

Changing Face of CSR Implementation



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“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently”

– Benjamin Franklin

IOD's CSR Awards process has recognized advancement in CSR activities and it reflects the changing face of CSR after implementation of Company's Act 2013. Golden Peacock Awards for CSR is a measure of assessment of the efforts made by the leading companies in promoting CSR or using CSR as a tool for their image building or for providing service to the society. To have a reality check a survey was conducted on 80 CSR applicants this year. These are spread over four different zones.

Zone wise spread

It is observed that out of a total CSR expenditure of Rs. 2,617.03 crore in 2017-18, the amount spent in East zone was Rs. 444.09 crore; amount spent in North was Rs. 423.54 crore; amount spent in South Zone was Rs.187.76 crore; and amount spent in West zone was Rs.1567.74 crore. That means East zone and North zone spent about 17% each; South zone spent about 7%; and West zone spent about 59% of the total expenditure on CSR activities in India.

This kind of variation in CSR expenditures have continued, as in the past. However, there is a lowering of CSR expenditure in the Southern Zone.

Shift Observed in CSR Activities

Swatchh Bharat Abhiyan, lesser number of organizations have focused on Swatchh Bharat/Swatchh Vidyalaya Abhiyan. One reason assigned to it is that in the previous year a lot of funds were allocated for building toilets, under Swatchh Bharat Abhiyan.

Skills Building and Employability

It has also been observed that whereas focus on skills building has continued though not with the same vigour, the programme of

employability have decreased.

Child Welfare Programme

Focus on Child Welfare Programme has also shifted as the number of companies who have reported is dismally low. Education programmes have been a focus of most of the companies but the impact of such a programme in most of the cases is still unknown.

Implementing CSR projects through foundations and NGOs

Most of the companies are shifting their activities to be executed through Foundations and independent NGOs. It is not clear on the submissions whether such an effort is being made to bring in more professionalism or to segregate CSR programme implementation out of the normal business practice. Whereas the government has accepted such a practice but the spirit of the involvement of the employees of the companies with the CSR projects appears to be sliding down.

Allocation and Utilisation of Funds

The mandatory 2% allocation of CSR funds by listed companies is being followed. In some cases the companies are spending much more than 2% depending on the needs of the communities around their establishments. There is no uniformity in allocation and utilization. In some cases the utilization is much below the allocation. This discrepancy cannot be explained but the reason appears that in some cases where the companies have linked their programmes with the district programme, the fund utilization is better whereas in cases where they are not linked with the district programmes the fund utilization is not 100%.

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