Making an Impact by Skilling India

Corporate Social Responsibility and the Indian IT-BPM Industry
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and the Indian IT-BPM Industry
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Foreword

Over the years, Corporate Social Responsibility has gained importance nationally and internationally and there has been an increasing interest and emphasis on it. India is among the first nations to legally mandate minimum CSR spending for companies. The Ministry of Corporate Affairs notified the Companies Act, 2013 with effect from 1st April 2014 providing a regulatory mandate for CSR through section 135. The section provides an effort by Government to enforce CSR by profit making Indian corporates. The companies have been encouraged to incur a minimum expenditure on a wide array of development oriented activities.

Section 135 of the Act required every company having net worth of more than INR500 crore or more, or a turnover of INR1000 crore or more, or a net profit of INR5 crore or more, during any financial year to constitute the CSR committee of the board. The CSR committee is responsible for the formulation of the company’s CSR policy which would include activities mentioned in Schedule VII of the Act, recommend the amount of expenditure to be incurred and monitor the policy.

NASSCOM Foundation (NF) was set up as a non-profit organization to leverage the capacities and competencies of the ecosystem of the IT-BPM industry. It was also instituted with the aim to catalyze Corporate Social Responsibility (CSR) initiatives within the Indian IT-BPM industry. The Foundation works with the member companies, NGO’s and Social Enterprises to support innovative models, provide easy access to technology and help companies go beyond the traditional CSR and establish strategic CSR.

NASSCOM set up IT-ITeS Sector Skills Council (SSC) (SSC NASSCOM) to enable development of a skilled workforce for the industry. NF also works with NASSCOM SSC to promote Qualification Pack (QP) based skill training as part of IT Company’s CSR Activities. SSC NASSCOM wishes to facilitate and guide the CSR practices of companies operating in the IT-BPM sector, focusing them towards QP based skilling initiatives.

In this report we have highlighted the current scope of CSR spending for corporates, existing regulatory norms, the set of activities eligible under CSR, the mode of implementation and tax opinion. This report also showcases select CSR initiatives undertaken by IT companies in the area of Education & Skill Development through case studies, including a few companies who are undertaking QP based skill training in collaboration with NASSCOM SSC and NF. These cases exhibit the potential to utilize and channel CSR spending towards skilling with the aim to increase the availability of trained workforce for the IT industry, thereby reinforcing the leadership that India has in the IT sector, and aligning the industry to global standards.

R.Chandrashekar
President, NASSCOM
Acknowledgements

We are grateful to Dr. BVR Mohan Reddy, Chairman, IT-ITeS Sector Skills Council NASSCOM, and Founder & Executive Chairman, Cyient Ltd., and Mr. R Chandrashekhar, President, NASSCOM for their strategic leadership and support towards this important endeavor.

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We extend our thanks to the members of the Project Board, Mr. Anil Menon at CMS, Mr. Arjun Raghunathan at HCL Technologies, Mr. Sameer Kohli at CSC, Mr. Srikantan Moorthy at Infosys, and Mr. Vidyut Navelkar at TCS, for their input and guidance.

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We thank the Deloitte Project team consisting of Mr. Anindya Mallick, Mr. Mohammed Shariff, Mr. Arvind B., Mr. S Badrinarayanan and Ms. Neha Yadav for conducting the research and putting this report together.
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Executive Summary

“In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence” - Jamsetji Tata

The concept of Corporate Social Responsibility (CSR) has evolved over a period by recognizing communities as important stakeholders in industries. For industries in India, charity has been one of the key avenues for giving back to the society. Indian companies have set up large institutions through philanthropy, and also been funding CSR activities through their own foundations and NGOs.

However, with the introduction of the Companies Act, 2013, there seems to be a paradigm shift in corporate philanthropy from an ad-hoc, preferential approach to a structured and process-based approach. Companies above a defined threshold have to now spend a minimum of 2% of average net profit for the immediately preceding three financial years on CSR activities. In the first year since enactment of the new Companies Act, 460 companies spent 76% (INR 64 Billion) of the prescribed 2% of their net profits for CSR activities. Furthermore, IT-BPM companies spent around 91% of prescribed 2% spend on CSR activities and undertook maximum CSR expenditure in the thematic area of education and employment enhancing vocational skills.

With the introduction of the Act, companies are undertaking efforts to design and implement meaningful projects which benefit wider stakeholders. The first year of CSR regulation has seen changes in the governance structures, modes of implementations and thematic areas of implementation. To understand the performance of IT-BPM companies in the first year of the CSR regulatory norms and look at models of implementation, SSC NASSCOM and Deloitte Touche Tohmatsu India LLP (Deloitte) conducted a joint study.

The study provides an overview of the Companies Act, 2013, captures the performance of IT companies in terms of governance structure, expenditure on CSR, internal and external modes of implementation. Interactions with IT companies were also conducted to understand the different models of implementation and look at possible ways to implement CSR activities in the future. The study aims to add to the body of knowledge relevant to CSR space, to help increase awareness of CSR among IT-BPM companies, encourage companies to utilize and align their CSR activities towards promotion of Qualification Pack (QP) based skilling, and identify best practices that can be emulated.

