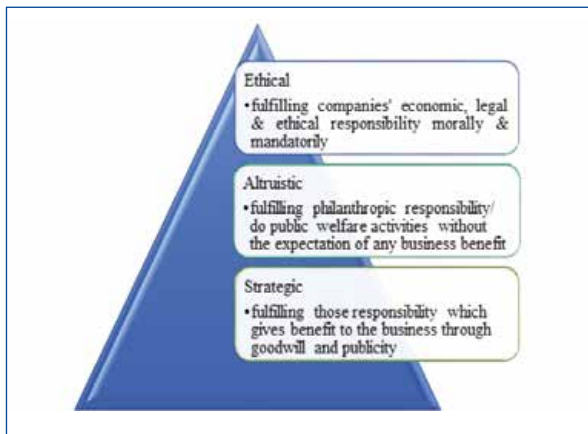
Figure 1: Types of responsibility



Source: Author's compilation based on Carroll's model

Lantos has classified CSR as ethical CSR, altruistic CSR & strategic CSR.

Figure 2: Types of responsibility



Source: Author's compilation based on Lantos model

- 1. Economic responsibility:** The main concern of a business is maximising shareholder's wealth, firm's value & profit which act as foundation for other initiatives.
- 2. Legal responsibility:** Company should operate within the framework as per legal provision given by the government.
- 3. Voluntary/ Philanthropic responsibility:** This is related with the contribution of the company's resources for the well - being of the society so that quality of life for people around improves.
- 4. Ethical responsibility:** This responsibility is related with the moral value of organisation having obligation to do what is right.

We can say that business is an economic activity which is developed in the social environment. Now, in the time of globalisation when competition & expectation towards corporates are increasing then it is the duty of business organisation to take care of the social interest and need of the society. For survival & growth of the business, companies should fulfil its social obligations.

Objectives of the study:

1. To study the stakeholders perception towards corporate social responsibility.

2. To compare the stakeholders' perception towards corporate social responsibility.

Literature review:

1. Andrea and Ignacio (2015) have discussed the CSR images formation from customers' perspective of banking industry and also described the impact of customer's education, gender and age on this image formation with the help of structural equation model and measurement scales. The findings of the study suggest that there is no use of customer's segmentation for designing CSR.

2. Wali, Amadi&Adanne (2015) have comparatively analysed the CSR impact on marketing performance of financial industry in Nigeria and UK through primary survey of 200 customers and 40 managers. The study shows that there is a significant impact of CSR practices on consumers' buying behaviour, sales growth and profit of the selected industry and companies should take advantage of CSR behaviour by fulfilling stakeholders' expectations.

3. Baisakalova (2014) has identified the differences and similarities in the views of different stakeholders on CSR issues in Kazakhstan with the help of Carroll's model with some modifications. This study provides help to different stakeholders in various ways such as for managers in strategic planning on CSR issues, for policy makers in effective public policies making, for NGO leaders to enhance mutual cooperation with the companies etc.

4. Olajide&Fadun (2014) have examined the business CSR and stakeholders' expectations in Nigeria through Carroll's model and found that among four types of responsibilities stakeholders give more importance on economic, legal & ethical responsibility than philanthropic responsibility.

5. Kiviluoma (2013) has performed a case study of Lappset Group with its stakeholders through primary survey to know the stakeholders' perception of Finland, Germany and the Netherlands for CSR communication. The results show that there is a positive perception for CSR and Lappset group consider safety and environmental issues most significant and ethical, social and human rights issues least significant.

6. Choudhary& Singh (2012) have conducted a survey on CSR to know the employees' perception whether CSR is for competitive advantage or social concern or both. They have also proposed pillars and models for CSR and concluded that companies are doing well for society, collaborating with NGOs for CSR implementation and by this society improves which results the performance and shareholders' value

improvement of the companies.

7. Nema, Parwani & Manuel (2012) have investigated about the CSR activities of NGOs and their awareness & perception towards these activities along with the problems faced by NGOs. For this, 32 NGOs which carried out CSR activities in different sectors had been selected. This study concluded that even if NGOs have 3 to 5 years existence, their awareness about CSR is low.

8. Shergill (2012) tried to find out the gap between expectation and perceptions of the of the consumers in relation to corporate social responsibility to help the companies for better understanding about the expectations of consumers and concluded that consumers are not satisfied with companies' attitude. There is a huge gap between the expectations and perceptions of the consumers.

In the above reviews, mainly two types of stakeholders are considered i.e. customer and management with different type of questionnaires but the present study is based on common questionnaire for four types of stakeholders to find out the better view point on common parameters of CSR.

Research Methodology:

Scope of the study: The study has covered the four types of stakeholders which belong to the knowledgeable group of the society and also having knowledge of CSR i.e. Academicians, CA/CSs, Management personnel and Researchers.

Research design: This study has descriptive nature which discusses the present state of CSR through various CSR related statements.

Sampling Unit: In this study, sampling unit is stakeholders which are classified into four categories.

Sample size: 103 stakeholders related to various groups are taken into consideration for primary survey which truly represent the Indian population and proves helpful for giving the true picture of CSR.

Sampling design: Random sampling technique is used to collect the required data for the study. The respondents in the survey are taken from various parts of India.

Data Collection: A well - structured questionnaire consisting three parts has been prepared for data collection

through primary survey.

Statistical Tools and techniques: Frequency distribution, Percentage, Weighted Mean, reliability analysis, ranks and Anova have been used to draw the valuable interpretations and inferences of the study.

Hypothesis:

H01: There is no significant difference among stakeholders' perception on Corporate Social Responsibility.

Analysis and Interpretation of data: To achieve research objective, primary data collected from questionnaire has been used. The first part of questionnaire comprises demographic information of respondents related to gender, age, educational qualification and occupation. The second part comprises statements related to CSR to know stakeholders' perception towards CSR. All these statements are based on 5-point Likert scale and respondents have to answer these statements as strongly agreed (SA), agreed (A), neither agreed nor disagreed/neutral (N), disagreed (DA), strongly disagreed (SDA). The third part comprises ranking based questions related to various CSR aspects i.e. CSR activities related areas, Ways of executing CSR, Motivating factors for CSR Target group for CSR, Possible benefits of CSR etc. Respondents have to give ranks to these aspects on the basis of importance such as rank 1 is given to most important aspects and so on. The following class interval is used for Likert scaled statements and Weighted mean score of statements is categorised for outcome in the following categories.

★ 0 to 1	-	strongly disagreed
★ 1 to 2	-	disagreed
★ 2 to 3	-	moderate
★ 3 to 4	-	agreed
★ 4 to 5	-	strongly agreed

The following 12 CSR statements are codified to make the data presentable and data analysis easy.

- CSR1. Companies should pay attention to Corporate Social Responsibility (CSR)
- CSR2. Companies should voluntarily contribute resources for the betterment of the society.
- CSR3. CSR is beneficial for the companies as well as for the society.
- CSR4. CSR can be an effective framework to ensure social equity and environmental protection.
- CSR5. CSR acts as a facilitator for bringing positive change in the society.

CASE STUDY

- CSR6. CSR should be mandatory for the companies.
- CSR7. CSR of a company may influence our decisions such as investing in such company.
- CSR8. Reputation of a company increases with the CSR activities & its reporting.
- CSR9. Responsible behaviour of a company towards society influences us to buy such company's product.
- CSR10. CSR is just a public relation exercise to make company look good.
- CSR11. CSR goes against business interests because it reduces the company's profit margin.
- CSR12. CSR is a waste of company's time and resources.

Then final questionnaire has been distributed to 227 respondents in the form of hard copy and soft copy personally and through e-mail. 110 questionnaires have been collected, 103 questionnaires have been analysed and rest has been rejected due to incompleteness. The collected data has been analysed with the help of percentage, weighted mean and ranking. The hypothesis has been tested by using Anova.

Limitations of the study:

1. This study is limited to Indian panorama.
2. The respondents are classified into four groups. This classification could be extended on more groups.
3. The sample size is limited to 100 respondents which could be increased for better results.
4. Even if sincere efforts have been made to collect correct information through questionnaire but still personal biases could not be debarred.

Data analysis and interpretation:

MS-Excel and SPSS20.0 have been used to analyse the data. Analysis of this survey has reliability analysis, descriptive analysis and inferential analysis.

Table 1: Details about Questionnaire Distribution

Respondents	Distributed	Collected	Considered	Rejected
Academicians	93	41	38	3
CA/CSs	43	19	19	0
Management personnel	43	18	17	1
Researchers	48	32	29	3

Total	227	110	103	7
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Source: Primary survey

Table 2: Reliability analysis

Cronbach's Alpha	Cronbach's Alpha based on Standardized Items	N of Items
0.719	0.748	12

Source: Author's compilation from primary survey

Questionnaire formed for survey is considered good and reliable as Cronbach's Alpha value (0.719) is more than 0.7 which is acceptable rule of thumb for making reliability analysis.

Table 3: Demographic profile of respondents

Demographic profile	Number of respondents	% percentage
Gender		
Male	68	66%
Female	35	34%
Age		
Less than 25	11	10.70%
25-40	66	64.10%
41-55	22	21.40%
Above 55	4	3.90%
Education Level		
Under Graduate	0	-
Graduate	9	8.70%
Post Graduate	53	51.50%
Doctorate	41	39.80%
Occupation		
Academicians	38	36.89%
CAs/CSs	19	18.45%
Management personnel	17	16.50%
Researchers	29	28.16%

Table 4: Stakeholders' perception on CSR

Code	CSR statements	SA (5)	A (4)	N (3)	DA (2)	SDA (1)	W.M.	Outcome
CSR1	Companies should pay attention to Corporate Social Responsibility.	76	26	1	0	0	4.73	Strongly agreed
	Percentage	73.79	25.24	0.97	0	0		
CSR2	Companies should voluntary contribute resources for the betterment of the society.	53	42	4	4	0	4.34	Strongly agreed
	Percentage	51.46	40.78	3.88	3.88	0		
CSR3	CSR is beneficial for the companies as well as for the society.	66	32	3	2	0	4.54	Strongly agreed
	Percentage	64.08	31.07	2.91	1.94	0		
CSR4	CSR can be an effective framework to ensure social equity and environmental protection.	46	47	7	2	1	4.3	Strongly agreed
	Percentage	44.66	45.63	6.8	1.94	0.97		
CSR5	CSR acts as a facilitator for bringing positive change in the society.	51	42	8	1	1	4.39	Strongly agreed
	Percentage	49.51	40.78	7.77	0.97	0.97		
CSR6	CSR should be mandatory for the companies.	48	38	8	7	2	4.17	Strongly agreed
	Percentage	46.6	36.9	7.77	6.79	1.94		
CSR7	CSR of a company may influence decisions such as investing in such company.	15	45	28	11	4	3.55	Agreed
	Percentage	14.56	43.69	27.19	10.68	3.88		
CSR8	Reputation of a company increases with the CSR activities and its reporting.	37	54	10	2	0	4.22	Strongly agreed
	Percentage	35.92	52.43	9.71	1.94	0		
CSR9	Responsible behaviour of a company towards society influences us to buy such company's product.	22	45	30	6	0	3.77	Agreed
	Percentage	21.36	43.69	29.14	5.82	0		
CSR10	CSR is just a public relation exercise to make company look good.	6	29	29	30	9	2.91	Moderate
	Percentage	5.82	28.15	28.15	29.13	8.75		
CSR11	CSR goes against business interests because it reduces the company's profit margin.	2	11	24	46	20	2.29	Moderate
	Percentage	1.94	10.68	23.3	44.66	19.42		
CSR12	CSR is a waste of company's time and resources.	2	3	4	29	65	1.47	Disagreed
	Percentage	1.94	2.91	3.88	28.16	63.11		

Table 4 shows the combined analysis of stakeholders' perception towards CSR with overall weighted mean score for the above four groups. This helps to understand the overall result of the survey in the following manner:

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★ For CSR1, 73.79% of total respondents are strongly agreed, 25.24% are agreed and 0.97% are neither agreed nor disagreed. Overall degree for this first CSR statement is strongly agreed with weighted mean score of 4.73.

★ For CSR2, 51.46% of respondents are strongly agreed, 40.78% are agreed, 3.88% are neither agreed nor disagreed and 3.8% are disagreed. Overall degree for this statement is strongly agreed with weighted mean score of 4.34.

★ For CSR3, 64.08% of respondents are strongly agreed, 31.07% are agreed, 2.91% are neither agreed nor disagreed, and 1.94% is disagreed. Overall degree is strongly agreed for this CSR statement with weighted mean score of 4.54.

★ For CSR4, 44.66% of respondents are strongly agreed, 45.63% are agreed, 6.8% are neither agreed nor disagreed, 1.94% is disagreed and 0.97% is strongly disagreed. Overall degree for this statement is strongly agreed with weighted mean score of 4.3.

★ For CSR5, 49.51% of respondents are strongly agreed, 40.78% are agreed, 7.77% are neither agreed nor disagreed, 0.97% is disagreed and 0.97% is strongly disagreed. Overall degree for this statement is strongly agreed with weighted mean score of 4.39.

★ For CSR6, 46.6% of respondents are strongly agreed, 36.9% are agreed, 7.77% are neither agreed nor disagreed, 6.79% are disagreed and 1.94% is strongly disagreed. Overall degree for this statement is strongly agreed with weighted mean score of 4.17.

