

CORPORATE GOVERNANCE: ITS LINKAGES WITH CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT:

Corporate Social Responsibility is a set of systems, processes and principles which ensure that a company's governance in the best interest of all stakeholders. The research paper aims to analyze the recent trends and developments in the issue of corporate social responsibility as per section 135 of the Companies Act It uses the secondary sources of data and shows that the CSR was a voluntary aspect but as per the recent developments it has been made mandatory for companies as specified under the act.

Key Words: Corporate Social Responsibility, Section 135, Companies Act

IT Takes 20 years to built a reputation and 5 minutes to ruin it.

--- Warren Buffet

There are three Forms of Corporate Responsibilities

- **Economic Responsibilities:** acting in accordance with the logic of competitive markets to earn profits on the basis of innovation and respect for the rights/democracy of the shareholders which can be expressed in terms of managements' obligation as 'maximizing shareholders value'.
- **Political Responsibilities:** These relate to the basic political obligations are abiding by legitimate law; respect for the system of rights and the principles of constitutional state.
- **Social Responsibilities:** the corporate ethical responsibilities, which the company understands and promotes either as a community with shared values or as a part of larger community with shared values.

The paper discusses the most important issue of all these i.e.

Corporate Social Responsibility

It may be is defined

- as the way that "businesses voluntarily include considerations for human rights, societal, environmental and climate conditions as well as combating corruption in their business strategies and corporate activities".
- as a set of systems, processes and principles which ensure that a company is governance in the best interest of all stakeholders.

Evolution

The fundamental of CSR rest on the fact that not only public policy but even corporate should be responsible enough to address social issues

CSR development in India

Four phases

- 1) The 1st phase:(Pre industrialization period which lasts till 1850 and the period of colonial rule)

Charity and philanthropy were the main drivers of CSR, wealthy merchants shared a part of their wealth with the wider society by setting up temples for a religious cause. Helping in famines and epidemics by providing food from their godown and money.

- 2) The second phase (during the Independence movement)

Mahatma Gandhi introduced the notion of trusteeship and business established trusts for schools and colleges and also helped in setting training and scientific institutions.

- 3) The third phase (1960-1980) - Era of command and control

- Element of Mixed Economy
- Emergence of PSU
- Laws relating to labour and environmental standards.
- Private sector was forced to take a back seat

- 4) The fourth phase (1980 till present)

- Provision of improved medical and sanitation facilities
- Building schools and houses
- Improving villages
- Providing vocational training
- Corporate to join hands with NGO's

Eligibility

As per the Company Act 2013, CSR is applicable only on those companies whose

- NET worth amounts to Rs. 500 Crore or more or
- Turnover of Rs. 1000 Crore or more or
- NET Profit of Rs. 5 Crore

Activities covered under schedule VII of the Companies Act, 2013

CONTRIBUTION

As per section 135(5) of Companies Act, 2013 if any company is eligible under CSR Provision, **then 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.**

“Net Profit” for this purpose means net profit before tax as per the books of accounts.

ACTIVITIES COVERED UNDER SCHEDULE VII OF THE COMPANIES ACT 2013

Ministry of Corporate Affairs vide its Notification dated 27th February, 2014 (which shall come into force with effect from 1st April, 2014) has come up with the modified Schedule VII which covers wide range of activities which can be undertaken by the Companies as a part of their CSR initiatives. The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.

The above mentioned activities constitute the CSR activities and the companies which are covered under the provisions of Section 135 shall be required to carry out any one or more of the activities as specified above along with following its CSR Policy.

AREA

As per the Companies Act the Company shall give preference to the **local Areas where the companies office situated**, weather developed or un-developed. But preferably the Company prefers more of those areas which are Un-Developed.

Reporting

It is mandatory for companies to disclose their CSR policies, programs undertaken and amount spent in their report and the CSR rules provide for a separate format. The report containing details of such activities and CSR policies have to be made available on the Company's website for informational purposes.