Performance in 1st year of mandatory CSR

- 76% of the prescribed 2% spent by companies (Total INR 64 bn)
- INR 14.7 bn spent on Education & Skills among other preferred areas
- 91% of the prescribed 2% spent in FY15 by the IT-BPM companies
CSR Activities by IT-BPM companies

As a part of the study, the CSR activities of select IT companies were analysed along various aspects, and key thematic areas of implementation. The IT companies covered in the study account for over 80% of the revenues and 40% of the employment in the Indian IT Industry. Some of the key highlights are presented below:

**CSR Expenditure**: It was found that there has been an increase in the reporting of CSR expenditure with 53% companies reporting their CSR expenditure in FY15 as compared to 17% in FY14. Data for CSR expenditure as a % of PBT (Profit before Tax) was available for only 58% companies. This shows that there is a need for higher compliance and for more detailed reporting of the CSR spend by companies.

**Governance Structure**: It was found that 83% companies have a separate CSR head and 75% companies have a defined CSR policy. 70% companies had separate/detailed CSR sections in their annual report in 2014-15 which disclosed the details of their CSR interventions. However, only 33% have a defined CSR Vision/Objectives.

**Thematic Areas of CSR Activities**: Schedule VII of the Companies Act, 2013 specifies the key areas in which companies can implement their CSR activities. It was found that promotion of education and skill development is the key area of intervention with 80% companies implementing activities in the sector, followed by healthcare/sanitation (65%) and supporting vulnerable groups (60%). IT-BPM companies are also focussed on implementing vocational training projects with focus on youth, providing basic computer training and improving employment opportunities.

**Implementation of CSR Activities**: It was found that 55% of the companies implement their CSR activities through a foundation or charitable trust while only 15% of the companies have a separate division in the company for the implementation of CSR activities. Companies having their own foundations further engage with NGO’s and other foundations for implementation of the CSR activities. 83% companies prefer working through partner NGOs, followed by donations to other NGOs (45%). Only 18% companies work jointly with the government and 13% collaborate with other companies for implementation of CSR initiatives.
Case Studies

The case studies presented in the report highlight some of the projects undertaken by the top IT companies in the thematic area of Education and employment enhancing vocational skills. Companies have also engaged with NASSCOM Foundation and SSC NASSCOM to provide training based on Qualification Pack (QP), which are based on the National Skills Qualification Framework (NSQF) and the National Occupational Standards (NOS) that have been prepared by SSC NASSCOM. Case studies present the internal structure, models of implementation and models of collaboration within the skill development sphere.

The key objective of undertaking CSR activities in vocational skills is to create a job ready pool for the benefit of companies, and enhance employment opportunities for the underprivileged. These projects impact various stakeholder like school drop-outs, women, faculty and educational institutes. Representative initiatives are highlighted below:

• One initiative is an Urban Slum Development project implemented by tying up with local universities to provide skill training to the youth in the slums to enhance employment. IT courses have been aligned with the Qualification Packs (QP) prepared by SSC NASSCOM and provided short duration skill training to final year engineering students.

• Another CSR initiative looks at professional development of teachers in the area of Science, Technology, Engineering and Maths (STEM)

• Another programme aims to empower women who want to pursue their career after a break and are unemployed.

Details of eleven such CSR Initiatives undertaken by select IT companies have been provided in Section 5 of the report. These illustrate the various options and opportunities that are available for companies to design and implement their CSR initiatives.

Way Forward

Going forward, CSR funds can be tapped to help in contributing to the Skill India and the Digital India Initiative. There is potential to impact nearly 2.7 million individuals and consequently their families by the end of FY20 if the cumulative CSR spends of IT-BPM companies are spent on employment enhancing vocational skills. By tapping into the NASSCOM ecosystem, companies have an opportunity to channelize their CSR initiatives in an impactful manner while collaborating to achieve scale and efficiency.

Funds can be routed through National Skills Development Foundation (NSDF) to set up Corporate Skilling Centres and transform India into a digitally empowered country. Companies can collaborate with other public and private companies, Sector Skill Councils, NASSCOM Foundation and National Skills Development Corporation for undertaking CSR projects in vocational education and skills development.

Taking cue from the performance of companies in the first year of enactment of the new Companies Act, themes and best practises have been defined which can be considered while designing the CSR projects to strengthen the approach. The key themes have been explained in Section 6 of the report. Some of the good practises can been taken into account to have a meaningful impact:

• Deep Involvement of Board
• Build Systems and Structures for CSR
• Focus on select Themes / Areas
• Selection and partnership with credible Implementation Agencies
• Identify and Respond to Beneficiary Needs
• Smart and Efficient end-to-end Programme Design
1. Background and Evolution of Corporate Social Responsibility (CSR)

1.1 Definition of CSR

The term CSR came into use in the early 1970s. The last decade of the twentieth century witnessed a paradigm shift in focus from charity and traditional philanthropy towards a more direct engagement of business in mainstream development with a concern for disadvantaged groups in society. Having a more structured approach will bring coherence to the CSR activities and maximize the positive impacts of the projects.