★ For CSR7, 14.56% of respondents are strongly

agreed, 43.69% are agreed, 27.19% are neither agreed nor disagreed, 10.68% are disagreed and 3.88% is strongly disagreed. Overall degree for this statement is agreed with weighted mean score of 3.55.

★ For CSR8, 35.92% of respondents are strongly agreed, 52.43% are agreed, 9.71% are neither agreed nor disagreed, and 1.94% is disagreed. Overall degree for this statement is strongly agreed with weighted mean score of 4.22.

★ For CSR9, 21.36% of respondents are strongly agreed, 43.69% are agreed, 29.14% are neither agreed nor disagreed, and 5.82% are disagreed. Overall degree for this statement is agreed with weighted mean score of 3.77.

★ For CSR10, 5.82% of respondents are strongly agreed, 28.15% are agreed, 28.15% are neither agreed nor disagreed, 29.13% are disagreed and 8.75% are strongly disagreed. Overall degree for this statement is moderate with weighted mean score of 2.91.

★ For CSR11, 1.94% of respondents are strongly agreed, 10.68% are agreed, 23.3% neither agreed nor disagreed, 44.66% are disagreed and 19.42% are strongly disagreed. Overall degree for this statement is moderate with weighted mean score of 2.29. It means that they are neither agree nor disagree and are not having clear decision for this statement.

★ For CSR12, 1.94% of respondents are strongly agreed, 2.91% are agreed, 3.88% are neither agreed nor disagreed, 28.16% are disagreed and 63.11% are strongly disagreed. Overall degree for this statement is disagreed with weighted mean score of 1.47.

Table 5: Weighted mean score summary

CSR statement	CA/CS	Mgt. personnel	Researcher	Academicians	Overall W.M	Outcome
CSR1	4.79	4.65	4.72	4.74	4.725	Strongly agreed
CSR2	4.47	4.41	4.14	4.34	4.34	Strongly agreed
CSR3	4.37	4.53	4.52	4.74	4.54	Strongly agreed
CSR4	4.16	4.41	4.21	4.42	4.3	Strongly agreed
CSR5	4.32	4.59	4.28	4.37	4.39	Strongly agreed
CSR6	3.84	4.24	4.34	4.24	4.165	Strongly agreed
CSR7	3.37	3.59	3.89	3.34	3.5475	Agreed
CSR8	4.26	4.18	4.24	4.21	4.2225	Strongly agreed
CSR9	3.58	3.71	3.93	3.87	3.7725	Agreed

CSR10	3.05	2.76	2.76	3.08	2.9125	Moderate
CSR11	2.26	2.24	2.31	2.37	2.295	Moderate
CSR12	1.37	1.18	1.69	1.63	1.4675	Disagreed

Source: Primary survey (author's compilation)

Table 5 shows the summary of individual weighted mean score for each group and overall score also for CSR statements. CSR1, CSR2, CSR3, CSR4, CSR5, CSR6, CSR7, CSR8 and CSR9 all have weighted mean score more than 3 which mean that all respondents are agreed on these corporate social responsibility related aspects. CSR10, CSR11 and CSR12 are having less than 3 mean score which means that all respondents are disagreed on these CSR aspects.

There are some ranking based statements related to various CSR aspects. Ranks have been given on the basis of preference, importance or priority such as rank 1 is assigned to the most important factor and so no. For calculating weighted mean of ranks, weights have been assigned to the ranks. 5 weight is given to R1, 4 weight is given to R2, 3 weight is given to R3, 2 weight is given to R4, 1 weight is given to R5. Following is the collected data related to various CSR aspects:

Question1. How would you rank the activities a company should invest for social welfare?

Table 6: CSR activities related areas

CSR activities	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	W.M.	Overall rank
Education	32	22	22	10	17	3.41	2
Healthcare	12	41	15	29	6	3.23	3
Environment protection	33	14	30	15	11	3.42	1
Livelihood generation	6	13	24	37	23	2.43	5
Removal of poverty & hunger	20	13	12	12	46	2.51	4

Source: Primary survey

Question2. How would you rank the ways of executing the CSR activities?

Table 7: Ways of executing CSR

Ways of executing CSR activities	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	WM	Overall rank
By own CSR project management department	57	17	10	9	10	3.99	1

Ways of executing CSR activities	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	WM	Overall rank
By giving financial support directly to the society	11	30	20	20	22	2.88	3
By organizing charitable events every year	8	15	32	28	20	2.64	4
By funding to government schemes.	8	15	23	30	27	2.49	5
By collaborating with a voluntary organisation /NGO	18	34	19	13	19	3.18	2

Source: Primary survey

Question3. How would you rank the motivating factors for companies to invest in social programs?

Table 8: Motivating factors for CSR

Motivating factors for CSR	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	WM	Overall rank
To develop the society	44	25	10	8	16	3.71	1
To get tax benefits	12	22	32	21	16	2.93	2
To advertise the company among people	9	17	29	29	19	2.69	5
Due to legal pressure	24	13	18	19	29	2.84	3
Due to management ethics	19	19	15	24	26	2.82	4

Source: Primary survey

Question4. How would you rank the targets groups on which a company should focus to cover under CSR initiatives?

Table 9: Target group

Target group	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	W.M.	Overall rank
Random selection of area or community	15	11	20	13	44	2.42	5
Area/community selected in consultation with NGOs	14	31	15	35	8	3.08	2
People living nearby the industry/ organisation	44	13	22	10	14	3.61	1

CASE STUDY

Tribal/ poor people in any part of country	10	30	20	26	17	2.91	4
Tribal/ poor people living in rural areas	15	23	30	21	14	3.04	3

Source: Primary survey

Question5. How would you rank the various possible benefits of investing in social activities?

Table 10: Possible benefits

Possible benefits	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	W.M.	Overall rank
Society develops	61	13	12	12	5	4.11	1
Sale of the company increases	4	18	19	32	30	2.36	4
Social status of the company improves	23	33	31	9	7	3.54	2
Employees' productivity increases	2	19	21	26	35	2.29	5
Brand image of the company improves	18	25	16	21	23	2.94	3

Source: Primary survey

Question6. How would you rank the factors considered at the time of purchase of a product?

Table 11: Factors effecting purchasing decisions

Factors effecting purchasing decisions	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	W.M.	Overall rank
Price of a product	21	45	12	15	10	3.51	2
Utility of a product	66	18	6	6	7	4.26	1

Table 13: Result of ANOVA Test

Source of Variation	Sum of squares	Degree of freedom	Mean Square	F	P-value	F criteria
Between Groups	0.109	3	0.03647	0.0355	0.991	2.81646
Within Groups	45.201	44	1.0273			
Total	45.310	47				

Source: Calculation with MS-Excel

Table 13 presents the overall comparison of stakeholders' perception on CSR. The calculated value of F is 0.0355. Value of F-criteria at (3, 44) degree of freedom and at 5% significance level is 2.81646. The F- value is less than F-criteria and P-value is 0.991 which is also more than the significant level 0.05. Hence, the null hypothesis (H01) has been accepted. It means that there is no significant difference among stakeholders' perception on Corporate Social Responsibility. (Please refer table 5)

Trend	3	11	37	25	27	2.39	4
Brand image	12	21	36	27	7	3.04	3
Social commitment of the company	9	7	18	23	46	2.13	5

Source: Primary survey

Question7. How would you reward a social responsible company?

Table 12: Rewards to social responsible company

Reward to social responsible company	R1 (5)	R2 (4)	R3 (3)	R4 (2)	R5 (1)	W.M.	Overall rank
By appreciating such efforts	55	15	11	17	5	3.95	1
By buying such company's product	21	34	31	12	5	3.52	2
By investing in such company	11	24	28	36	4	3.02	4
By talking for it positively to others	18	30	25	25	5	3.31	3
Not rewarding	6	2	4	3	88	1.39	5

Source: Primary survey

The researcher has made an assumption that there is no significant difference among all the respondents in four groups on corporate social responsibility. For testing this, the null hypothesis has been framed which is as follows:

H_{01} : There is no significant difference among stakeholders' perception on Corporate Social Responsibility.

Conclusion:

After analysing the collected data of four groups of stakeholders/ respondents, the researcher has concluded that all stakeholders are having sufficient knowledge about social responsibility and they have responded properly. Findings of this study are acceptable in present scenario also. From this it is to be concluded that CSR is an effective framework, beneficial for the society and acts as a facilitator for bringing positive change in the society. Most of the respondents (84% approx.) are agreed that it should be mandatory for the companies. 91% (approx.) respondents are disagreed on the aspect that CSR is waste of company's time and resources. Most preferred area for CSR activities related to environment protection and education, the best way of executing CSR programmes is the company's own CSR department, the main motivating factor for CSR is social development of the people living nearby the industrial units. Responsible company has been rewarded by appreciating its responsible efforts, by purchasing its products and by talking positively about it. Through this, its image and social status improve which is beneficial for the company. MA

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BEYOND CSR COMPLIANCE- A CASE STUDY ON COAL INDIA LTD AND TATA STEEL LTD

ABSTRACT

India is the first country in the world to make Corporate Social Responsibility (CSR) a mandatory provision by introducing Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 which became effective from April, 2014. CSR is a statutory obligation for the corporate to undertake certain responsibilities towards economy, society and environment in which it operates and contribute to the sustainable development of the country as a whole. Before the introduction of Companies Act, 2013, several committees and guidelines were formed by several Ministries/Departments for CSR compliance, but those concepts were mainly voluntary and philanthropist in nature. Since the introduction of the new Companies Act, 2013, CSR spending is compulsory for both government and private sector companies+ which accelerated the spending from 6% to 8%, projects also increased by 25% during the last four years. Presently the Government is focusing on coherent CSR policy and as a result the Ministry of Corporate Affairs (MCA) has set up a Legal Sub-Committee to review the mandatory CSR compliance.

This article put focus on CSR activities of two such companies viz, Coal India Ltd and Tata Steel Ltd for the financial year 2017-18 whose percentage compliance in terms of CSR is 309% and 271% of their average net profit of previous three years.



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Background of the study-

World Business Council for Sustainable Development (WBCSD) defined CSR as “The continuing commitment of the business to behave ethically and contribute to sustainable economic development while improving the quality of life of the workforce and their families as well as of the local community and society.”

In other words, CSR is a concept that defines how a company or enterprise renders different services to its customers, employees, shareholders, communities and environment in all aspects. The concept of CSR is not deterrent to the profit maximizing objective of the business, but it includes various methods which a company employs in order to earn profit including socially responsible investments which also account for a transparent mechanism to its stakeholders. The concept of CSR can be tracked back to the Vedas which clearly states that man can survive collectively but not individually. The philosophy of “Sarva Loka Hitam” which means the well being of all stakeholders can be tracked back at a time when the rulers ruled India. During the pre-industrialized period in India, CSR were mainly in the form of philanthropy, charity and religion. Setting up of schools, libraries and higher educational institutions, building of temples were the main form of CSR in the 19th century also. The term CSR formally came into existence during the end of the 20th century.



Major public awareness regarding the environment problems can be traced back to the year 1972 in which the UN Conference on Human Environment and Development was held at Stockholm which contained 26 principles and an Action Plan. The 42nd Amendment Act, 1976 of the Indian constitution incorporated Article 48-A (Directive Principles of States Policy) and Article 51-A (Fundamental Duties). Article 48-A states that "The states shall endeavor to protect and improve the environment and to safeguard the forests and wild life of the country." On the other hand, Article 51-A states that "It is the duty of every citizen of India to protect and improve the environment." The needs for more legislation were required regarding the protection and conservation of the environment even after the constitutional amendment, which resulted to the introduction of Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Environment Protection Act, 1986 etc. Rio Earth Summit in 1992 held at Brazil introduced the term "Sustainable Development". Sustainable Development defined in the summit was- *"Development which meets the needs of the current generations without compromising the ability of the future generations to meet their own needs."* Further a statutory body was established by the Government of India to provide expeditious and speedy disposals of court cases relating to the protection and conservation of natural resources and compensation for damages to persons and property.

Government Initiatives:

In order to achieve a development which is sustainable for a society or economy, collective efforts are required from every sections of the society such as Government,

corporate, NGOs, civil societies and individuals. During the last three decades both the Government (Central and State) had put in joint efforts to promote CSR initiatives among the corporate. The very fast initiative came in the form of constituting a committee named Sachar Committee, which was entrusted with the responsibility of monitoring CSR issues among Indian companies in the year 1978. Former Prime Minister of India, Dr. Manmohan Singh while addressing the Annual General Meeting (AGM) of Confederation of Indian Industries (CII) in the year 2007 declared PM's Ten Points Social Charter which elaborately discusses the need for CSR in India and the duties of Indian corporate towards addressing such needs. The Ten Point Social Charter includes: health welfare of workers and their dependants, children education, provision of pension and provident fund, investments in skill developments, offering scholarships to young people, pro-active employment offerings to the deprived and backward sections of the society, promotion of enterprise and innovation etc. In order to establish a proactive role of the government towards CSR activities, the Ministry of Corporate Affairs (MCA) notified the Corporate Social Responsibility Voluntary Guidelines 2009 which was first of a kind. The ministry notified that such guidelines to be integrated with the overall business policy such that it provides a detail road map for CSR efforts and initiatives. The guidelines consisted of certain core elements like caring for all stakeholders, non-engagement in any unfair practices, respect for worker's rights and welfare, and respect for environment. Reviewing the CSR guidelines 2009 from various stakeholders Indian Institute of Corporate Affairs constituted Guidelines Drafting Committee (GDC) titled "National Voluntary Guidelines on Social, Environment and Economic Responsibilities

of Business” issued by MCA in the year 2011 based on principles like ethics, transparency, accountability, inclusive growth and equitable development. Another initiative came from the Department of Public Enterprises, which in the year 2010 which states that budgetary allocation to be spent on CSR should be based on the profitability (Profit after Tax) of the public sector enterprises in the previous years. In the year 2012, the regulator of share market, Securities and Exchange Board of India (SEBI) introduced the inclusion of “Business Responsibility Report” as a part of annual report of listed companies by inserting a clause 55 which states “Listed entities shall submit, as part of their annual reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the format suggested by the board.”