ROLE OF CSR COMMITTEE

Every qualifying company will be required to constitute a CSR committee of the BOD consisting of three or more directors

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

Constituents of Corporate Governance

- Board of Directors,
 - Shareholders
 - Management
-
- The pivotal role in any system of corporate governance is performed by the board of directors. It is accountable to the stakeholders and directs and controls the management. It stewards the company, sets its strategic aim and financial goals and oversees their implementation, puts in place adequate internal controls and periodically reports the activities and progress of the company in a transparent manner to all the stakeholders.
 - The shareholders' role in corporate governance is to appoint the directors and the auditors and to hold the board accountable for the proper governance of the company by requiring the board to provide them periodically with the requisite information in a transparent fashion, of the activities and progress of the company.
 - The responsibility of the management is to undertake the management of the company in terms of the direction provided by the board, to put in place adequate control systems and to ensure their operation and to provide information to the board on a timely basis and in a transparent manner to enable the board to monitor the accountability of management to it.

Organizational Framework

In India Ministry of Corporate Affairs in association with National Foundation for Corporate Governance (NFCG) and Securities and Exchange Board of India (SEBI) keeps a check on the aspect of Corporate Social Responsibility

Benefits and Limitations

- Several studies in India and abroad have indicated that markets and investors take notice of well managed companies and respond positively to them.

- Unless a corporation embraces and demonstrates ethical conduct, it will not be able to succeed, to retain the best human capital.
- The credibility offered by good corporate governance procedures also helps maintain the confidence of investors – both foreign and domestic – to attract more long-term capital. This will ultimately induce more stable sources of financing.
- It is imperative for a corporation to be fair and transparent to all its stakeholders in all its transactions by adhering to the best corporate governance practices.
- Good Corporate Governance standards add considerable value to the operational performance of a company by:
 1. improving strategic thinking at the top through induction of independent directors who bring in experience and new ideas;
 2. rationalizing the management and constant monitoring of risk that a firm faces globally;
 3. limiting the liability of top management and directors by carefully articulating the decision making process;
 4. assuring the integrity of financial reports, etc.

Let us now discuss the limitations of CSR.

- The instances of financial crisis have brought the subject of corporate governance to the surface.
- The companies look at CSR as an additional burden.
- The Companies try to conceal their profits so that they do not lie in the slab as per Section 135 of the Companies act 2013.

Future Prospects

Quality of corporate governance primarily depends on following factors, namely:- integrity of the management; ability of the Board; adequacy of the processes; commitment level of individual Board members; quality of corporate reporting; participation of stakeholders in the management; etc. Since this is an important element affecting the long-term financial health of companies, good governance framework also calls for effective legal and institutional environment, business ethics and awareness of the environmental and societal interests.

Hence, in the years to come, corporate governance will become more relevant and a more acceptable practice worldwide. This is easily evident from the various activities undertaken by many companies in framing and enforcing codes of conduct and honest business practices; following more stringent norms for financial and non-financial disclosures, as mandated by law; accepting higher and appropriate accounting standards; enforcing tax reforms coupled with deregulation and competition; etc.

Suggestions and Opinions

Corporations are the prominent players in the global markets. They are mainly responsible for generating majority of economic activities in the world, ranging from goods and services to capital and resources. The essence of corporate governance is in promoting and maintaining integrity, transparency and accountability in the management of the company as well as in manifestation of

the values, principles and policies of a corporation.

Many efforts are being made, both at the Centre and the State level, to promote adoption of good corporate governance practices, which are the integral element for doing and managing business. However, the concepts and principles of good governance are still not clearly known to the Indian business set up.

Hence, there is a greater need to increase awareness among entrepreneurs about the various aspects of corporate governance. There are some of the areas that need special attention, namely:-

- Quality of audit, which is at the root of effective corporate governance;
- Role of Board of Directors as well as accountability of the CEOs and CFOs;
- Quality and effectiveness of the legal, administrative and regulatory framework; etc.

That is, it is necessary to provide the corporates desired level of comfort in compliance with the code, principles and requirements of corporate governance; as well as provide relevant information to all stakeholders regarding the performance, policies and procedures of the company in a transparent manner. There should be proper financial and non-financial disclosures by the companies, such as, about remuneration package, financial reporting, auditing, internal controls, etc.

Golden Peacock Global Award

Awards, instituted by the Institute of Directors, India in 1991, are now regarded as a benchmark of Corporate Excellence worldwide.