In India, as in other parts of the world, there is a growing realisation that business cannot succeed in isolation and social progress is essential for sustainable growth. While the primary goal of any corporate is to generate wealth for its shareholders, the companies at the same time can contribute to social and environmental objectives by incorporating CSR as a strategic intervention. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there is a wide gap between sections of people in terms of income as well as socio-economic status.

The concept of CSR is not simple to define as various concepts and themes are covered under the term. Concepts like corporate citizenship, sustainable business, environmental responsibility, and the triple bottom line, social and environmental accountability, business ethics and corporate accountability are all associated with CSR. However, broad components of CSR can be defined in four categories (Figure 1). In India as per the Companies Act 2013 the first two components namely, mandatory societal spending, and corporate philanthropy, are considered as CSR activities.

Although there is no universal definition of CSR, various esteemed organisation have defined CSR and the report highlights some of the key definitions coined by International Organisation of Standardization (ISO), United Nations Industrial Development Organization (UNIDO) and Ministry of Corporate Affairs (MCA).
ISO 26000

ISO 26000 is the international voluntary standard developed to help organizations effectively assess and address those social responsibilities that are relevant and significant to their mission and vision; operations and processes; customers, employees, communities, and other stakeholders; and environmental impact.

It is intended for use by organizations of all types, in both public and private sectors, in developed and developing countries. It can assist them in their efforts to operate in a socially responsible manner.


The scope of ISO 26000 includes the following:
- Assist organizations in addressing their social responsibilities while respecting cultural, societal, environmental, and legal differences and economic development conditions
- Provide practical guidance related to making social responsibility operational
- Assist with identifying and engaging with stakeholders and enhancing credibility of reports and claims regarding social responsibility
- Emphasize performance results and improvement
- Increase confidence and satisfaction in organizations among their customers and other stakeholders
- Achieve consistency with existing documents, international treaties and conventions, and existing ISO standards
- Promote common terminology in the social responsibility field
- Broaden awareness of social responsibility

United Nations Industrial Development Organization (UNIDO)

According to UNIDO, Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

It is understood that CSR is a way by which companies achieve a balance of economic, environmental and social imperatives (“Triple-Bottom-Line Approach”), while at the same time address the expectations of shareholders and stakeholders.

UNIDO lays stress on the point that CSR as a concept should be undertaken by both large companies and small and medium enterprises (SMEs). UNIDO’s Triple Bottom Line Approach has proven to be a successful tool for SMEs in the developing countries to assist them in meeting social and environmental standards without compromising their competitiveness.

According to UNIDO, a properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, improved brand image and reputation, better decision making and risk management processes.

Ministry of Corporate Affairs, Government of India

The Ministry of Corporate Affairs does not define CSR but has defined the “Projects or Programs relating to activities specified in Schedule VII” of Companies Act, 2013 as eligible for CSR.

At a policy level, the focus on CSR started with the issuance of the Corporate Social Responsibility Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs.

1 www.iso.org
Corporate Social Responsibility was conceived as an instrument for integrating social, environmental & human development concerns in the entire value chain of corporate business by the Ministry of Corporate Affairs (MCA). For the same, the MCA issued the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business released in July 2011. This principle of NVG was subsequently translated into a mandatory provision of Corporate Social Responsibility in Section 135 of the Companies Act 2013.

The regulatory norms have been discussed in greater detail in the next sections of this document.

### 1.2 Evolution of CSR in India

Though the term CSR is comparatively new, the concept itself dates back to over a hundred years. CSR in India has evolved through different phases, like community engagement, socially responsible production and socially responsible employee relations. Its history and evolution can be divided into four major phases (Figure 2).

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
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| I     | Charity and philanthropy key drivers for industrial houses. For instance:  
• JN Tata Endowment 1892: provided Indian students scholarships to study abroad  
• Bajaj group established Kamalnayan Jamnalal Bajaj Foundation (1921) for initiatives in agriculture development, women empowerment & training |
| II    | Enactment of legislation on corporate governance, labour and environmental issues for Public Sector Units (1960s – 80s)  
• Private companies began integrating sustainability into business practices – e.g. ITC’s e-choupal (supplier and community development) |
| III   | Ministry of Corporate Affairs (MCA) issued voluntary CSR guidelines for private companies (2009)  
• The Dept. of Public Enterprises (DPE) issued mandatory Guidelines on CSR for Central Public Sector Enterprises (2011)  
• National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business issued by MCA (2011) |
| IV    | MCA revised Companies Act on 29th August 2013. The Act consolidates & amends the law relating to companies.  
• MCA issued the Companies (CSR Policy) Amendment Rules in September 2014 followed by subsequent amendment rules and circulars.  
• The report on High Level Committee was released in September 2015 by MCA to suggest measures for improved monitoring of the implementation of CSR projects |

**Figure 2: Evolution of CSR in India**

**Phase I**

The first phase of CSR was characterized by charity and philanthropy. CSR was influenced by family values, traditions and industrialisation. The wealth of businessmen was spent on the welfare of society, by setting up temples and religious institutions.

In pre-independence times, the pioneers of industrialisation like Tata, Birla, Godrej, Bajaj, promoted the concept of CSR by setting up charitable foundations, educational and healthcare institutions, and trusts for community development.