With this backdrop, this paper puts emphasis on the provisions of the Companies Act, 2013 regarding CSR and thematic CSR activities undertaken by two companies viz, Coal India Ltd and Tata steel Ltd during the financial year 2017-18.

CSR and Companies Act, 2013:

The legislators in India proved the comment of Winston Churchill correct who once said that “With great power comes great responsibility” by enacting the provisions of CSR in the Companies Act, 2013 which made India the first country in the world to do so. CSR is longer a concept of philanthropy, but is now a law and needs to be compulsorily adhered to. Since the introduction of Companies Act, 2013 the total CSR spending has been increasing at multiple folds amounting Rs. 9,034 crore in the financial year 2017-18 only. With the introduction of the Act in 2013, the Government has also enhanced its focus on pursuing the companies to take part in social and development issues as normal business practices rather than social responsibilities. CSR as stated in Companies Act, 2013 is a board driven architecture of CSR, thus making it a strategic one.

Section 135 of Companies Act, 2013 came into effect from April, 2014 aims at motivating the companies to spend 2% taking into average the last three financial years PAT. Sub-section (1) of section lays down that every company having:

Net worth of Rs. 500 crore or more; or

Turnover of Rs. 1000 crore or more; or

Net profit of Rs. 5 crore

during any financial year shall be required to constitute a CSR committee of the board consisting of three independent directors, out of which at least one director shall be an independent director. The composition of CSR committee needs to be mandatorily disclosed in the company’s annual board of director’s report. The board will be entirely responsible for the implementation of different CSR activities and also must specify the reasons in the director’s report if the prescribed amount of CSR lies unspent at the end of the financial year.

1. CSR activities of Coal India Ltd and Tata Steel Ltd-

Coal India Limited is a Maharatna Company of Government of India and Tata Steel Limited is one of the pioneer and largest steel manufacturers in the steel industry in the world. But the question arises is-

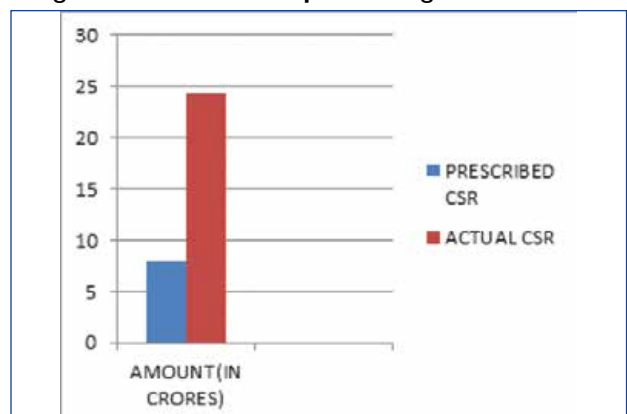
Why Coal India Limited and Tata Steel Limited?

1. According to India CSR Outlook Report 2018, Coal India Ltd has spent 309% and Tata Steel Ltd has spent 271% of the PAT in various CSR activities for the financial year 2017-18.
2. Among the list of companies spending more than 100% of the prescribed CSR, Tata Steel Ltd has the maximum prescribed CSR with Rs 85.6 crore and Coal India Ltd securing second position with Rs 7.9 crore for the financial year 2017-18.

1.1 CSR OF COAL INDIA LTD-

Coal India Ltd along with its subsidiary (CCL, WCL and SECL) has undertaken various CSR activities during the past few years. During the financial year 2017-18, the actual CSR spending is Rs. 24.31 crore which is much higher than the prescribed CSR spending of Rs. 7.9 crore.

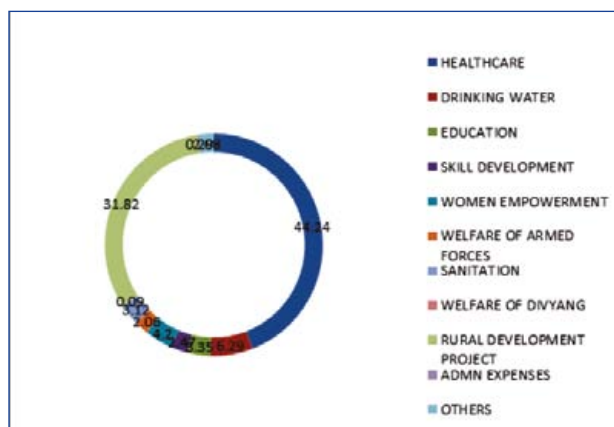
Fig 1.1.1 Details of CSR spent during 2017-18



The thematic areas of CSR activities are-

1. **Healthcare:** It is the sector where the company has spent approximately 44.24% of its total CSR expenditure. Healthcare activities were mainly undertaken through different implementing agencies in West Bengal. Cure and better management of disease in thalassemia by way of financial assistance of Rs. 10 lakh per patient, setting up of blood banks, financial support towards setting up of Indian Institute of Liver and Digestive Sciences are some of the major health care activities conducted by the company.
2. **Rural Development Projects:** In terms of percentage of CSR expenditure, Coal India Ltd has spent 32% in the promotion and development of rural development projects. Some of the major rural development projects are initiatives for agriculture, greening and capacity building, education in rural and remote areas, promoting solution for renewable energy needs of the households by installing Integrated Domestic Energy system and solar street lights.
3. **Drinking Water-** The third most important CSR activity was drinking water which accounts for around 6.29% of its total spending. The company along with its implementing agencies installed a large number of hand pumps in the drought prone areas of Purulia District of West Bengal.
4. **Women Empowerment-** Women empowerment has been one of the areas where joint efforts are required from different sections of the society like Government, civil societies etc. Different schemes are being undertaken by the government both at the central and state level for empowering women. The company has contributed around 4.20% of its CSR expenditure for the financial year 2017-18 through construction of girls' hostel belonging to BPL and backward families, various skill development projects like Nari Roshni through NANRITAM.
5. **Sanitation-** Not only schemes like PM Ujwaala Scheme, Swaccha Bharat Yojana implemented by the Central government, but the corporate are also induced to contribute a certain percent of its profit towards sanitation projects. Construction of soak pits, drains, platforms, training and IEC activities in Purulia District in West Bengal.

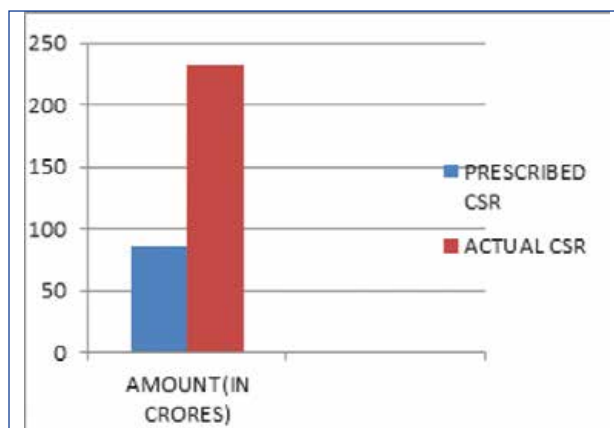
Fig 1.1.2 Theme wise CSR expenditure during the financial year 2017-18



1.2 CSR OF TATA STEEL LTD-

Tata Group of Companies is known worldwide for its extensive CSR activities even at a time when CSR was voluntary and philanthropic in nature. The same trend continues even after the introduction of the new Act which made CSR a law and as a result it spent 231.62 crore as against a mere prescribed CSR expenditure limit of Rs. 85.62 crore during the financial year 2017-18.

Fig 1.2.1 Fig 1.1.1 Details of CSR spent during 2017-18



The thematic areas of CSR activities conducted by the company are-

1. **Healthcare:** Like Coal India Limited, Tata Steel Ltd has spent approximately 40% of the total CSR expenditure in the health sector, preventive healthcare and sanitation. The projects of health care activities are mainly undertaken in the state of Jharkhand, Odhisa, Maharashtra and West Bengal.

Project MANSI helps in reducing the mortality of neonates and new born at places which lacks easy access to hospitals, healthcare centers etc. In order to reduce the illiteracy and low levels of awareness regarding early marriage and parenthood, a project named RISHTA is being run by the company. RISHTA has recently launched a mobile app for profiling adolescence.

2. Education: In order to bring back out of school or drop out children into the formal education sector, the company is striving to make child labour free zones. Jharkhand, Odhisa and Maharashtra accounts for more than 90% children attending schools. The company has spent 25% of the total CSR expenditure in education sector in the financial year 2017-18. The company has signed a MoU with Government of Orrisa to set up 30 model schools.
3. Skill Development: The Company has spent around 10% of the CSR expenditure in skill development and training of rural youths. In order to empower the Persons with Disabilities (PWD), the company has set up a center for abilities at Noamundi called SABAL.
4. Rural Development: The company undertook several rural infrastructure development projects at different places in the states of Jharkhand and Odhisa accounting for approximately 6.55 of the total CSR expenditure. The company has undertaken activities in order to enable sustainable and profitable agriculture activities.

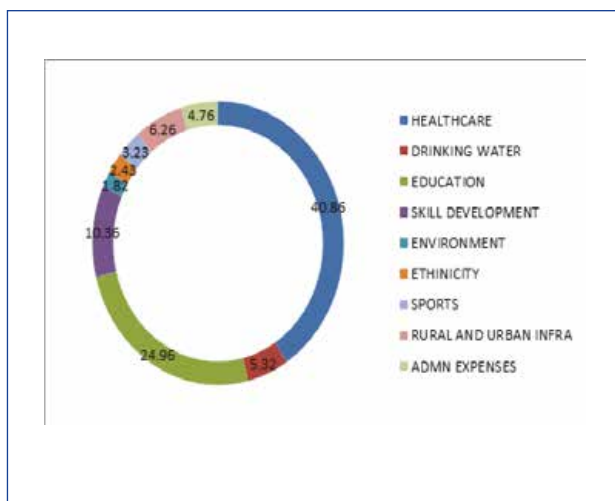
Conclusion

CSR is the buzz word for today as it gained importance in multiple folds after the introduction of the Companies Act, 2013. Time has arrived that big corporate should realize that India has made them, and it is time for them to make Bharat. The companies must behave and function as a responsible member of society as it utilizes the different available natural resources of the society. World has witnessed multiple manmade disasters like Bhopal Gas Tragedy, Chernobyl tragedy at a time when CSR were in the form of trusteeship (Gandhian Principle). The concern for society and environment has been felt in our country as India signed several conventions, became parties to multiple global organizations fighting against environmental degradation. It is expected that every company should comply with the statutory guidelines of the Companies Act, 2013 so that there remains no unspent amount of prescribed CSR to be spent in the financial year, thus eradicating poverty, hunger and regional imbalances in the country. **MA**

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Fig 1.2.2: Theme Wise CSR expenditure during the financial year 2017-18



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IMPACT OF COMPANIES ACT 2013 ON CSR PRACTICES OF SELECT INDIAN COMPANIES: A STUDY

ABSTRACT

India is perhaps the first country to provide CSR in its statute and made it mandatory. This has been done by introducing the provisions relating to CSR in the Companies Act, 2013. Section 135 and Schedule VII of the Companies Act 2013 and CSR policy Rules 2014 came into force w.e.f. 1st April 2014. It is high time to study the impact of the legislation that is intended. From the study, it is found that during the pre-enforcement period, number of companies spending voluntarily and the quantum of voluntary spending on CSR was remarkable for large cap companies but it was negligible for small cap companies. Due to regulatory compliance, the quantum of CSR spending in post enforcement period increased more significantly in small companies than in large companies. If we take CSR spending as a percentage of average PAT of the immediately preceding three years, it is found that in the post enforcement period the earlier practice of voluntary spending of large companies is simply transformed to spending for regulatory compliance and no significant change is noticed. In this respect the small companies show totally different result. There is a significant improvement in CSR spending from pre-enforcement to post-enforcement period for small companies because during pre-enforcement period voluntary CSR spending of small companies was very negligible. As a result, they are required to spend a large amount on CSR to comply with the new act and by considering the Percentage of Average PAT, a significant improvement is noticed in post-enforcement period. However, CSR activities should not be construed as a cover to conceal the irregularities or violation of norms by corporates. In the words of Plato "Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws."