The golden peacock award are given under two categories:

1. National Award Categories

There are 14 categories in it such as:-

1. Business Excellence
2. Excellence in Corporate Governance (GPAECG)
3. Innovation Management Award (GPIMA)
4. Climate Security
5. Environment Management
6. Sustainability
7. National Quality
8. Innovation
9. Occupational Health & Safety
10. HR Excellence
11. National Training
12. Eco Innovation
13. Corporate Social Responsibility
14. Innovative Product/Service

2. Global Award Categories

1. Excellence in Corporate Governance
2. Sustainability
3. Corporate Social Responsibility
4. Global Business Excellence

The Corporate Social Responsibility Award was instituted in 2003

In the year 2003, it was given to 5 companies (categorized as public large, private large and small and medium. In the year 2013, this award was given to 13 companies from different sections such as – Mahindra Mahindra (automobile sector), IDBI Bank (Banking PSU), Yes Bank (Private bank), Serco Global Services (BPO), JK Lakshmi Cement (Cement), Samsung Electronics (Electronics), Uranium Corporation of India (Government), Engineers India Limited (Consultancy), Max India Foundation (Social service) etc. There were 5 special commendations as well.

Why is it so special?

- The only award, which has a meticulously defined and transparent selection criteria and is determined by a highly elaborate and independent assessment process.
- The award builds your **BRAND EQUITY** and worldwide recognition.
- Award winners are eligible to use the **GOLDEN PEACOCK AWARDS LOGO** on all promotional literatures.
- Preparation for award application helps to inspire and align the entire workforce and rapidly accelerates the **PACE OF SYSTEM IMPROVEMENT**.
- Even, if you don't win the award, the **PREPARATION & FEEDBACK** helps your strategic learning process to put you, on your way to achieving world-class status.

I have also compiled data mentioned by FORBES (2013) which provides listing of top 100 companies globally that discharge their corporate social responsibility effectively. It highlights that there are only two Indian pharmaceutical companies namely Allbott Laboratories (48th rank) and GlaxoSmith Kline (84th rank).

Some Recent Initiatives taken by Different Companies

Mahindra and Mahindra

Social Initiatives

Overview

Corporate Social Responsibility has always been an integral part of the Mahindra Group's vision and the cornerstone of our Core Value of Good Corporate Citizenship.

At the Mahindra Group, Corporate Social Responsibility is not just a duty; it's a way of life.

In 2005, the Group celebrated its 60th anniversary by renewing its commitment to Corporate Social Responsibility. It pledged to dedicate 1% of its profit (after tax), on a continuous basis towards Corporate Social Responsibility. A unique kind of ESOPs - Employee Social Options was launched to enable Mahindra employees to involve themselves in socially responsible activities of their choice.

The Group also announced a special gift: to provide free cochlear implants to 60 profoundly hearing-impaired, under-privileged children.

In addition to giving impetus to the Nanhi Kali project for the girl child and the Mahindra All India Talent Scholarship for the economically disadvantaged, the Mahindra Group is planning to set up two Mahindra Pride Schools.

❑ **Education**

A) K. C. Mahindra Education Trust

Established by the late Mr. K. C. Mahindra in 1953, the K. C. Mahindra Education Trust aims to 'Transform the lives of people

The Trust promotes education mainly by way of scholarships. It has provided more than Rs. 13.80 crores (approximately US \$ 3.0 million) in the form of grants, scholarships and loans.

Encouraging Students -

In its efforts to encourage and motivate students, the K. C. Mahindra Education Trust has set up the following scholarships:

- a. K. C. Mahindra Scholarships for Post-Graduate Studies Abroad Interest-free loan scholarships for post-graduate studies are awarded to deserving students interested in pursuing advanced studies overseas.
- b. Mahindra Search for Talent Scholarship

This has been set up in 35 schools across the country with an objective to enthuse and reward excellence in academics.

- c. K. C. Mahindra United World College Scholarship

This is offered to deserving students in the age group of 16 -18

Encouraging Teachers

To further encourage teachers, the Trust has set up

- K. C. Mahindra Chair for Nuclear Chemistry at the Institute of Science, Mumbai.
- Dhandevi Mahindra Scholarship Award at Sophia College, Mumbai
- The Trust has also established several awards and scholarships for the academia.