Cases of Philanthropy were seen when companies like Tata Group and Bajaj took initiatives for community development. The Tata Group started the Jamsetji Nusserwanji (J.N.) Endowment Scheme in 1892 for the Higher Education of Indians which was designed to help Indian students with loan

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2 Evolution of CSR in India, Jana Foundation
scholarships for higher studies. There are now more than 4,800 JN Tata Scholars all over the world pursuing their higher studies in diverse fields³.

**Phase II**

This phase was characterised by the emergence of PSUs (Public Sector Undertakings) to ensure better distribution of wealth in society. The policy on industrial licensing and taxes, and restrictions on the private sector resulted in corporate malpractices which finally triggered suitable legislation on corporate governance, labour and environmental issues.

Additionally academicians, politicians and businessmen conducted a nationwide workshop on CSR where major emphasis was given to social accountability and transparency.

Towards the end of the phase, it was seen that private companies also began integrating sustainability into business practices. One such initiative was undertaken by *ITC Limited when they launched E-Choupal*⁴ which is an innovative market-led business model designed to enhance the competitiveness of Indian agriculture. E-Choupal leverages information technology to virtually cluster all the value chain participants, delivering the same benefits as vertical integration does in mature agricultural economies like the USA.

**Phase III**

The third phase saw policy development as the Ministry of Corporate Affairs issued the Voluntary Guidelines for CSR in 2009. The voluntary guidelines aimed at adding value to the business and contributing towards long term sustainability of the business.

In 2010, the Department of Public Enterprises (DPE) issued a mandatory guideline for the Public Enterprises⁵. According to the guidelines, CPSEs could invest in non-project based CSR activities only if such area activities are mentioned in 2010 guidelines but such expenditure should not exceed 5% of total CSR budget of that year.

This phase saw another development in the sphere of CSR when the Ministry of Corporate Affairs (MCA) released the National Voluntary Guidelines on Socio-Economic and Environmental Responsibilities of Business with the aim to help the corporate sector to make efforts for inclusive development.

**Phase IV**

The fourth phase began with the Ministry of Corporate Affairs notifying the Section 135 and Schedule VII of the Companies Act, 2013⁶ as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014.

As per the Act, every company, private limited or public limited, which either has a net worth of INR 500 crore or a turnover of INR 1,000 crore or net profit of INR 5 crore, needs to spend at least 2% of its average net profit for the immediately past three financial years on CSR activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the Act. Contribution to any political party will not be considered to be a CSR activity and only activities in India would count as CSR expenditure.

MCA issued the Companies (CSR Policy) Amendment Rules in September 2014 which were followed by subsequent amendment rules and various circulars. Also, the report on High Level Committee was released in September 2015 by MCA to suggest measures for improved monitoring of the implementation of CSR projects.

Over the years CSR has evolved from traditional notion of corporate philanthropy to one of long term sustainability of business, community & environment with focus on the activities, implementation and monitoring mechanisms.

⁴ ITC’s E-Choupal Initiative, www.itcportal.com
⁵ Guidelines on CSR for Central Public Sector Enterprises, www.dpe.nic.in
2. CSR Regulatory Norms in India

2.1 Companies Act, 2013 and Companies Rules 2014-15 (CSR Policy)

The Companies Act, 2013 was enacted to encourage companies to undertake CSR more seriously. In India as per the Act, the focus is primarily on two components i.e. mandatory societal spending and corporate philanthropy. India is among the first nations to legally mandate minimum CSR spending for companies.

Section 135 of the Act requires every company having net worth of more than INR 500 crore or more, or a turnover of INR 1000 crore or more, or a net profit of INR 5 crore or more, during any financial year to constitute the CSR committee of the board. The CSR committee should formulate the CSR policy which would include activities mentioned in Schedule VII of the Act, recommend the amount of expenditure to be incurred and monitor the policy.

The key highlights of the Act are as follows:

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<th>Table 1: Key Highlights of Companies Act, 2013</th>
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<td><strong>CSR Expenditure Overview</strong></td>
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\(^7\) Section 135 requires average net profit to be computed as per section 198. Net profit as per Section 198 is primarily “Profit before Tax”.
### Table 1: Key Highlights of Companies Act, 2013

#### CSR Activities included
- **Schedule VII of the Companies Act, 2013** lists out the following activities (though not exhaustive) which may be included by companies in their CSR policies:
  - Eradicating extreme hunger and poverty
  - Promotion of education
  - Promoting gender equality and empowering women
  - Health - reducing child mortality, improving maternal health, combating HIV, AIDS, malaria and other diseases
  - Employment enhancing vocational skills
  - Ensuring environmental sustainability
  - Social business projects
  - Contribution to Prime Minister’s National Relief Fund or any other fund set up by Central Govt. or State Govts. for socio-economic development and relief & funds for welfare of the SCs, STs, other backward classes, minorities & women; and
  - Such other matters as may be prescribed

#### Activities excluded
- Donations/activities exclusively benefiting employees of the company or their family members.
- Activities undertaken in pursuance of the normal course of business of a company
- The activities undertaken outside India
- Contribution of direct or indirect funds to any political party

#### Mode of implementing CSR activities
- The corporates can implement CSR activities in the below mentioned ways:
  - Registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act.
  - If the trust, society or company is not established by the company or its subsidiaries or its holdings or an associate company, it shall have a track record of 3 years in undertaking similar projects.
  - A company can also collaborate with other companies for undertaking projects in a manner that the CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with the rules.