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Corporate Social Responsibility (CSR) has gained tremendous momentum in today's economic and social environment. The idea of CSR is not entirely new. The subject of CSR first emerged and came into prominence in the late 1960s and early 1970s in the US when few multinational corporate bodies coined the term 'stakeholders' over and above the term 'shareholders' and in the list of stakeholders they included public as one of the stakeholders. With the advancement of time the concept of CSR spread to European Countries also. In India too, some business houses like Tatas and Birlas, initiated social activities without using the label of CSR. During the era of shareholder

approach there was no business ethics and spending on CSR was regarded as unproductive. In the stakeholder approach, primary responsibility of business was towards stakeholders which also include public at large. The idea that stakeholder theory and CSR complement each other and stakeholder theory is embedded into CSR has widely become accepted. CSR approach is the latest approach to business. According to this approach company and society are mutually interdependent on each other. Since business is created by the society, it has obligations towards the society. CSR as philanthropy is the most traditional form of CSR. Earlier for the sake of CSR the corporates donated computers to schools, donated to charitable institutions, etc. i.e. the philanthropy activities. The Corporate Social Responsibility Voluntary Guidelines, 2009 issued by Ministry of Corporate Affairs stated that CSR is not philanthropy and CSR activities are purely voluntary. India is perhaps the first country to provide CSR in its statute and made it mandatory. This has been done by introducing the provisions relating to CSR in the Companies Act, 2013. Section 135 and Schedule VII of the Companies Act 2013 and CSR policy Rules 2014 came into force w.e.f. 1st April 2014. It is high time to study the impact of the legislation that is intended. Today, there is heightened interest in all aspects of privately funded social investment addressing issues like poverty, healthcare, education, employment and environment degradation.

Objectives of the paper:

- To understand the conceptual issues on CSR
- To understand the provisions of the Companies Act, 2013 relating to CSR
- To examine the CSR practices of companies and study the impact of the New Act

Methodology:

Secondary data have been used to study the impact of the new Act on CSR. As the provisions under section 135 came into force on 1st April 2014, we have selected the time period 3 years before the enforcement, i.e. "pre-enforcement" and 3 years after the enforcement, i.e. "post-enforcement" of the new Act. We have used the Capitaline Database to select the sample companies. Top 15 BSE Large Cap companies by market capitalisation and top 15 BSE Small Cap companies by market capitalization as on 31.03.2014, excluding public sector banks, are selected as sample. As the public sector banks do not come under the purview of Companies Act, these banks are excluded. Secondary data have been collected in respect of these 30 companies during the 6

years' time frame from 2011-12 to 2016-17. First of all, CSR spending data is collected from annual reports of these 30 companies and these data have been thoroughly analyzed. Then we have calculated the Average PAT of 3 immediately preceding previous years with respect to all 6 years. Then calculated percentage of CSR spending on Average PAT for all 30 companies for 6 years. The parametric paired 't' test has been applied to study the impact of the New Act using SPSS Amos 20 software.

The test statistic for Paired Sample 't' Test:

$$t = \frac{\bar{d}}{S_d / \sqrt{n}}$$

Where \bar{d} = Sample average difference between each pair of observ

S_d = Sample Standard Deviation of these differences

n = Number of pairs of observations

S_d / \sqrt{n} = Standard Error of mean differences

Hypothesis 1:

H_{10} : There is no significant improvement in CSR spending of large companies from pre-enforcement period to post-enforcement period

H_{11} : There is significant improvement in CSR spending of large companies from pre-enforcement period to post-enforcement period

Hypothesis 2:

H_{20} : There is no significant improvement in CSR spending of small companies from pre-enforcement period to post-enforcement period

H_{21} : There is significant improvement in CSR spending of small companies from pre-enforcement period to post-enforcement period

Review of Literature:

There is an extensive body of literature which has dealt with the issue of Corporate Social Responsibility. A brief review of literature is given below-

The World Business Council for Sustainable Development (2000) in its publication "Making Good Business Sense" by Lord Holme and Richard Watts used the following definition. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute

to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”.

According to Dhrubaranjan Dandapat (2008), “Though the concept of CSR is now firmly rooted on the global business agenda, but in order to move from theory to concrete action, many obstacles are yet to be overcome. Considering limit to CSR, it alone cannot be expected to ensure environmental and social improvement and that it should not be used to shift public responsibilities to the companies”.

According to Melkote K. Shivaswamy & Bhabatosh Banerjee (2008), “In India, CSR reporting is only beginning to evolve and resembles U.S. reporting of the Sixties. May be over time, many more Indian companies will come forward to publish CSR systematically. International developments and the pulls and pressures of a global economy are bound to impact the Indian companies.”

The KPMG India’s CSR Reporting Survey 2017 shows that in order to comply with section 135 of the Companies Act 2013, N100 companies will have to spend Rs. 7410 Crore in 2016-17, which is 14 per cent more than 2014-15. But companies actually spent Rs. 7215.90 Crore in 2016-17, which is 41 per cent higher than 2014-15. In 2016-17, 22 companies have higher CSR budget whereas it was 10 companies in 2014-15. Instances of lesser commitment in CSR spending than 2 per cent is for 7 companies as compared to 3 companies in 2014-15. Number of companies that have spent less than 2 per cent is decreased from 52 companies in 2014-15 to 37 companies in 2016-17. The companies which have spent 2 per cent or more in 2016-17 is 58 as compared to 32 in 2014-15.

Provisions of the Companies Act, 2013 relating to CSR:

According to Section 135 of the 2013 Act, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The companies which satisfy any of the above criteria will have to comply with the provisions of Section 135 of the new Act. The Board’s report shall disclose the composition of the CSR Committee. The CSR Committee shall be accountable for undertaking the CSR activities. The prescribed class of companies shall be required to spend in every financial

year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount. The Board of directors shall disclose contents of CSR Policy in its report and also upload it on the company’s website in the prescribed manner. The Board of directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act and do not include the activities undertaken in pursuance of normal course of business of the company. The company shall give preference to the local area and areas around it where it operates for conducting CSR activities. There are no penal provisions if CSR Committee is not constituted, if the company has no CSR Policy and even if the company cannot spend 2% of net profit in CSR activities. The company has only the reporting responsibility to give reasons if it cannot spend 2% of net profit. So the motive behind the provisions is not to overregulate the area but to create a conducive environment for self-regulation based on “comply or explain principle.”

CSR Scenario During Pre and Post-Enforcement Period of the Companies Act 2013:

Data relating to CSR during pre-enforcement and post-enforcement have been shown in the following three tables. The data for post-enforcement period is shown as per the format prescribed in the Companies Act 2013 in Tables 1 and Table 2. Table 1 depicts the data for large companies, Table 2 depicts the data for small companies. Table 3 shows the data that represent percentage of CSR spending on the average PAT of immediately preceding 3 years for both large and small companies.

The study suffers from some limitations. The collection of CSR spending data for pre-enforcement period has been very difficult. As some large companies have maintained CSR disclosure voluntarily, we have collected the data for those companies. But most of the small companies have no CSR disclosure. It is because CSR reporting has not been mandatory then. It has been assumed that ‘data not available’ or ‘data not disclosed’ as zero CSR spending.

Table: 1

CSR Spending for Large Cap Companies(Rs. In Crores)

Table: 2

Sl. No	Company	2011-12	2012-13	2013-14	2014-15			2015-16			2016-17		
		CSR Spent (Rs.)	CSR Spent (Rs.)	CSR Spent (Rs.)	2% of Av-erage, Net Profit of last three years (Rs.)	CSR Spent (Rs.)	Unspent (Rs.)	2% of Av-erage, Net Profit of last three years (Rs.)	CSR Spent (Rs.)	Unspent (Rs.)	2% of Av-erage, Net Profit of last three years (Rs.)	CSR Spent (Rs.)	Un-spent (Rs.)
1	Just Dial	0	0.48	0.48	2.23	0.73	1.50	3.03	0.60	2.43	3.69	0.71	2.98
2	IPCA Labs	1.05	0.13	0.47	9.68	7.09	2.59	9.51	4.80	4.71	7.14	4.28	2.86
3	Bhushan Steel	0	0	0	17.83 (NA)	Loss in 14-15	0	1.09 (NA)	Loss in 15-16	0	Av. Loss	Loss in 16-17	0
4	Thermax	0	0	0	9.88	8.43	1.45	8.97	13.76	0	8.52	8.52	0
5	Federal Bank	0	0	0	23.84	7.28	16.56	26.18	12.30	13.88	23.02	15.42	7.60
6	Apollo Tyres	0	0	0	8.474	5.682	2.792	12.93	12.96	0	18.44	18.44	0
7	Engineers India Ltd	9.42	5.67	6.48	16.614	17.082	0	13.63	14.10	0	10.30	11.00	0
8	Jubilant Food	0	0	0	3.60	0.69	2.91	3.71	2.23	1.48	3.48	2.37	1.11
9	Info Edge (India)	0	0	0	3.38	3.38	0	3.605	3.605	0	3.82	3.82	0
10	Muthoot Finance	0	0	0	26.91	8.92	17.99	24.89	14.62	10.27	23.59	15.00	8.59
11	Hind Copper	1.62	5.13	7.11`	12.51*	7.26	5.25	9.985*	7.679	2.306	7.38*	5.15	2.23
12	Coromandel Interna	0	0	0	13.23	10.28	2.95	13.71*	10.75	2.96	14.01*	10.97	3.04
13	CESC	0	0	0	15.16	15.16	0	16.53	16.93	0	17.40	17.41	0
14	Prestige Estates	0	0	0	7.24	6.50	0.74	10.00	3.98	6.02	10.20	3.84	6.36
15	DB Corp	0	0	0	7.36	3.70	3.66	8.59	4.62	3.97	9.45	7.36	2.09
	Total	12.09	11.42	14.54	160.11	102.18	58.39	165.27	122.93	48.03	160.44	124.29	36.86

CSR Spending for Small Cap Companies(Rs. In Crores)

Table: 3
CSR Spending as a Percentage of Average PAT of
Immediately Preceding 3 years

Large Company	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
TCS	0.862189	0.888908	0.896008	1.555499	1.745905	1.880736
Reliance Industries	1.454353	1.861675	3.481468	3.620258	2.976897	2.742097
ITC	1.510697	1.623958	1.722768	2.871237	2.876644	2.931830
ONGC	0.700530	1.293097	1.575895	2.180240	2.078894	2.825839
Infosys	0.432924	0.145152	0.112364	2.586825	1.928258	2.276426
Coal India	2.330429	2.541485	5.596057	0.225630	0.154689	0.091538
HDFC Bank	0.000000	0.971833	1.334469	1.745800	2.301285	2.956583
ICICI Bank	0.556651	2.235382	2.346793	1.902345	1.760413	0.177780
HDFC	0.239126	0.261254	0.323367	1.023787	1.579363	2.373474
Wipro	0.000000	0.332714	0.316226	2.246272	2.258333	2.360269
HUL	0.000000	2.166847	0.000000	2.385675	2.306956	2.540864
Bharti Airtel	0.397799	0.387704	0.654418	0.707027	0.644294	0.061257
Tata Motors	0.890532	1.084597	1.549230	2.973554	0.000000	1.866098
Sun Pharma	0.000000	0.342970	0.420252	2.279977	0.923113	0.000000
Larsen & Toubro	2.194357	1.947845	1.882036	1.631388	2.443691	1.906023
Small Company	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Just Dial	0.000000	1.461929	1.140143	1.004081	0.587084	0.530775
IPCA Labs	0.566771	0.054422	0.162643	1.953294	1.352278	1.556496
Bhushan Steel	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Thermax	0.000000	0.000000	0.000000	2.504481	4.396775	2.857686
Federal Bank	0.000000	0.000000	0.000000	0.890026	1.375424	1.993716
Apollo Tyres	0.000000	0.000000	0.000000	1.820220	2.776687	2.851311
Engineers India	2.169457	1.066846	1.087601	2.937306	2.986613	3.154725
Jubilant Food	0.000000	0.000000	0.000000	0.564756	1.741417	1.955338
Info Edge (India)	0.000000	0.000000	0.000000	2.869595	2.547103	2.470200
Muthoot Finance	0.000000	0.000000	0.000000	0.999877	1.786682	1.991027
Hind Copper	1.318932	2.191527	2.361603	2.255779	4.221035	3.886010
Coromandel Inter	0.000000	0.000000	0.000000	2.080817	2.705582	2.966522
CESC	0.000000	0.000000	0.000000	2.492465	2.580648	2.539604
Prestige Estates	0.000000	0.000000	0.000000	2.616888	1.158863	1.032203
D. B. Corp Ltd	0.000000	0.000000	0.000000	1.489213	1.623198	2.390878

All figures are calculated by author using Microsoft Excel 2016

Findings and Analyses:

- (i) The total voluntary CSR spending is Rs.742.55 Cr for 11 large companies in 2011-12, Rs.1276.34 Cr (72% above 2011-12) for 15 large companies in 2012-13 and Rs.2078.54 Cr. (63% above 2012-13) for 14 large companies in 2013-14. On the other hand, total voluntary CSR spending of 3 small cap companies is Rs.12.09 Cr. in 2011-12, Rs.11.42 Cr. (5.5% below 2011-12) for 4 small companies in 2012-13 and Rs.14.54 Cr. (27% above 2012-13) for 4 small companies in 2013-14.