Empowering the Under-privileged

- Mahindra All India Talent Scholarship

To empower the under-privileged and disadvantaged sections of society, the Trust has set up the Mahindra All India Talent Scholarship. These are given to students belonging to lower income group families

- Nanhi Kali

The Nanhi Kali project, launched in 1996 by the K. C. Mahindra Education Trust, aims to change this by providing quality education to the disadvantaged girl child.

The Nanhi Kali project is currently looking after the education of 30,000 girl children and intends to reach out to many more in a phased manner.

Recently, the K.C. Mahindra Education Trust entered into a strategic alliance with Naandi Foundation, a not-for-profit organisation, to jointly manage the Nanhi Kali project.

B) Mahindra Education Society

The Mahindra Group has established schools near its factories primarily for children of its employees. Teachers at these schools are qualified and undergo regular training as well as attend

relevant workshops. Their teaching methodologies are constantly evaluated and modified when necessary.

C) Mahindra United World College

The striking feature of the United World Colleges is that they embrace the entire world across all divides of race, history, culture, wealth, religion, economic status and political belief: they are unique and they are conscious of their responsibilities.

– Nelson Mandela, United World College Honorary President

Health & Disaster Relief

Mahindra Foundation

The Mahindra Foundation has been set up with a specific objective: to provide medical relief to the poor and needy sections of society.

Arts & Culture

Theatre Week

The Mahindra Excellence in Theatre Awards (META) is the latest in the Mahindra Group's efforts to encourage national theatre in two broad categories - Emerging theatre and Established theatre.

Environmental Initiatives

Towards making planet earth greener, the Group has vowed to plant a One Million Trees across the Nation by October 2008 under the Mahindra Hariyali initiative. Mahindra Hariyali, is a mass tree plantation initiative undertaken by each and every Mahindra location - be it a Plant/factory setting or a corporate office. Shramdaan by Mahindra employees (and their families) themselves and even Mahindra dealers is a major driver of the initiative. With strong and meaningful partnerships with various stakeholders in the civil society such as schools, colleges, trusts, and also the Government (Forest Departments etc), the Mahindra Hariyali model ensures plantation and nurturing of these trees in the society at large. What started as a seed with top management vision is now bearing fruits towards reaching the zenith of completion.

The Group has transformed three municipal gardens:

The Shivaji Garden (near Gateway of India) is admired for its beautiful architecture and flourishing plants and flowers. Completely renovated by the Mahindra Group at a cost of Rs. 6 Lakhs, it now has pathways for pedestrians as well as new stretches of lawns and flowers. An area formerly frequented by anti-social elements has been merged with the garden, to prevent further misuse. Every effort has been taken to keep the garden in an immaculate condition and visiting hours are in place, facilitating maintenance work.

The Traffic Island Garden (opposite Regal Cinema) has been completely renovated by the Mahindra Group at the cost of Rs. 1 Lakh. New lamp posts and a variety of plants were put into place and the fountain was restored to its former glory. The garden provides visual relief in this crowded and traffic congested circle.

The third garden is located at the junction of Madame Cama Road, to the south of Oval Maidan. This is a brand new garden, developed by the group from scratch, at a cost of Rs. 1.5 Lakhs. Formerly misused by vagrants, it is now a serene and beautiful little corner.

Excerpts from letters of appreciation the Mahindra Group has received over the years:

The President of India and all VVIP's who witnessed the Presidential Review recently were very happy about the way the Gateway has been given a new look. This was mainly because your organisation did a splendid job in giving a face-lift to Shivaji Garden, which added to the beauty of the surroundings. With your co-operation, the garden stands out as a model to be emulated by others.

❏ **Sports**

Mahindra United Football

a) History

All work and no play can indeed make a company very dull. That's why a simple club with a few games and basic amenities was set up in 1950. No one ever thought that this would grow into an establishment that ran a professional team and offered high quality facilities, incentives and allowances.

The shift was gradual. In 1956, a group of youngsters enrolled themselves as the Mahindra official team in the Bombay Football League and made valiant efforts to reach the top. To further improve the standards, the company provided a full-size football field for practice and training. At this point, with the football teams representing the company at tournaments in Bombay, the need for a sports club arose. So the Mahindra & Mahindra Allied Company Sports Club came into being in 1962.