#### Modes of contribution
- Companies can undertake CSR activities in the following ways:
  - Projects and Programs implemented in the thematic areas of Schedule VII
  - Contribution to corpus of a Trust/ society/ section 8 company which is exclusively for undertaking CSR activities and activities fall under Schedule VII

#### Tax Deductions
- There are specific activities which will be tax deductible: Contributions to government schemes under Section 80G, Agriculture extension projects (Section CCC), Skill development projects (Section 35CCD), Eligible project/scheme for promoting social & economic welfare (Section 35AC) and Scientific research expenditure (Section 35)
Table 1: Key Highlights of Companies Act, 2013

<table>
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<th>CSR Reporting</th>
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<td>• The Board Report of a company covered under the rules pertaining to financial year commencing on or after the 1st April, 2014 shall include an annual report on CSR containing particulars specified in the format provided in the Act.</td>
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<td>• <strong>In case 2% spending on CSR is not achieved</strong>, annual report to include reasons for the same if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.</td>
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The MCA also issued Schedule VII of the Companies Act which covers the wide range of activities which can be undertaken by the Companies as a part of their CSR initiatives (Figure 3). Education & employment enhancing vocational skills and Livelihood enhancement are the key thematic areas for the purpose of the study.

Figure 3: Activities listed in Schedule VII

Few examples of activities under the thematic area of promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects are provided below:

- Capacity building of farmers to develop sustainable farm management practises
- Training of agriculture labour on any skill development
- Conservation and renovation of school buildings and classrooms
- Creating opportunities for poor and marginalised tribal communities by enhancing their skills, awareness, knowledge and bringing in linkages to markets and financial institutions
The Companies Act, 2013 states that the CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

<table>
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<tr>
<th>Projects</th>
<th>Programs</th>
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| • Project is a temporary undertaking to create a unique product or service.  
• Project has a defined start and end point and specific objectives that, when attained, signify completion. | • Program is a group of related projects managed in a coordinated way to obtain benefits not available from managing the projects individually.  
• A program may also include elements of on-going, operational work. So, a program is comprised of multiple projects and is created to obtain broad organizational or technical objectives.  
• The scope and duration of programs will be longer than projects. |

2.2 High Level Committee Report

A High-Level Committee (HLC) chaired by Mr. Anil Baijal (former Union Home Secretary) was constituted by Ministry of Corporate Affairs (MCA) in February 2015 to articulate recommendations for improvement in monitoring and evaluation of CSR policy in India. The report was submitted by the committee in September 2015 and the particulars of the same are currently under consideration by the MCA.

Table 2: Key Highlights of the High Level Committee Report

| Non-Disclosure | • As per the Companies Act, 2013 the companies should disclose contents of their CSR policy and their spend on CSR expenditure in its annual report and the same shall be displayed on the company’s website  
• The e-form (AOC-4), is designed for e-filing of annual financial statement by the companies. The e-form has been notified by the MCA  
• General principles of “comply or explain” sufficient with respect to penalty for non-disclosure  
• Leniency to be given to non-compliant companies in initial 2 to 3 years to enable learning |
| Eligibility | • Private entities not incorporated under Companies Act, which would otherwise meet criteria of mandatory CSR provisions, should be brought under similar provisions through suitable amendments to their respective statutes |
| Implementation Model | • Companies with CSR expenditure of more than INR 50 Million may undertake programme based activities  
• Smaller companies with CSR spent of less than INR 50 Million could take-up project based activities |
Table 2: Key Highlights of the High Level Committee Report

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<thead>
<tr>
<th>CSR Expenditure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ceiling on administrative costs may be increased from 5%, to no more</td>
<td>• Ceiling on administrative costs may be increased from 5%, to no more</td>
</tr>
<tr>
<td>than 10% (and further, this is to exclude capacity building expenditure of</td>
<td>than 10% (and further, this is to exclude capacity building expenditure of</td>
</tr>
<tr>
<td>implementation agency)</td>
<td>implementation agency)</td>
</tr>
<tr>
<td>• Monetization of corporate employee services towards CSR expenditure</td>
<td>• Monetization of corporate employee services towards CSR expenditure</td>
</tr>
<tr>
<td>not recommended</td>
<td>not recommended</td>
</tr>
<tr>
<td>• Like PSUs, private companies may be permitted to carry forward unspent</td>
<td>• Like PSUs, private companies may be permitted to carry forward unspent</td>
</tr>
<tr>
<td>CSR funds, with sunset clause of 5 years</td>
<td>CSR funds, with sunset clause of 5 years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Treatment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• There should be uniformity in tax treatment for CSR expenditure across all</td>
<td>• There should be uniformity in tax treatment for CSR expenditure across all</td>
</tr>
<tr>
<td>eligible activities</td>
<td>eligible activities</td>
</tr>
<tr>
<td>• Anomaly on service tax (applicable on implementing agencies) to be examined</td>
<td>• Anomaly on service tax (applicable on implementing agencies) to be examined and corrected</td>
</tr>
<tr>
<td>and corrected</td>
<td>and corrected</td>
</tr>
</tbody>
</table>