So, during the pre-enforcement period, number of companies spending voluntarily and the quantum of voluntary spending on CSR was remarkable for large cap companies but it was negligible for small cap companies. (Table: 1)

(ii) In 2014-15, total prescribed amount to be spent on CSR for large cap companies is Rs.2904.16 Cr. Total CSR spend is Rs.2632.81 Cr., out of which net CSR spend as per the Act is Rs.2373.16 Cr (82% of prescribed sum), excess amount spent is 236.36 Cr. and voluntary CSR spending of loss making Tata Motors and Sun Pharma is Rs.23.29 Cr. Unspent amount is Rs.531 Cr. (Table: 1)

(iii) In 2015-16, total prescribed amount of CSR for large cap companies is Rs.3171.82 Cr. (9% more than 2014-15). Total CSR spend is Rs.2726.14 Cr. (3.5% above 2014-15) out of which net CSR spend as per the Act is Rs.2597.32 Cr (82% of prescribed sum), excess amount spent is 117.17 Cr. and voluntary spending by loss making Sun Pharma Ltd. Rs.11.65 Cr. Unspent amount is Rs.574.50 Cr. (8% increase over 2014-15). (Table: 1)

(iv) In 2016-17, total CSR prescribed for large cap companies is Rs.3248.54 Cr. (5% more than 2015-16). Total CSR spend is Rs.3036.79 Cr. (11% more than 2015-16) out of which net CSR spend as per the Act is Rs.2954.06 Cr (91% of prescribed sum), excess amount spent is 56.79 Cr. and CSR voluntary spend of Rs.25.94 Cr. of loss making Tata Motors. Unspent amount is Rs.294.48 Cr. (49% decreased from 2015-16). (Table: 1)

(v) So, during first two years after enforcement the prescribed sum of CSR, CSR spend and unspent amount of large companies remain more or less same. But it is noticed that in 2016-17 all these figures improved significantly. (Table: 1)

(vi) The CSR performance of Bharti Airtel, a large company, is not satisfactory because unspent amount is huge and it is also increasing during 2014-15 and 2016-17. There are instances of voluntary spending by loss making large companies. In 2016-17 Coal India spend 128.05 crores, out of which Rs.13.65 crore was spent as per Section 135 of the Companies Act 2013 and the balance 128.05 – 13.65 = 114.4 crore was spent as per CSR Policy of CIL. In 2016-17 Bharti Airtel spent Rs.5.584 crore as per Section 135 of the Companies Act 2013 and Rs.89.942 crore spent as per section 35AC of the Income Tax Act 1961 and 2.033 crore for other charitable purpose. (Table: 1)

(vii) In 2014-15, total prescribed sum of CSR for small companies is Rs.160.11 Cr. Total CSR spend is

Rs.102.18 Cr., out of which net CSR spend as per the Act is Rs.101.72 Cr (64% of prescribed sum) and excess amount spent is 0.46 Cr. Unspent amount is Rs.58.39 Cr. (Table 2)

(viii) In 2015-16, total prescribed amount of CSR for small companies is Rs.165.27 Cr. (3% more than 2014-15). Total CSR spend is Rs.122.93 Cr. (20% above 2014-15) out of which net CSR spend as per the Act is Rs.117.24 Cr (71% of prescribed sum) and excess amount spent is 5.69 Cr. Unspent amount is Rs.48.03Cr. (decreased by 18% from 2014-15). (Table 2)

(ix) In 2016-17, total prescribed sum of CSR for small companies is Rs.160.44 Cr. (3% less than 2015-16). Total CSR spend is Rs.124.29 Cr. (1% more than 2015-16) out of which net CSR spend as per the Act is Rs.123.58 Cr (77% of prescribed sum) and excess amount spent is Rs.0.71 Cr. Unspent amount is Rs.36.86 Cr. (decreased by 23% from 2015-16). So, in 2015-16 and 2016-17 the prescribed sum of CSR, CSR

spend and unspent amount improved significantly over the previous year.(Table 2)

(x) There is no instance of voluntary CSR spending by loss making small company because Bhushan Steel cannot spend any amount on CSR due to continued losses. Though the Act is silent for carryforward of unspent amount, but the prescribed amount of CSR to be spent (*) for Hind Copper Ltd. during post enforcement period includes the carried forward unspent amount of the previous years. In case of Coromandel Inter in 2014-15 and 2015-16 the prescribed CSR to be spent (*) includes carried forward unspent amount of the previous years. (Table: 2).

(xi) It is also found that due to regulatory compliance, the quantum of CSR spending in post enforcement period increased significantly for both large and small companies. But this improvement is more significant in small companies than in large companies. (Table 1& 2)

Table: 4
Paired Sample 't' Test Results

Pair	% of CSR spending on Av. PAT (Table 3)	Paired Differences			t	Prob.
		Mean	Std. Deviation	Std. Error of Mean		
Large cap companies	Pre-enforcement to Post-enforcement	-0.68975	1.33858	0.34562	-1.996	0.066
Small cap companies	Pre-enforcement to Post-enforcement	-1.70917	0.92912	0.23990	-7.125	0.000

(xii) Paired sample 't' test results (Table 4) show that in case of large cap companies, $t = -1.996$ and the p value is $0.066 (> 0.05)$. It reveals that the null hypothesis (H_{10}) is not rejected. Therefore, there is no significant improvement in percentage of CSR spending on average PAT from pre-enforcement to post-enforcement period. It is because during pre-enforcement period large company's voluntary CSR spending was remarkable. During post enforcement period their earlier practice of voluntary spending is simply transformed to spending for regulatory compliance and no significant change is noticed. So, the quantum of CSR spending for large companies is increased significantly (Table 1) but percentage of CSR spending on average PAT is not increased significantly (Table 3).

(xiii) In case of small cap companies, $t = -7.125$ and the p value is $0.000 (< 0.05)$. It indicates that the null hypothesis (H_{20}) is rejected. Therefore, there is a significant improvement in percentage of CSR spending on average PAT from pre-enforcement to post-enforcement period. Because during pre-enforcement period voluntary CSR spending of small companies was very negligible.


So during post enforcement period they are required to spend a large amount on CSR to comply with the new Act and a significant improvement is noticed. We can say that the quantum of CSR spending for small companies is increased significantly (Table 2) due to significant increase in percentage of CSR spending on average PAT (Table 3).

Conclusion and Suggestion:

It is the earnest hope of the Government of India that the corporates shall come forward to adopt CSR activities best suited to their company's philosophies and businesses. Laws are required to protect consumers, workers, managers, owners, shareholders, and the society at large. The success depends upon the extent of co-operation and co-ordination among the various social, economic and legal organizations, institutions and bodies. Many positive outcomes of CSR have been noticed by stakeholders and the CSR spend is also growing. But, there are instances of setting aside huge unspent amount and giving insufficient reasons for not spending the prescribed sum. As the learning phase is over government should take justified steps against non-compliance, otherwise there will be no difference

between violating companies and complying companies. All stakeholders should take into consideration the following proposals to have a better outcome in future:

- ★ There should be explicit provision of carry forward and spending of unspent money, and carry forward and set off of excess amount spent, within the prescribed time frame.
- ★ List of CSR activities under Schedule VII should be expanded.
- ★ Tax treatment on CSR spending should be uniform. Otherwise, there may be temptation to adopt those activities which would attract tax exemption.
- ★ Companies should disclose adequately in CSR report.
- ★ Companies should make continuous improvements in existing CSR framework.
- ★ The monitoring mechanism or audit of CSR activities should be introduced.

The above proposals will eventually lead to improvement in the quality of life across the society. However, CSR activities should not be construed as a cover to conceal the irregularities or violation of norms by corporates. In the words of Plato “Good people do not need laws to tell them to act responsibly, while bad people will find a way around the laws.” 

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STRATEGY FOR PREPARATION AND PASSING OF THE LIMITED INSOLVENCY EXAM OF IBBI

Since independence, the insolvency laws in our country have not only been archaic in nature but also highly inefficient in achieving the desired results of turning the bad assets around and making the same available, back in the economy for unlocking the economic wealth.

It is a well-known fact that in yester years in our country, cases pertaining to insolvency, bankruptcy and liquidation would keep on pending for decades in different courts with no outcome whatsoever. And in this process, quality of the underlying assets would become bad to worse, resulting into tremendous loss to the economy of the nation.

To overcome these lacunas, the Govt of India has brought out a new legislation called, Insolvency & Bankruptcy Code (IBC) 2016. On perusal of this new law, one finds that this law has provisions for closing the matters relating to Insolvency & Bankruptcy in a time bound manner so as to ensure that the wealth of the nation, locked in the toxic assets, is turned around at the earliest and made available to the economy of the country.

Interestingly, this new law offers tremendous professional opportunities for the people practicing as Company Secretary, Chartered Accountant, Cost Accountant or as a Lawyer, having a minimum of 10 years' post qualification experience.

At the same time, with a view to ensure that only professionals with requisite knowledge and understanding of business and laws relating to Insolvency & Bankruptcy enter this field, the Insolvency & Bankruptcy Board of India (IBBI) has prescribed an examination, known as Limited Insolvency Examination (LIE).



Pramod Jain
CA & Insolvency Professional
Pune

All the eligible practicing professionals who wish to enter the field of Insolvency & Bankruptcy, have to pass this examination upon which they are allowed to become member of IBBI and practice as Insolvency Professionals (IPs). This online examination of two hour duration, is conducted by the BSE Institute with its centers spread throughout the country. It is a very interesting yet a very challenging examination, as the syllabus is quite vast.

I am fortunate to have passed this examination and have already become member of IBBI and now practicing as an Insolvency Professional, besides Chartered Accountancy.

Since this is a new field and still the level of awareness is not so high, I thought to pen this article for the benefits for all our fellow professionals who may aspire to enter this new field. I am sure, all such aspirants will find this article very much useful in their pursuit to cross the first hurdle, of qualifying the Limited Insolvency Examination.

For the sake of clarity and ease of reading, I have divided this article in four parts in sequential progression as given here.

Part-I: Eligibility

★ This Exam is available in two formats namely, 1) Limited Insolvency Exam and 2) National Insolvency Exam

★ Presently, only Limited Insolvency Exam route is available.

★ **CAs/CMAs/CSs/Advocates** with 10 years' post qualification experience are eligible to become member of IBBI as qualified Insolvency Professionals.

★ And if you have **passed the Exam after 1st April, 2018**, you also need to undergo a **mandatory training** of 50 hours before you could apply for the membership of IBBI as well as IPA. IPA is Insolvency Professionals Agency.

Part-II: How to enroll for the Examination

1. Firstly, visit the **website** of IBBI at <http://www.ibbi.gov.in> and register yourself. It will require uploading of a **photo, PAN and Aadhaar card**, so keep the same handy. You will receive Login ID and Password, after completing this process.

2. Now, log in to **IBBI website**, select the tab

Examination and click on the “Limited Insolvency Exam (IBBI)”, this will take you to the BSE Institute page. Enroll yourself for the Exam following the steps.

3. You will need to pay a fee of **Rs. 1500/-** which can be done online using Netbanking or Credit/Debit card.

4. After paying the fees, **select the date and exam centre** of your convenience.

5. This fee is to be **paid for every attempt** that you take every time. And there is no limitation as to how many attempts one can take.

6. Now you are all **set for the Examination.**

7. Also **download the Exam Syllabus** from website of IBBI, applicable from 1st Nov 2018.

8. The current Syllabus is valid upto 31st October and changing from **1st Nov. 2018**

It will not take you more than two hours to cross this hurdle and complete all 8 steps mentioned above.

How to prepare for the Exam and **how to write** it, is covered in the following slides.

Part-III: How to prepare for the Exam

As mentioned before, this Exam is **not only very interesting** but at the same time challenging. Interesting, because **this is not a typical pen & paper exam**, which would involve subjectivity to some extent.

Rather, **it is an online MCQ based examination** where your answer has to be absolutely accurate. And plus, there is a negative marking of 0.25 marks for each 1 mark question which is answered wrongly. Hence one has to be absolutely meticulous in preparation for the exam as well as in writing the exam. What worked for me in passing this exam is as follows:

1. Firstly, pick **up a copy of the bare act on IBC** of any publisher which should also contain Rules and Regulation under the Code. When you read through this bare Act, **use a highlighter pen** to highlight whatever you think is of importance from the point of view of the Exam.

Go through this book thoroughly, **2-3 times, making notes side by side.** This is very very important.

Reading of the bare act 2-3 times **will make all the provisions clear in your mind** and you will be able to answer any question on IBC that would appear in the Exam.

New Rules & Regulations are being added continuously. Therefore, you also need to prepare the same. The new

Syllabus is starting from 1st November 2018, therefore, all the rules and regulations issued upto 31st October, 2018 will be part of the syllabus.

Interestingly, the **above action points, cover 66% of the syllabus** of the Examination. Because, **case studies and transaction analysis** which appear as questions in the paper, are also based on the above mentioned points only.

2. Remember, we need 60 marks out of 100 to pass this exam.

3. Having done the above, now focus on 1) RDDBFI Act, 2) SARFAESI Act, 3) CDR, 4) SDR, 5) and 6) S4A of RBI, 7) The Arbitration and Conciliation Act, 1996; 8) The Limitation Act, 1963. All these topics put together have a **weightage of 6 marks** out of 100.

For RDDBFI, SARFAESI, the Arbitration and Conciliation Act, 1996 and the Limitation Act, 1963, use the bare Acts whereas for CDR, SDR etc material can be downloaded from the portal <http://www.iiipicai.in/>.

Though this site is by the ICAI but it is **open to all aspirants of IBC Exam** irrespective of whichever Institute they may belong to. It has good number of videos and others material including copies of all the bare acts.

It also has so **many mock tests** which are extremely useful in getting the feel of real exam. Make extensive use of this portal. I am sure, you will find this portal extremely useful.

4. **IPA of ICSI** has also been mailing to all its members very useful materials, MCQs and Case Studies from time to time. You must make full use of the same as this too would help you in passing this examination.

5. **After SARFAESI etc** mentioned under action point 13 above, shift your focus on:

- a) Companies Act,
- b) The Partnership Act, and
- c) The LLP Act.

These Acts have a weightage of 10 marks

About the **Companies Act**, pick up any latest book on Companies Act and refer all the Chapters prescribed as part of the Syllabus for the Exam.