Since then the team has gone from strength to strength, getting into Bombay's senior division Harwood League in 1964 and earned the dashing sobriquet, 'The Giant Killers'. Football was developing in Maharashtra and in Mahindra too. In 1969, Mr. Harish Mahindra was elected Vice President of Western India Football Association (WIFA). Mahindra & Mahindra Allied Company Sports Club, then known as the Orange Brigade, was the most popular team in Maharashtra after strong teams like TATA's, Mafatlal's and Caltex. The late 80's saw Mahindra emerge as one of the most formidable teams in the country, attracting talented international players like P. M. Shivdas, C. Mustafa, Jerry Bassi, Henry Menezes, Santosh Kashyap and Godfrey Pereira. Top teams like East Bengal, Mohun Bagan and Mohammedan Sporting went all out to recruit the Mahindra players.

In 2000, the Mahindra Football Team underwent a total revamp and the Orange Brigade turned red. The team was renamed Mahindra United under the leadership of Mr. Alan Durante, Executive Director & President of the Automotive Sector. Committed support from the Chairman, Keshub Mahindra, and Managing Director & Vice Chairman, Anand Mahindra, set the ball rolling. Big names like Raghavan, Derek Desouza, Harish Rao, Karel Stromsik, David Booth and Dhronacharya Awardee, Syed Nayeemuddin, have coached the team and taken it from victory to victory.

There's been no looking back since then. Mahindra United of Mumbai is the only team in Maharashtra to win the Durand Cup twice, which is the second oldest trophy in the world. It is also the first team in Maharashtra to win the Harwood League and the Nadkarni Cup three times in a row. In fact, right now the Indian football team too, is led by the captain of Mahindra United.

b) Mahindra United Under - 19 years

In an attempt to nurture young talent and promote football in Mumbai, Mahindra United fielded an Under-19 years team from 2003. The team performed extremely well in the NFL league for U-19 years and reached the semi-finals, beating teams like Churchill Bros and Salgaocars. This promotion

of the U-19 years team has helped the players to develop and display their talent at the top level and has got them instant recognition and offers from some leading clubs in Mumbai.

c) Mahindra United Under - 15 years

Spurred by the success of its U-19 years team, Mahindra United fielded an Under-15 years team from 2006. The team played the Manchester United Premier Cup Asian Qualifiers held at Kolkata where top NFL Clubs participated.

Awards & Recognitions – 2008

☐ The Nashik Plant became the first plant to win the prestigious CII National Award for Excellence in Energy Management 2008 at an event held in Pune on 22nd and 23rd August 2008.. The award recognizes various industrial sectors for their outstanding contribution to Energy Conservation and Management. The award was conferred on the basis of Nashik plant's various energy conservation initiatives and its performance over the last three years.

☐ Mahindra & Mahindra was honoured with the Businessworld FICCI-SEDF Corporate Social Responsibility Award from the Honourable Finance Minister, Mr. P. Chidambaram in New Delhi on May 18, 2008. Instituted in 1999, the Businessworld FICCI-SEDF Corporate Social Responsibility Award identifies and recognizes the efforts of companies in integrating and internalizing CSR into their core business operations. Mahindra's CSR activities focus on the three areas of education, environment and health, and the company has pledged 1% of its profit after tax (PAT) on a continuing basis for CSR activities.

☐ M&M won the Auto Monitor CSR award for the Lifeline Express at a glittering ceremony held in New Delhi on the 7th of March 2008. The Lifeline Express was the organization's largest Esops initiative and was undertaken by the FES Rudrapur plant, who together with other volunteers such as doctors put in an amazing 21,742 man hours.

☐ On January 18, Mahindra and Mahindra won the BSE award for Best Corporate Social Responsibility Practice at the Social and Corporate Governance Awards (Innovative strategies - Measurable Impacts), presented by BSE and NASSCOM Foundation. The Award ceremony was the culmination of the Business for Social Responsibility Contest organized by BSE and NASSCOM Foundation in which Mahindra and Mahindra Limited was short listed along with 28 other Corporates for the category Best Corporate Social Responsibility Practice.

Mahindra Pride School:

As part of the 60th year celebrations, through the K. C. Mahindra Education Trust, the Company has committed to setting up two Mahindra Pride Schools.