The HLC had adopted a consultative approach to understand views of industry organisations, not for profit organisations, public sector undertakings and private companies to arrive at the recommendations. Recommendations from HLC are designed to encourage companies to have needs based spending and the measures suggested will pave way to a more efficient corporate system to ensure accountability and effectiveness.
3. Scale and Scope of CSR Activities: India

3.1 Initial years of mandatory CSR

During the first year of CSR (2014-15) 2% profits of 460 companies amounted to around INR 84 Billion, of which 76% was spent for CSR activities i.e. around INR 64 Billion\(^a\). Of the 460 companies 266 companies spent less than 2% of the average profits.

Few challenges faced by companies for not being able to spend the required amount have been articulated below:

- Inability of companies to formulate well-conceived policy
- Delay in formation of CSR committee
- Shortlisting suitable implementation agency
- Adoption of long term CSR projects

A study conducted in 2016 by Institutional Investor Advisory Services India Limited (IIAS) of the S&P BSE 100 companies (which also includes a few of the biggest IT firms in the country among others sector leaders), it was found that the CSR spend aggregated to INR 52.4 Billion. Of these, however, 95 companies were required to comply with the requirements of CSR spend under the Act – the CSR spend for these 95 companies aggregated INR 51.9 Billion. Five companies were not required to spend on CSR mandatorily as they recorded three-year average losses yet these companies spent INR 0.5 Billion (in aggregate) on CSR.

In FY13, these S&P BSE 100 companies spent INR 30 Billion on CSR. This was, on an average, 0.9% of the average profit before tax of the preceding three years of these companies. It can be seen that there has been a two-fold increase in spends of CSR post the enactment of Companies Act. This highlights the fact that companies in India are complying with the legislative mandate and are recognizing the need to undertake socially responsible activities in a planned and structured manner.

\(^a\) Written reply to Rajya Sabha by Corporate Affairs Minister, March 2016
3.2 Key Thematic Areas

The breakup of the CSR spend as per the Schedule VII activities (Figure 4) indicates that Hunger, Poverty & Healthcare and Education are the key areas in which companies implement CSR activities.

![Figure 5: Spending by Thematic areas (INR Bn) for FY 2014-15](image)

According to the study, IT companies also undertook maximum CSR expenditure in the Education and Employment enhancing vocational skills. Key Geographies for CSR spend included Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh, Rajasthan and Karnataka. About 65% of firm’s implemented CSR initiatives through their own foundations.

Thus the first year of CSR implementation saw an increase in the CSR spend with a focus on the thematic areas as per Schedule VII. Emphasis can be seen in the area of education, employability training and hunger, poverty & healthcare.
4. Scope and Scale of CSR Activities: Indian IT-BPM Sector

A study conducted by Skilling India reported that IT-BPM companies spent 91% of prescribed 2% spend which is a good foundation to further streamline the CSR efforts in the IT-BPM sector. In the year 2015 IT-BPM companies spent INR 6.6bn which accounts to 13% of the prescribed 2% spend. The top IT Companies by CSR spend included Infosys (INR 2.4 billion) and TCS (INR 2.2 billion).

The Deloitte study takes into account IT Companies which are listed in the CNX 500 and Top 20 companies ranked by NASSCOM. Collectively the companies account for over 80% of the revenues and 40% of the employment in the Indian IT Industry. Analysis was conducted to understand the governance structure, CSR spends, internal modes of executing CSR, modes of implementing CSR projects and key thematic areas for the year 2014-15.

4.1 CSR Expenditure and Spending

As per the Companies Act and High Level Committee Report, companies should disclose the CSR spend at the end of a financial year and expenditure should be under the stipulated mandate. Financial data was available for 75% companies and from the analysis of the select IT companies, it was found that there has been an increase in the reporting of CSR expenditure, however, there is a need for detailed reporting of the CSR spend as a percentage of the Profit after Tax (Figure 6).

Figure 6: CSR Expenditure and Spending

Reporting and disclosure of CSR activities and expenditure is expected to drive the companies to assess the impact of the projects and improve the performance. It also serves as a direction to the financial and operational aspects of the CSR interventions.

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9 NextGen, First Year of CSR Decoded, September 2015
4.2 Governance Structure in IT Companies

As per the Companies Act every company should constitute a CSR Committee of the Board which will play a pivotal role in defining the policy and activities to be undertaken. The Board would also publish the content of the Policy on its website. The study found that 70% companies have dedicated CSR sections. However, only 33% have a defined CSR Vision/ Objectives (Figure 7).

Figure 7: CSR Vision, Policy and Oversight

The companies have largely adhered to the mandate of disclosing the details of their CSR activities. However, it is evident that greater focus is required in articulating the CSR vision and objectives.