And for the **Partnership Act and LLP Act**, pick up the bare acts and prepare from the same.

6. Now the next part covers:

1. The Indian Contract Act,
2. Transfer of Property Act and
3. The Sale of Goods Act.
4. Specific Relief Act, 1963.
5. Negotiable Instruments Act, 1881.

These five Acts put together have a **weightage of 6 marks** out of 100.

7. Now remember, **our aim is to pass this exam** by ensuring that we get at least 60 marks in our attempt. Therefore, considering the input-output ratio, I decided to prepare only for the Indian Contract Act and took the Transfer of Property Tax Act and the Sale of Goods Act in option. And this really worked for me very well. I am sure, it should for you too. But **depending upon availability of time** with you, you can decide otherwise.

In any case, the MCQs given on <http://www.iipicai.in/> will prepare you relatively well for the Transfer of Property Tax Act and the Sale of Goods Act as well, without investing too much time in them. Here again, I used the **bare act of The Indian Contract Act**.

Then there are 2 more areas forming for part of the IBC Exam Syllabus and i.e. 1) **General Awareness and 2) Finance & Accounts, weightage of 6 marks**.

I did not do any special preparation for these 2 topics as it is just not possible also, as these are so vast topics. But I am sure, **your professional experience** should be able to help you to do well in respect of these topics.

However, you can prepare yourself on the topics such as **Financial Ratios, CAPM Model, Operating Leverage, Financial Leverage** and broad understanding of **IndAS**.

Do not, do not, **do not, try to memorise** anything rather read the contents minimum 3-4 times and more.

Kept **offences and penalties** related provisions from the IBC Code in option, as there are too many and that too with differing quantum in every case with very little consistency.

In any case, I thought the aim is to pass the Exam and there is always a limitation of time. Therefore, I applied the above strategy for preparation and with god's grace I could

pass the exam, with it.

Hopefully, this will work for you too. **And I would be too happy to know that it did.**

Part-IV: Strategy in taking the Exam

In my experience, passing the IBC Exam, **75% depends on "how well you have prepared for it"** and the remaining **25% depends on how well you tackle** the actual Exam. And in my view, it is this 25% part which makes the real difference.

1. First of all, please remember, it is **not important as to how many questions you attempt**, what is important is, **how many questions you attempt correctly**, as there is negative marking of 0.25 marks for every wrong answer which you give for a question of 1 mark. **And this can be really killing and frustrating.**

For example, let us say, you attempted all the questions in your attempt to somehow make it. And you **answered questions worth 67 marks correctly** and questions worth **33 marks wrongly**.

So even though you got 7 more marks than required for passing the exam, you would still fail because, the 33 questions answered wrongly will **eat 8.25** marks of your marks because of negative marking. As a consequence, your actual score will come down to 58.75 i.e. (67-8.25). What a pity, isn't it?

2. So how should you go about tackling the exam **so as to avoid this mishap?** Just follow the following strategy with whatever modifications which you may feel appropriate.

To begin with, keep answering only those questions about which **you are 100%** sure that you know the correct answer. Follow the principle of **"First time right"**.

If you are not sure about a question, **"mark it for review"**. But before doing so, click on the option which you think, should be the correct answer for this question. So that next time when you come back to it, you do not have to spend too much time on it again.

And when you are sure about a question that, **you definitely do not know the answer of it, just skip it**. No need to spend time on it at all, either now or later.

3. Now after completing the entire paper, following the above three steps, by clicking the **review icon** you will see

in front of you:

How many questions you have attempted about which you are absolutely sure in your own judgement.

How many questions you have kept open for review and

How many questions you have not attempted at all **(these are the ones you are sure that you do not know the answer).**

Now let us assume that **the total no. of questions for which you are absolutely confident, is 65**, which defacto means you are through. Therefore, you need not do anything. It is possible that you may have some surplus time, have a quick look on the questions **“marked for review”**, if something is found simple to answer, otherwise you can close the Exam, get the good news of passing it and go home with a smile on your face and result in your hand.

4. Second scenario, **let's say for example, you have answered 55 questions (or questions worth 55 marks)** about which you are absolutely sure. So now your task is to just ensure that out of the questions **which you have marked for review, you are able answer about 8-10 questions** correctly, if it is more, so much better.

So, now read the question and the multiple choices very very carefully with total concentration and focus so as to be able to, use the **logic of elimination** of wrong options and thereby try and reach to the correct answer.

Please **don't try guess work (mutka)**, it can be dangerous. Keep your head absolutely cool. And keep on working on it and I am sure, you will certainly reach the desired number and sail through the exam.

5. The total **no. of questions is about 86 and not 100**, as few questions carry **2 marks** each.

There are **few Case Studies** which are again based on the provisions of IBC 2016, will have **3-4 questions** of 2 marks each.

Time is of absolute essence in this Exam, hence ensure that you do not get stuck up on any question, give a calculated time and move on.

6. One more suggestion which I would like to make is, even if you are **not fully prepared at this moment, just schedule** and appear for this exam at your earliest possible.

This will help you in many ways.

Firstly, it will make you **aware of the entire process** of the exam and how you should play the above strategy.

Secondly, it will make you realise, **what kind of questions appear** in the exam and

Finally, it will make you realise, **how well you are prepared and how much more preparation** you still have to do. This will cost you Rs. 1500/- extra, but I think this investment is definitely worth it.

7. Please also remember some of the questions carry 2 marks whereas most of them carry 1 mark each. This you can see on your screen and answer the **questions which carry 2 marks each with even greater care** and awareness as wrong answer to such a question will eat 0.5 marks of your score. **MA**

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STATUS OF AUDIT COMMITTEE IN ACCORDANCE WITH SEBI's LODR 2015 REGULATIONS: A CASE STUDY OF BANKING AND HOUSING FINANCE SECTOR COMPANIES



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The Corporate Governance Structure specifies the rules and procedures for making decisions on corporate affairs. It also provides the structure through which a company's objectives are set and means of attaining and monitoring the performance of those objectives. In words of Fernando, A.C., "Corporate governance is not just corporate management; it is something much broader to include a fair, efficient and transparent administration to meet certain well defined objectives. It is a system of structuring, operating and controlling a company with a view to achieve long-term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers and to comply with the legal and regulatory requirements, apart from meeting environmental and local community needs when it is practised under a well-laid out system, it leads to the building of a legal, commercial and institutional framework and demarcate the boundaries within which these functions are performed."

ABSTRACT

The main aim of this paper is to know the status of audit committee in banking and finance sector companies in regard to SEBI's Listing Obligations, 2015. The study includes four Banking and Housing Sector Companies viz.: HDFC Bank, ICICI Bank, SBI and HDFC for the years 2014-15, 2015-16, and 2016-17. The study shows that all sampled companies set up audit committee as SEBI's Regulations 2015. All banks except SBI have independent director as chairman and comply minimum requirements of ID in audit committee during the study period. It is suggested that SBI should appoint ID members in audit Committee to make independent audit committee and to fulfil the requirements of SEBI Regulations 2015.

With an aim to protect the investors from the fraudulent accounting practices of corporations, the Indian government as well as the regulatory bodies have recommended to constitute committees. Audit committee is the most important mandatory committee of the Board of Directors.

As per SEBI regulations (LODR 2015) Part C, the role of audit committee shall mainly include:

- (i) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) recommendations for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing with the management, the annual financial statement, quarterly financial statement and the auditor's report thereon before submission to the board for approval.

Present Corporate Governance norms for all listed companies are regulated by the Companies Act 2013. In India, there is the regulatory body of the security market, therefore a listed company is also bounded to comply with the requirements of the listing agreement. Now, SEBI notified on 2/9/2015 in the extraordinary Gazette of

India the Listing Obligation and Disclosure Requirements Regulations, 2015 (LODR), so, all the listed companies are now governed by LODR Regulations, 2015. Further, it is also necessary to mention here that every listed company should comply with the stricter provisions of Companies Act, 2013 and SEBI LODR 2015.

As per Listing Obligations and Disclosure requirements (LODR) Regulations, 2015 issued by SEBI, the Audit Committee must be as follows:-

Composition of Audit Committee:

Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:

- (a) The audit committee shall have minimum three directors as members.
- (b) Two-thirds of the members of audit committee shall be independent directors.
- (c) All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- (d) The chairperson of the audit committee shall be an independent director and he shall be present at Annual General meeting to answer shareholder queries.

- (e) The company secretary shall act as the secretary to the audit committee.

Meetings of the Audit Committee:

The listed entity shall conduct the meetings of the audit committee in the following manner:-

- (a) The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.
- (b) The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
- (c) The audit committee shall have powers to investigate any activity within its terms of reference. The committee will also seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Research Methodology:

A. Research Questions:

- (i) Has transparency been maintained in the composition of committee?
- (ii) Has the minimum requirement of number of IDs been fulfilled?
- (iii) Has the minimum number of meetings of committee been held?
- (iv) Has information about literacy & financial expertise of the committee been displayed?
- (v) Has audit committee charter & terms of reference been disclosed?
- (vi) Has committee's report been disclosed?
- (vii) Has chairman attended AGM?

B. Scope of the Study:

This paper focuses on the composition pattern and meetings of the audit committee of the Banking and Housing Finance Sector Companies for the years 2014-15, 2015-16, and 2016-17 as per LODR 2015. HDFC Bank, ICICI, SBI and HDFC have been taken for the study.

Review of Literature:

Alhaji & Yusoff (2012) empirically reviewed the existing literature to explore the mantle of audit committee in enhancing good corporate governance. The data have been gathered from various published sources manually as well as electronically. It has been intended to dispense the valuable suggestion for the improvement in incorporating governance practices into companies. It has been opined that audit committee should have access to the internal audit reports in the absence of management and audit committee should play a crucial role in recommending the appointment or dismissal of chief executive audit officer.

Salloum et.al. (2015) examined the impact of audit committees and compensation plans on the audit fees in Lebanon. The relationship of audit committee independence, audit committee size and meeting, audit committee expertise and Short term and long term compensation plans to the audit fees have been embraced as the major hypotheses of the study. For accomplishing above stated objective, they relied on primary data from 110 family owned businesses comprising all sectors of the Lebanese economy & secondary data from the annual reports of the selected firms. The hypotheses have been tested by panel regression analysis and favourable relationship between audit committee independence, member's expertise, compensation plans and audit fees has been inferred while existence of negative relationship between committee size and audit fees has been adjudged by them.

Laily (2017) attempted to look up the considerable effect the audit committee pose on the earnings management of the manufacturing units in Indonesia. Out of the population of 151 units listed in Indonesian stock exchange, sample of 86 public units have been drawn and regression analysis has been applied to analyse and test the data for the study. There is no such significant effect of audit committee observed on the ground of analysis of data. It is opined that audit committee ensures reliability and fairness of financial reporting and it can only tend to reduce the earnings management practices only if committee do not perform its functions suitably or they are not independent.

Data Analysis and Discussion:

Table –1
Status of Audit Committee of Banking and Housing Finance Sector Companies for the Financial Year 2014-15

S. No.	Particulars	HDFC Bank	ICICI Bank	SBI	HDFC
1.	Transparency in composition of the committee (Minimum three Directors)	Total Members-4 C/M-NED/ ID ID- 4	Total Members-4 C/M-NED/ ID ID- 4	Total Members-8 C/M-NED Whole Time Director-2 Nominee- 2 NED-4	Total Members-3 C/M-NED/ ID ID- 3
2.	Compliance of minimum requirement of number of IDs in the committee (2/3 of the member)	Yes	Yes	No	Yes
3.	Compliance of minimum requirement of the number of the committee's meeting (At least four times)	Total Meeting-8 1 Attended-8 1 Attended-7 1 Attended-6 1 Attended-3	Total Meeting-6 4 Attended-6	Total Meeting-11 1 Attended-0 2 Attended-4 2 Attended-7 2 Attended-8 1 Attended-9	Total Meeting-8 1 Attended-7 2 Attended-8
4.	Information about literacy & financial expertise of the committee	Information Provided	Information Provided	Information Provided	Information Provided
5.	Information about participation of Head of Finance, Statutory Auditors, Chief Internal Auditors in committee's meeting	Information Provided	Information Provided	Information Provided	Information Provided
6.	Disclosure of Audit Committee charter & terms of reference	Disclosed	Disclosed	Disclosed	Disclosed
7.	Disclosure of Committee's report	Disclosed	Disclosed	Disclosed	Disclosed
8.	Chairman attended AGM	Attended	Attended	Attended	Attended

Table –2

Status of Audit Committee of Banking and Housing Finance Sector Companies for the Financial Year 2015-16

S. No.	Particulars	HDFC Bank	ICICI Bank	SBI	HDFC
1.	Transparency in composition of the committee (Minimum three Directors)	Total Members-4 C/M-NED/ ID NED/ID- 4	Total Members-4 C/M-NED/ ID NED/ID- 4	Total Members-8 C/M-NED WTD-2 Nominee- 2 NED-4	Total Members-3 C/M-NED/ ID NED/ID- 3
2.	Compliance of minimum requirement of number of IDs in the committee (2/3 of the member)	Yes	Yes	No	Yes
3.	Compliance of minimum requirement of the number of the committee's meeting (At least four times)	Total Meeting-9 3 Attended-9 2 Attended-8 1 Attended-1	Total Meeting-8 1 Attended-7 3 Attended-8	Total Meeting-11 1 Attended-0 1 Attended-1 1 Attended-4 1 Attended-6 1 Attended-7 2 Attended-9 1 Attended-11	Total Meeting-3 3 Attended-3
4.	Information about literacy & financial expertise of the committee	Information Provided	Information Provided	Information Provided	Information Provided
5.	Information about participation of Head of Finance, Statutory Auditors, Chief Internal Auditors in committee's meeting	Information Provided	Information Provided	Information Provided	Information Provided
6.	Disclosure of Audit Committee charter & terms of reference	Disclosed	Disclosed	Disclosed	Disclosed
7.	Disclosure of Committee's report	Disclosed	Disclosed	Disclosed	Disclosed
8.	Chairman attended AGM	Attended	Attended	Attended	Attended