Mid Day Meal Kitchen:

The Company had entered into a tripartite public private partnership with the Government of Rajasthan and Naandi Foundation for setting up of a centralised Mid Day Meal Kitchen at Govindgarh Taluka, Jaipur District, in the state of Rajasthan. This kitchen will hygienic, nutritious and wholesome mid day meals to approximately 25,000-35,000 primary school children studying in 314 Government Schools in Govindgarh Taluka, Jaipur District.

Supporting Nanhi Kali:

Nanhi Kali, which supports the education of the disadvantaged girl child has been the flagship programme of the K. C. Mahindra Education Trust.

Gifting Cochlear Implants:

By gifting the power of sound through the donation of cochlear implants, the Mahindra Group has changed the life and future of 41 profoundly hearing-impaired, underprivileged children till date.

Supporting Government Schools:

Continuing its commitment to make quality education accessible to all children, the Mahindra Group has continued support to 6 Government Schools in Mumbai (5 Schools at Kandivli and 1 in Worli).

Mahindra All India Talent Scholarships (MAITS):

498 students from 11 Centres all over India were awarded the MAITS in the last financial year to enable them to pursue a job oriented diploma course at a recognised Government Polytechnic in India.

Awards 2007-08

- ☐ Businessworld-FICCI-SEDF Corporate Social Responsibility Award
- ☐ Pegasus Corporate Social Responsibility Gold Award for the Mahindra Lifeline Express and the Nanhi Kali programme
- ☐ BSE Business for Social Responsibility Award for Best Corporate Social Responsibility Practice
- ☐ Auto Monitor CSR Award for Mahindra Lifeline Express

Yes bank-

- SevaMela connects People and Organisations, to Non Profit Organisations (NPOs) working on Social Causes.
- The format of Seva Mela is designed to enable SevaMela-2014 being held during the Joy of Giving Week or Daan Utsav, will have the participation of more than 100 NPOs, which cover a wide range of social causes like Education, Health, Environment, Old Age, Disabled, Shelterless, Women and Child Welfare.
- Volunteers and Donors visiting Seva Mela are welcome to see the list of participating NPOs on this page and commit and contribute to the volunteer opportunities and in-kind donation requests posted by the NPOs
- cultural performances by children supported by the participating NPOs at the event
- healthy food items prepared and sold by NPOs, the proceeds of which will go to support their social work activities.

Serco Global Services

- Held over 60 charitable events in our call centers across the Americas where employees could join in to participate in doing good work for charities including United Way, St. Jude and the Serco Foundation
- established the Serco Foundation in 2013 and given to children's charities to support the growth and development of children around the world.
- In the BPO business in Americas alone, we raised over \$22,500 for the children's charities in 2013.
- In April 2014 as part of our annual Corporate Responsibility Report we will provide a look back on what has been achieved and the difference that has been made by our Serco25 efforts.

J.K. Lakshmi cement

JK Lakshmi Cement Limited (JKLC) is committed to community engagement via the adoption of an effective CSR approach and partnerships through myriad interventions in the peripheral areas of its establishments.

VISIBILITY & STAKEHOLDER RELATIONSHIP MANAGEMENT

- Interacting with the VDC members, village sarpanches /parshads, school principals and other influential people of the villages to understand the infrastructural requirements in schools and panchayat ghars
- Meeting with sarpanches/up-sarpanches/Janpad members of the project villages to understand priorities of social work to be undertaken for upliftment of the village

EDUCATION INTERVENTIONS

- Adoption of ITI Sirohi to convert it into a "Centre of Excellence". Since adoption of ITI, Sirohi by the Company, 100% placement of passed out candidates in various Industries has been achieved.
- Currently around 900 students of government schools are undertaking teaching on Hindi, English, and Mathematics & Science through the teachers provided by us in the nearby villages around Durg site
- 15 students sponsored for studying Para medical course as per Haryana Govt. scheme

ADULT LITERACY PROJECT

- The Adult Literacy Project was launched in May 2004, has been able to educate around 3738 individuals out of which 77% belongs to SC & ST till date

HEALTH INTERVENTIONS

As of March 2014, 694 health camps have been organised covering 12, 489 people.

Beside the above camps periodically we have been organizing camps for Diabetes Awareness, Cardiology, Gynec problems, and eye care for the benefits of colony residents as well as nearby villagers. The Company also provided Medical/Ambulance services in case of emergency to the needy people.