4.3 Thematic Areas of CSR Activities

Schedule VII of the Companies Act, 2013 specifies the key areas in which companies can implement their CSR activities.

Figure 8: Top Thematic Areas for CSR Activities undertaken by IT-BPM companies (per cent)
Although the national CSR spends were heavily skewed with focus on largely two sectors namely Education and Hunger, Poverty & Healthcare (Refer to Figure 5), our study has shown that IT-BPM companies implemented CSR activities across the thematic areas under Schedule VII.

With respect to Skill Development sector, companies implement projects related to providing vocational training with focus on youth, enabling basic computer training and improving employment opportunities. The findings match with the analysis of CSR expenditure of 460 listed companies by MCA according to which most of the companies spent in the area of Education & Livelihood Enhancement followed by Eradication of Hunger & Poverty.

4.4 Implementation of CSR Activities

The CSR Policy Rules, 2014 define how companies can undertake CSR activities excluding activities undertaken in pursuance of its normal course of business.

To illustrate companies like Tech Mahindra, WIPRO Ltd., Cognizant, and Infosys identify and implement their CSR projects through their own foundations. Having said so, companies also engage with other foundations or NGO’s for the implementation of the CSR activities.

- Directly through a separate trust/ foundation formed for CSR
- Directly but no separate division
- Directly through a separate division in the company

Figure 9: Internal structure of implementing CSR activities (per cent)

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly through a separate trust/ foundation formed for CSR</td>
<td>55%</td>
</tr>
<tr>
<td>Directly but no separate division</td>
<td>30%</td>
</tr>
<tr>
<td>Directly through a separate division in the company</td>
<td>15%</td>
</tr>
</tbody>
</table>

Figure 10: Modes of Implementation of CSR Activities (per cent)

<table>
<thead>
<tr>
<th>Mode</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work through Partner NGOs (Local, National, International)</td>
<td>83%</td>
</tr>
<tr>
<td>Donations to other NGOs</td>
<td>45%</td>
</tr>
<tr>
<td>Work Jointly with the government (PPP)/local bodies</td>
<td>18%</td>
</tr>
<tr>
<td>Collaboration with other companies</td>
<td>13%</td>
</tr>
<tr>
<td>Contribution to government schemes</td>
<td>8%</td>
</tr>
</tbody>
</table>
Mostly large sized companies having their own foundations work through partner NGO’s for designing and implementation of CSR activities. Alternatively, companies can support existing programs of NGO’s by providing financial support.

Two modes of contribution can be seen in which the IT companies implement their CSR initiatives. Largely companies work with Partner NGO’s. Alternatively, companies also fund NGO’s in their existing programs and contribute to government schemes. Further, it was found that 63% of the companies also work through employee volunteering. However, employee volunteerism cannot be factored as a CSR expenditure10.

Going ahead, companies can strengthen their CSR activities by exploring alternate modes of implementation like collaboration with other companies and working with local bodies which have domain knowledge to leverage the reach of initiatives.

10 According to Circular No. 36 issued by Ministry of Corporate Affairs
5. Illustrative Case Studies

Begin with what IT companies are doing in terms of CSR to set the tone of the case studies. IT companies in India are in the process of strengthening their governance structures and are engaging in meaningful CSR activities to create an impact. The purpose of the case studies is to highlight some of the projects undertaken by the top IT companies in vocational skills and best practises that companies can undertake to strengthen their CSR activities. To develop the case studies primary interaction with IT companies and secondary research through public portals was conducted. The IT companies were probed about the governance structure, the modes of implementation, and key activities in the skill development sphere.

Case studies were designed to explore diverse models to showcase models of internal structure, models of implementation and models of collaboration within the skill dev sphere.

Table 3: Case Studies: Models of internal structure

<table>
<thead>
<tr>
<th>Foundation</th>
<th>No Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Zensar Technologies Ltd: Zensar Foundation</td>
<td>• Genpact India Pvt. Ltd.</td>
</tr>
<tr>
<td>• Cyient: Cyient Foundation</td>
<td>• IBM</td>
</tr>
<tr>
<td>• WIPRO Ltd.: Azim Premji Foundation</td>
<td>• Concentrix</td>
</tr>
<tr>
<td>• Mindtree Ltd.: Mindtree Foundation</td>
<td></td>
</tr>
<tr>
<td>• Mphasis Ltd.: Mphasis F1 Foundation</td>
<td></td>
</tr>
<tr>
<td>• HCL Technologies Ltd.: HCL Foundation</td>
<td></td>
</tr>
<tr>
<td>• Cognizant Technology Solutions India Pvt. Ltd.: Cognizant Foundation</td>
<td></td>
</tr>
<tr>
<td>• Tech Mahindra Ltd.: Tech Mahindra Foundation</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Case Studies: Models of Implementation

