

Problem Statement -

To maximize the impact on society through Corporate Social Responsibility (CSR) programs of corporates and measuring the extra intangible value (to the company and the society) obtained as a result of these programs.

As a sample example, a value-adding program could include reduction of paper waste from office and its delivery to recycling houses for recycling. This disposal of paper waste from offices reduces the utility expense costs for the company and improves its net profit. At the same time, it adds a social value as it provides employment to poor and protects the environment.

Context -

The Companies Act 2013, enacted on 29 August 2013 on accord of Hon'ble President's assent, is a historic milestone, as it has introduced several provisions that have changed the way Indian corporates do business. A few such noticeable provisions are in regards to reporting on Corporate Social Responsibility (CSR). CSR, which has largely been voluntary contribution by corporates, has now been included in the law. Section-135 of the Companies Act, 2013 has proven to be a game changer, taking CSR from being a peripheral activity to a core activity with board level liability and impact on the company's financial statements (especially the net profits).

Section-135 has made it mandatory for companies (qualifying certain criteria) to spend 2% of their average net profit from previous three consecutive financial years into CSR initiatives. The Ministry of Corporate Affairs (MCA) has also established certain reporting guidelines for carrying out CSR programs. Thus, efficient methods to leverage this CSR capital to generate maximum impact need to be put together.

We need the participants to come up with a framework or a strategic plan for the companies that will result in maximization of beneficiary outreach and delivery of expected impact on ground. The process flow should include systems and processes that need to be setup, mechanisms of engagement with all relevant stakeholders – NGOs, consultants, Government, etc., and the reporting mechanism.