Table –3
Status of Audit Committee of Banking and Housing Finance Sector Companies for the Financial Year 2016-17

S. No.	Particulars	HDFC Bank	ICICI Bank	SBI	HDFC
1.	Transparency in composition of the committee (Minimum three Directors)	Total Members-5 C/M-NED/ ID ID- 5	Total Members-4 C/M-NED/ ID ID- 4	Total Members-7 C/M-NED Whole Time Directo-2 Nominee- 2 NED-3	Total Members-3 C/M-NED/ ID ID- 3
2.	Compliance of minimum requirement of number of IDs in the committee (2/3 of the member)	Yes	Yes	No	Yes
3.	Compliance of minimum requirement of the number of the committee's meeting (At least four times)	Total Meeting-8 5 Attended-8	Total Meeting-9 1 Attended-7 2 Attended-8 1 Attended-9	Total Meeting-13 1 Attended-0 1 Attended-5 1 Attended-8 1 Attended-9 1 Attended-10 1 Attended-11 1 Attended-12	Total Meeting-5 3 Attended-5
4.	Information about literacy & financial expertise of the committee	Information Provided	Information Provided	Information Provided	Information Provided
5.	Information about participation of Head of Finance, Statutory Auditors, Chief Internal Auditors in committee's meeting	Information Provided	Information Provided	Information Provided	Information Provided
6.	Disclosure of Audit Committee charter & terms of reference	Disclosed	Disclosed	Disclosed	Disclosed
7.	Disclosure of Committee's report	Disclosed	Disclosed	Disclosed	Disclosed
8.	Chairman attended AGM	Attended	Attended	Attended	Attended

Observations:-

1) Banks set up audit committee as per SEBI's Regulations 2015.

2) All banks except SBI bank have ID as chairman.

3) All banking sector Companies except SBI comply minimum requirement of ID in Audit Committee during the study period.

4) All banks have more than 3 members in Audit Committee for all three financial years.

5) All selected companies related to banking sector comply requirement for the number of Audit Committee meeting (4 times in a year) in all three financial years, but SBI held highest number of meetings.

6) Companies have disclosed attendance of members in meeting regarding to audit committee in their annual report but some member did not attend all meeting.

7) Companies have disclosed charter and terms of reference of Audit committee and also disclosed the report of Audit Committee.


8) In all companies the chairman of the audit committee attended AGM to answer the shareholders queries during study period.

Suggestions:-

1) SBI bank should appoint ID members in Audit Committee to make independent audit committee and to fulfil the requirement of SEBI Regulations 2015.

2) Members should attend all meeting for smooth functioning of Audit Committee.

Conclusion:

Corporate Governance is needed to create a corporate culture of consciousness, transparency and openness. Presently all the companies are governed by SEBI's Listing Obligation and Disclosure Requirements Regulations, 2015. Audit Committee shall have the power to investigate any activity within its terms of reference, seek any information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise. Audit committee should be empowered with the majority with the majority of independent directors. The members of audit committee should put their fruitful input but attending all meetings. 

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Eastern India Regional Council

The Institute of Cost Accountants of India - Bankura Chapter



The Chapter held its first seminar on October 10, 2018 at Bankura Unnayani Institute of Engineering, Pohabagan, Bankura. CMA Subhash Chandra Samanta, Chairman of the Chapter, CMA Shyamal Kumar Bhattacharyya, Chairman, EIRC, Mr. Sasanka Kumar Dutta, Chairman,



Bankura Unnayani Institute of Engineering, CMA Pranab Kumar Chakraborty, Immediate Past Chairman EIRC, CMA Bibekananda Mukhopadhyay, Past Chairman, EIRC, Mr. Madhusudan Daripa, Secretary, Bankura Chamber of Commerce & Industries, CMA Nibaran Sinhamahapatra, Treasurer of the chapter, CMA Gour Bandhu Gupta, Secretary of the chapter were among the eminent dignitaries present in the seminar. In welcome address, CMA Subhash Chandra Samanta, Chairman of the chapter and President of the seminar placed the history of formation of the



chapter in brief. CMA Gour Bandhu Gupta, Secretary of the chapter explained the necessity of formation of the chapter for making awareness of bright prospect of study in Cost Accountancy by regular admission, coaching, guiding, library, holding seminars etc. He also acknowledged the untiring services rendered by Association's Joint Secretary and Lecturer Mr. Pradip Kumar Das in all meetings and seminars. He also extended thanks to Prof. Dr. Krishnendu Adhvaryu, Principal and faculty members of the BUIE, who assured to extend all sorts of co-operation. He acknowledged the co-operation received from Council members of the Institute, members of Regional Chapter Co-ordination Committee, and members of Eastern India Regional Council of the Institute and their staffs. Chief Guest CMA Shyamal Kumar Bhattacharyya expressed his happiness for formation of this chapter. Guest of Honor, Mr. Sasanka Dutta, Chairman of Bankura Unnayani Institute of Engineering assured to provide students, class rooms and other assistances if required. Mr Madhu Sudan Daripa, Secretary of Bankura Chamber of Commerce & Industries expressed his happiness in the formation of the chapter and CMA Bibekananda Mukhopadhyay, Past Chairman, EIRC delivered his lecture on introduction of GST and CMA Pranab Kumar Chakraborty, Immediate Past Chairman of EIRC delivered his valuable speech on Valuation under Companies Act. Vote of thanks was given by CMA Gour Bandhu Gupta, Secretary of the chapter.

The Institute of Cost Accountants of India- Cuttack Bhubaneswar Chapter

The Chapter successfully organized a seminar on "Income Computation and Disclosure Standards (ICDS)" on October 28, 2018 at its conference hall to mark its Golden Jubilee Year (2018-19). CA Satyjit Mohanty, Director (Finance), Odisha Mining Corporation Ltd (OMC) has inaugurated and graced the seminar as "Chief Guest" in the presence of

CMA Mrityunjay Acharjee, Sr. Vice President (Internal Audit & Taxation), M/s Balmer Lawrie & Co Ltd., Kolkata, CMA Damodar Mishra, Chairman, CMA Tapas Ranjan Swain, Secretary, CMA Mukesh Chaubey, Chairman, PD Committee & all the managing committee members of the Chapter. CMA Mrityunjay Acharjee, Sr. Vice President (Internal Audit



& Taxation), M/s Balmer Lawrie & Co Ltd., Kolkata delivered in details on the topic "Income Computation and Disclosure Standards (ICDS)" with lot of examples/amendments , interacted with the participants and clarified their queries. The Chapter organised one Practitioners Meet on November 3, 2018 at its conference hall on the topic "GST-Accounts and Audit". CMA Bibhuti Bhusan Nayak, DGM (Fin), GRIDCO Ltd. and past chairman of the chapter was "Resource Person" on the occasion and interacted with the participants on various critical issues on GST Audit. CMA Damodar Mishra, chairman of the chapter delivered welcome address and assured for conducting maximum educative programmes and other activities to commemorate its golden jubilee year. CMA Tapas Ranjan Swain, secretary of the chapter extended formal vote of thanks. The Chapter observed "International Accounting Day" on November 10, 2018 at its conference hall. CMA CS (Dr.) P V S Jaganmohan Rao, Vice President, SAFA and Chairman, Corporate Laws Committee of the Institute, Kolkata graced the occasion as "Chief Guest". CMA Damodar Mishra, Chairman of the Chapter, CMA Mukesh Chaubey , Chairman , PD Committee , CMA Tapas Ranjan Swain, Secretary, CMA Himoj Mishra , Treasurer, CMA Uttam Kumar Nayak, Member of MC , CMA Nilamani Mohapatra , Past Chairman of the chapter and all members of Managing Committee participated in the celebration .The Chapter organized a seminar on "Companies Act, 2013 – Recent Amendments, Annual Return & Director's Report" on 11th November, 2018 at its conference hall to mark its Golden

Jubilee year (2018-19). CMA CS (Dr.) P V S Jaganmohan Rao, Council Member and Chairman, Corporate Laws Committee of the Institute and Vice President, SAFA inaugurated and graced the seminar as "Chief Guest" in the presence of CMA Niranjana Mishra, Council Member and Chairman-RCs & Chapters Coordination Committee and Taxation Committee of the Institute, CS Prashant Panda, Company Secretary, Odisha Television Ltd. (OTV), CS Bharat Kumar Sahu, Additional Company Secretary, NALCO Ltd., Bhubaneswar, CMA Damodar Mishra, Chairman, CMA Tapas Ranjan Swain, Secretary, CMA Mukesh Chaubey, Chairman, PD Committee & all the Managing Committee Members of the Chapter. CMA Damodar Mishra, Chairman of the Chapter delivered welcome address and key note address on the organized topic "Companies Act, 2013 – Recent Amendments, Annual Return & Director's Report". CMA Mukesh Chaubey, Chairman, Professional Development Committee of the chapter felicitated the seminar and CMA Tapas Ranjan Swain, Secretary of the Chapter extended formal vote of thanks. On the occasion CMA CS (Dr.) P V S Jaganmohan Rao, CS Prashant Panda and CS Bharat Chandra Sahu delivered in details on the aforesaid topic with lot of examples/amendments and interacted with the participants. The Chapter has organized one Career Awareness Programme at Jupiter College of Commerce, Bhubaneswar on November 13, 2018 to mark the career counselling month as per notification of the Institute. CMA Mukesh Chaubey, Chairman, PD Committee of the Chapter highlighted about

the Institute, course curriculum and career prospects in CMA Course. The Chapter has successfully organized the Campus Placement at its premises on November 15, 2018. The Chapter organized a Career Awareness Programme at Institute of Commerce and Professional Studies (ICPS), Bhubaneswar on November 20, 2018 to mark the career

counselling month as per notification of the Institute. CMA Saktidhar Singh, Vice Chairman of the Chapter and CMA Ajay Kumar Samal, Students Convener of the Chapter highlighted about the Institute, Course Curriculum and Career Prospects in CMA Course. All the participants clarified their queries.

Northern India Regional Council



NIRC organized a seminar on "Internal Audit Report and International Practices" on October 26, 2018 at CMA Bhawan, New Delhi. CMA Anil Sharma, Vice Chairman, NIRC welcomed keynote speaker CMA Ratul Oberoi and all the participants. CMA Ratul Oberoi from Chandigarh was the key note speaker and delivered two hrs plus presentation to the participants with practical examples. CMA Ratul Oberoi elaborated the importance of attitude, discipline and interpersonal relationship while conducting internal audit. NIRC organized open house discussion with faculties and students on October 29, 2018 at CMA Bhawan, New Delhi. CMA Sunil Kr. Singh, Chairman & CMA Anil Sharma, Vice Chairman, NIRC welcomed the faculties and students in the discussion. A seminar was organised by NIRC on "How to face CMA Examination and Stress Management" on 3rd November, 2018. CMA Praveen Gupta was the speaker for the program. The deliberations were mainly on solutions of problems faced by students in examinations and stress management tips through yoga and meditation. NIRC organized a programme on Filing of Income Tax Return, TDS Statement & Online filing & List of Income Tax Exemption on November 10, 2018 at CMA Bhawan, Lodhi Road, New Delhi. CMA Mrigesh Jha was the faculty of the programme. The Region organised seminar on "Practical Aspects of Insolvency and Bankruptcy Code 2016" on November 11, 2018 at CMA Bhawan, Lodhi Road, New Delhi. CMA J K Budhiraja, Ex-CEO, Insolvency Professional Agency of the Institute and Ex-Senior Director (Technical) of the Institute was the key note speaker of the seminar. CMA Ravi Kr. Sahni, RCM-NIRC welcomed CMA J.K. Budhiraja and other participants and



also shared his views on the above topic. CMA JK Budhiraja explained the provisions of Insolvency and Bankruptcy Code 2016 (IBC 2016), Rules and Regulations framed under IBC 2016, along with various case laws decided by Supreme Court, NCLAT and NCLTs on the provisions of IBC 2016. He also explained how to prepare Information Memorandum and Resolution Plans and Roles and Responsibilities of Insolvency Professionals under IBC 2016. NIRC organised a programme for CMA Students on the topic Goal Setting on November 12, 2018 at CMA Bhawan, Lodhi Road, New Delhi. CMA Raj Mahur was the faculty for the above topic. As per guidelines of HO, NIRC conducted the programme on Role of CMAs in Banking Sector on November 14, 2018 at CMA Bhawan, Lodhi Road, New Delhi. CMA S.K. Bhatt and CMA Ravi Kr. Sahni, RCM-NIRC welcomed CMA Sanjay Gupta, Immediate past president of the Institute and keynote speakers, Sh. L.K. Srivastava, Regional Manager (Syndicate Bank) & Mr. Pradeep Sharma, AGM-SBI.