As a mark of respect & paying homage to our past chairman Late Sh. Hari Shankar Singhania a blood donation camp in our HO, regional offices & different plant locations was organized & over 500 executive participated in this noble cause by donating their blood.

Naya Savera (Integrated Family Welfare Programme):

The project addresses the health condition of the poor, illiterate and tribal areas at our Jaykaypuram Plant and focuses on the 'Mother and Child'

- Currently, the Company is providing services to roughly 51000 population covering 16 villages and 43 hamlets.
- So far 7104 households have been covered and also have conducted over 2800 meetings with pregnant, lactating and other mothers of villages benefitting over 31000 ladies.
- Helped 10000 adolescent boys & girls in the nearby villages by conducting 428 meetings

HIV/ AIDS AWARENESS PROJECT

The HIV/AIDS Awareness programme was initiated in February 2012 with the Technical support of International Labour Organization (ILO) in Jaykaypuram

- Till March 2014, 218 meetings have been organised in which 6076 people have attended the awareness programme.

PROJECT MUSKAN – “HAMARE BUJURG HAMARE ADARSH”

- Under the programme named “MusKan”, as of March 2014, 5 programmes were organised during the year 2013-14 covering 464 senior citizens of nearby villagers

VOCATIONAL TRAINING&LIVELIHOOD INTERVENTION

- Under the Skill Development Initiative, 2 Training Camps for 3 months each in which 44 Tribal woman have been trained for sewing
- Total 15 sewing machines and 3 embroidery machines installed in the *silai kadhai* centres with 75 underprivileged women

Self Help Groups

SHG's in 7 villages and 136 SHG members are on the path of income generation via stitching, embroidery, broom formation, paper plate making etc

INFRASTRUCTURAL DEVELOPMENT

- Installation of hand pumps in Ghikudiya, Semaria and Pitaura
- Drilling and construction of bore wells in Girhola, Ghikudiya, Semariya, Pitaura and NandaniKhundani
- Separate pipelines to the nearby villages for addressing water problems besides digging of new bore wells, repair and maintenance of existing Hand pumps
- Infrastructure development in the schools like repair of existing buildings, providing furniture
- Installation of overhead water tanks of 10,000 Ltr. capacity

OTHER INTERVENTIONS

- Distribution of tables, chairs & sweaters distributed in Basantgarh Schools, blankets to needy & poor people at Valoria
- Sewing machine and bicycle distribution to 15 leprosy patients
- Rally and awareness program on Road Safety in schools
- Quiz Competition on Safety Week conducted in schools
- Plantation program carried in schools

AWARDS & ALLOCADES

- Golden Peacock CSR Award – 2013 for Exceptional contribution in Corporate Social Responsibility by JKLC, Jaykaypuram
- JKLC-Durg Project was awarded for the best CSR practices during the Chhattisgarh CSR conclave organised in Raipur
- JKLC-Durg Project was also awarded “Greentech CSR Excellence Platinum Award” and “Greentech Environment Excellence Gold Award” for outstanding achievements in CSR and Environment Management organised by Greentech Foundation, New Delhi
- JKLC-Durg Project has been recently awarded by THINK MEDIA INC. for best CSR practices 2014

CONCLUSION

When India is making a transformational progress, GDP is growing at a rate of 8-8.5% p.a, sensex is reaching new heights everyday. World is looking at us as one of the fastest emerging economies of world .But the question arises is that - Is our society also progressing at the same rate as the economy is growing or is there a gap between economic v/s social progress of our country. If society is growing at the same pace as the economy is growing then it is a very healthy sign but if there is a mismatch between the then it would be a very grave situation since it may widen the gap between the different strata of the society.

Economic Vs social progress and how CSR can contribute

As per the United Nations human development index (2012-13) in India has been implementing aggressive economic growth in terms of growth over the previous years. India has surpassed USA, with over 50% in the last decade in GDP per capita on the other side USA which is growing at a nominal rate has grown over 23% in the last decade. This is a good sign, as far as economy is concerned, for India.

Let us now talk about Human development index, US has higher HDI than India which shows the divergence of social Vs economic growth of India in comparison to US. This shows that India is dealing with the social problem like environmental pollution, unemployment, poverty and other social indicator.