The Institute of Cost Accountants of India-Jaipur Chapter



The Chapter organised Industry Oriented Training Programme of six days for students pursuing CMA Final Course. The programme was conducted from 25th September 2018 to 30th September 2018. During this programme, faculties having practical experience in different fields were

invited to share their practical knowledge. Industrial visit to SEL Textile, Neemrana, District - Alwar was also organised on 29th September 2018. In this visit, Chairman of the Chapter, CMA Rakesh Yadav also accompanied the students. The Chapter organised two batches of Communication & Soft Skills training programmes of 3 Day each for Intermediate Students. First batch was held from 5th to 7th October 2018 and second batch was from 12th October 2018 to 14th October 2018. In both the above batches, for two days, eminent faculties were invited for delivering talk on effective verbal and written communication, personality



development, group discussion, interview skills etc. Second batch was inaugurated by CMA P.R. Jat, Past Chairman of the chapter. In the valedictory session of second batch, chief guest was CMA R.G. Verma, Ex-Director Finance in Instrumentation Ltd., Kota. In his valedictory address, Shri Verma emphasised on setting the goal and to make continuous efforts to achieve the goal. In inaugural as well as valedictory session, chairman of the chapter, CMA Rakesh Yadav, vice-chairman, CMA S.L. Swami and Director – Coaching, CMA P.D. Agarwal also addressed the students. The Chapter organised Campus Placement program for June 2018 qualified CMAs on 27th and 28th October at its premises. In this program, Vedanta, Viraj Profiles, AU Small Finance Bank, Genpact and Genus Power participated.

Southern India Regional Council

SIRC organised various study circle meetings/discussion meetings at its premises on various topics "Practical Approach to Cost Audit", "Revenue Recognition under Ind AS – Ind As 18 & 115", "Transfer Pricing Methods", "Auditing in the ERP Environment" etc and CMA S. Vaidehi, Practicing Cost Accountant, Chennai, CA Chinnsamy Ganesan, Chartered Accountant, CMA S.V. Raman, Former Vice President (Finance) & Company Secretary, Rane Brake

Lining Limited & Former Professor, IFMR, Chennai etc were among eminent dignitaries attending the programme. SIRC organised Professional Development Meetings at its premises on various dates of September and October 2018. SIRC celebrated the 72nd Independence Day at its premises. SIRC organised Oral Coaching Inauguration Programme on 15th August, 2018. The Chief Guest of the event was Tmt. Pooja Kulkarni, IAS, Addl. Secretary, Finance Dept.,



Govt. of Tamil Nadu, who is also a Cost and Management Accountant. CMA Suresh R. Gunjalli, Chairman, SIRC highlighted that CMA Professionals are recognized widely throughout India and abroad and interested candidates can enter into practice also. CMA H. Padmanabhan, Council Member advised the students to complete the course within the stipulated time limit with the guidance and support of the faculty members. The Chief Guest highlighted that there are more opportunities for the Cost and Management Accountants throughout India and abroad and also in the field of practicing GST, IBC etc. CMA Jyothi Satish, Vice Chairperson, SIRC proposed vote of thanks. SIRC organised a Goods and Services Tax (GST) Conclave on 5th, 6th and 7th October, 2018 at Chennai. The GST Conclave was formally inaugurated by Shri K. Srinivasan, Asst. Commissioner – GST, Chennai Zone. During the Technical Sessions, topics

such as 'ITC Claim Verification & Reversal – Critical Issues and Case Study', 'Works Contract – Critical Analysis', 'Valuation under GST – A Critical Analysis', 'GST – Advance Ruling', 'GST Impact on line items of Profit & Loss Account', 'Annual Statutory GST Audit – Reconciliation and Case Study' and 'Precautions to avoid disputes under GST & Role of Professionals in GST Audit/Certification' were discussed with Practical Issues, which were well appreciated by each and every participant at the conclave. The valedictory session was held on 7th October, 2018 which was graced by CMA H. Padmanabhan, Council Member- SIRC and Shri K. Srinivasan, Asst. Commissioner – GST, Chennai Zone. SIRC organised its campus placement programme for CMA Final passed candidates of June 2018 Batch at SIRC Chennai on 8th, 9th and 10th of October, 2018.

The Institute of Cost Accountants of India-Coimbatore Chapter



The Chapter conducted Banking month programme by organising a PD program on "Working Capital Assessment & Stock Audit" on 12th November, 2018. The Speaker, Sri. M



S. Krishna Moorthy, Retired Chief Manager of IOB, presented a vivid lecture on the subject. Various career counselling programmes were conducted at different colleges in Coimbatore. The Chapter organised an Industrial Visit to Srinivasa Mills of KG Group, Jadayampalayam, Coimbatore on 5th October, 2018. As per the circular of the President, International Accounting Day was celebrated on 10th November, 2018 at the chapter. Central Council Member, CMA Padmanabhan. H addressed the members and students of the chapter and explained the significance of the Day. An Interaction session with Central Council Member, CMA Padmanabhan. H was organised at the Chapter on 10th November, 2018. Members and students participated in the event.

The Institute of Cost Accountants of India- Cochin Chapter



The Chapter organized a career counselling programme on September 28, 2018. On September 8, 2018, a seminar was held on IB Code an Update and CMA Renahan Vamakesan, Fellow Member of the Institute attended the seminar. On September 29, 2018, seminar on GST Audit was organized and CA Thomas P. A., Superintendent, GST Commission was the speaker of the programme. On October 12, 2018, GST



Annual Return & Audit was held and CMA Suresh Kumar K. P., Practicing Cost Accountant & Secretary, Cochin Chapter was the speaker of the programme. The Chapter celebrated its Golden Jubilee, on 11th & 12th of November 2018 at the Gateway Hotel (Taj Residency), Marine Drive, Ernakulam. The programme was inaugurated by CMA Amit Anand Apte, President of the Institute. CMA H. Padmanabhan, Vice



President of the Institute, CMA Suresh R Gunjali, Chairman, SIRC, CMA Sankar P. Panicker, Secretary, SIRC and CMA (Shri.) Rakesh R. Warrier were among the eminent dignitaries present over the function. The Professional Development Programme with the theme of “Engaging with the Changing Global Economy and Role of CMA’s” were handled by the eminent speakers from various part of the country. Shri Asim Kumar Mukhopadhyay, Vice President, Tata Motors, CMA Anil Kumar Dhingra, Joint Advisor, (F&EA) TRAI, Dr. D. Dhanuraj, Chairman, CPPR, CMA M. Gopalakrishnan, Past President of the Institute were the eminent speakers of the programme.

The Institute of Cost Accountants of India - Visakhapatnam Chapter



The Chapter organized a Professional Development Programme on 14th Nov 2018 at Chapter's Premises on “Anti Profiteering under GST Law”. Speaker CMA K.N.Hari Hara Prasad Deputy Director (COST) in Central Taxes, GST Audit Commissionerate and Secretary of the Chapter, CMA S.Ramprasad welcomed the gathering for the Meeting and Vice – Chairman, CMA M. Ramakrishna chaired the session. Speakers explained the anti-profiteering body under the

goods and services tax framework seeking details on pricing strategies from consumer goods companies and over-the-counter (OTC) drug makers to check whether they have passed on the benefits of reduced GST rates to consumers. CMA U. Lakshmana Rao proposed vote of thanks. CMA C.S. Sundara Murthy, CMA CH Jaggi, CMA P.S. Ratneswara Rao and other members participated in the program.

The Institute of Cost Accountants of India - Bangalore Chapter

The Chapter organized a one day programme on SAP with Live Demo “Cost Records Audit, SAP Environment-Theory

& Practice” at its premises on September 8, 2018. Shri Shantaram Hegde was the eminent dignitary present during



the programme. A PD meet on “Audit under GST Acts” was organized at Chapter’s premises, Basavanagudi, Bangalore on September 22, 2018. CMA Girish K, Practicing Cost Accountant was the speaker of the Meet. A seminar on “Goods and Service Tax” was organized at Bangalore on October 12, 2018. Shri A.K. Jyotishi - IRS, Principal Chief Commissioner of GST, Karnataka, M.P. Ravi Prasad, CMA Vishwanath Bhat, B.V. Muralikrishna, CMA Kamalakara K.S, N.Nithyananda, Shri Basavaraj K.S, CMA Girish K, M.S. Srikar, B.T. Manohar, CMA NR Kaushik, chairman

of the chapter, CMA Manjula B S, secretary of the chapter, CMA Sreepada H R, vice chairman of the chapter were among eminent dignitaries present during the seminar. A seminar on “Redefining the Trends towards Business Sustainability through Cost Management Strategies” was organized at Bangalore on October 23, 2018. CMA Amit Anand Apte, President of the Institute, CMA Balwinder singh, vice president of the Institute, CMA Raju P Iyer, council member, CMA Suresh R Gunjalli, SIRC chairman, CMA N R Kaushik, chairman of the chapter & CMA



Manjula B S, secretary of the chapter were among eminent dignitaries present at the seminar. A pre-orientation programme for final passed students was organized at its premises from September 5, 2018 till September 17, 2018. Communication Skills were organized from September till October 2018. Ms. Keerthana, Mission Catalyst was the eminent dignitary present in the programme. Regional Chapters Meet at the Chapter was organized on October 13, 2018 and CMA Niranjana Mishra, CCM, CMA Dr I Ashok, CCM, CMA Jagan Mohan Rao, CCM, CMA Papa Rao, CCM, CMA Suresh R Gujalli, SIRC Chairman, CMA N R Kaushik, Chairman of the chapter, CMA B S Manjula, Secretary. CMA Sreepada H R, Vice Chairman of the chapter were among eminent dignitaries present during the Meet. A technical cell meeting was organized on October 24 and 25, 2018 and CMA Amit Anand Apte, President, CMA Dr D V Joshi, Chairman, Technical Cell, CMA D C Balaji, CMA Ashwin G Dalwadi, CMA Neeraj D Joshi, CMA P Raju Iyer, CCM were among eminent dignitaries present during the Meeting. Campus Placement for final passed students was organized on October

26 and 27, 2018 by the chapter. The Chapter was the Knowledge Partner for a National Conference organized by Indian Academy Degree College on the topic "Shifting Tides in Global Economic Scenario: Strategies for Business Sustainability" on September 25 and 26, 2018 and CMA N R Kaushik, chairman of the chapter, the guest of honour of the conference and CMA H R Sreepada,



vice chairman of the chapter attended the conference.

Western India Regional Council

The Institute of Cost Accountants of India – Chandigarh Panchkula Chapter



The Chapter completed fifty years of its set up on October 14, 2018 to commemorate the function that was held on 28th October 2018 at Chandigarh. It was attended by large number of members along with their families. CMA Sanjay Gupta, ex-president of the Institute was the chief guest, CMA Sunil Kr Singh, Chairman NIRC was the Guest of honor and CMA Anil Sharma, Vice Chairman NIRC was the special invitee. On the occasion all past chairmen, particularly CMA RL Parbhakar, founder chairman of the chapter were honored for their contributions towards the chapter, profession and the Institute.

The Institute of Cost Accountants of India - Pimpri Chinchwad Akurdi Chapter



conducted seminar on 'GST Annual Return' on 4th October 2018 at CMA Bhawan. CMA L D Pawar, Chairman, WIRC and CMA Mahendra Bhombe, Chairman of the chapter were the faculties for the seminar. CMA Himanshu Dave, Member of the Institute has felicitated CMA Mahendra Bhombe and CMA Bhavesh Marolia, Treasurer of the Chapter felicitated CMA L D Pawar by offering mementos. CMA Mahendra Bhombe in his speech focused on GSTR-9. He said GSTR 9 is an annual return to be filed once in a year by the registered taxpayers under GST including those registered under



The Chapter has conducted a communication & soft skills training for CMA intermediate students in the month of September 2018 at CMA Bhawan. Mr. Vikas Adawade, senior officer has welcomed and felicitated the speakers in Communication and Soft Skills Training, Ms. Prajakta Gaikwad and Mr. Sunil Mirchandani. Ms. Prajakta Gaikwad has conducted session on group discussion in which she focused on how to improve communication skills for interview. Mr. Sunil Mirchandani has conducted session on Self Mastery and Interview Skills. The Chapter has conducted Industry Oriented Training from 24th September 2018 to 29th September 2018 at CMA Bhawan. The Chapter has



composition levy scheme. The Chapter organized Students Felicitation Function on October 6, 2018, at Gandharv Hall, Chinchwad, Pune. CMA Tripti Patwa, final passed student of the chapter introduced to all dignitaries on the dais, guest of honor Shri Shivappa Talikoti, Chairman – Vishweshwar Sahakari Bank Ltd., CMA Mahendra Bhombe, chairman of the chapter, CMA Ashish Deshmukh, Past Chairman of the chapter, CMA Dhananjay Kumar Vastyayan, member of the chapter. The Chapter conducted a seminar on 'GST Audit' on 27th October 2018 at CMA Bhawan. Mr. Vikas Adawade, senior officer of the chapter introduced the faculty CMA L D Pawar, Chairman, WIRC of the Institute.

The Institute of Cost Accountants of India – Kolhapur Sangli Chapter

The Chapter had organised a one day workshop on "GST Annual Return and GST Audit". The faculties for the workshop were CA Abhiram G Dixit and CA Gangadhar V. Haldikar. CA Abhiram G Dixit explained the meaning of GST Annual Return. CA Gangadhar V. Haldikar talked on "GST Audit". CMA M. I Lakadawala, chairman of the chapter welcomed both the speakers. CMA A.G. Anikhindi introduced the speakers. CMA B. N. Mule proposed vote of thanks.



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