<table>
<thead>
<tr>
<th></th>
<th>Wipro</th>
<th>Mindtree</th>
<th>Mphasis</th>
<th>Genpact</th>
<th>Zensar</th>
<th>InfoEdge</th>
<th>HCL Tech</th>
<th>IBM</th>
<th>TCS</th>
<th>Cyber</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work through selected list of Partner NGOs</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>Donations to other NGOs</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Directly through a separate trust/foundation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Directly but no separate division</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Work jointly with the government (PPP)/local bodies</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Collaboration with other companies</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Directly and have a separate division within firm</td>
<td></td>
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<tr>
<td>Donations to Government</td>
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</table>

Table 5 Case Studies: Models of Collaboration with NASSCOM

<table>
<thead>
<tr>
<th>SSC NASSCOM- QP\textsuperscript{11} Based Training</th>
<th>Working with NASSCOM Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Zensar Technologies Ltd.</td>
<td>• Zensar Technologies Ltd.</td>
</tr>
<tr>
<td>• Cyient</td>
<td>• Cyient</td>
</tr>
<tr>
<td>• Genpact India Pvt. Ltd.</td>
<td>• Genpact India Pvt. Ltd.</td>
</tr>
<tr>
<td>• Concentrix</td>
<td>• Concentrix</td>
</tr>
<tr>
<td></td>
<td>• Mphasis Ltd.</td>
</tr>
</tbody>
</table>

\textsuperscript{11} Qualification Pack define the requisite activities expected to be performed on the job along with the skills, knowledge and understanding needed to carry out the role effectively.
5.1 Cognizant: Impacted 6600 students through skill training

“Cognizant has been a significant player over the last several years in the CSR arena, having touched hundreds of thousands of lives, making a measurably large impact in the areas of education, healthcare and livelihood for the disadvantaged members of society. The thoughtful work of Cognizant Foundation, the voluntary effort of thousands of Cognizant associates through the Cognizant Outreach program and the environmentally responsible behaviour of the Cognizant Green movement has created significant impact in bridging the knowledge gap, digital divide and a healthy environment.

One of our flagship initiatives is the Cognizant Foundation scholarship program that encourages scholastic accomplishments of undergraduate engineering students in different parts of the country, mentoring them into high performance individuals. Another fast growing focus area has been our support for programs to skilling of youth from poorer sections of the society and offering them job ready skill sets as well as sustainable and gainful employment. Part of our CSR has taken the Direct Benefits Transfer (DBT) model in skilling and education, aiding in efficient targeting of beneficiaries and ensuring that entire benefit is transferred directly to the youth. These initiatives have helped build calibre of the youth, enabling them to participate in growing opportunities and tap into and benefit from our country’s economic progress. It is significant to note here that these programs have succeeded in bringing thousands of families out of poverty for good. We are proud to have contributed to such inclusive growth, in a humble way.”

Mr. Lakshmi Narayanan, Chief Executive Officer, Cognizant Technologies

Thematic Area
- Enhancing Livelihood
- Skill Development

Models
- Foundation
- Partnership with Local NGO

Stakeholders/ Target Segments
- Economically underprivileged students from Information Technology related branches

Key Activities/ Highlights

Skill Training For Underprivileged Youth
- **Cognizant Foundation** partnered with Swami Dayanandha Saraswati Educational Society, Manjakudi for upgrading the training facilities in Padma Narasimhan Industrial School with equipment related to Auto Mobile Mechanic and Electrical Technician trades. A target of 92 underprivileged candidates was considered for training in trades mentioned above every year.

- The project was executed in **partnership with a local NGO**. For the past 8 years, the Society has also been running an industrial school (named as Padma Narasimhan Industrial School/Training Institute) for children who are unable to cope with academics and for drop outs. This Industrial School offers free training in 3 Vocational courses – Electrical technician, Welding technician and Automobile mechanic under State Council for Vocational Training (SCVT).

Scale & Impact
- Through its various skills initiatives for the disadvantaged youth, Cognizant Foundation impacts approximately 6600 students every year.
5.2 Concentrix: Enhancing employability of the youth

“Concentrix views skill development as a key enabler in the socioeconomic development of the country and our CSR objectives in this area are in alignment with the government’s ‘Skill India’ initiative. Our upskilling programmes in collaboration with NASSCOM are specifically designed to enhance the employability of the Indian youth who have enormous potential. We look forward to scaling up these programmes across the country to facilitate higher job creation and provide the right platform for the youth to develop their careers.”

Mr. Ravinder Rana,  
Country General Manager  
of Concentrix India

Thematic Area
• Skill Development (upskilling)

Models
• Collaboration NASSCOM  
• QP based training

Stakeholders/ Target Segments
• Unemployed Youth

Key Activities/ Highlights
• Concentrix as part of its CSR project partnered with NASSCOM Foundation to create a ready-to-hire talent pool by up-skilling college students.
• The training being provided is based on the Qualification Packs (QPs) and National Occupational Standards (NOS) as defined by the NASSCOM Sector Skills Council (Customer Service Associate SSC/Q2210)
• In Haryana, the project is being piloted through Centum Learning Solutions who will be the Training Partner for the program. In the first phase, 50 youth are currently being trained at the Gurgaon center. The beneficiaries are graduates or pursuing their final year of graduation.
• Post training, the trainees undergo assessment which will be conducted by the Sector Skills Council. Beneficiaries who successfully complete the course and assessment will be assisted in placements through job fairs and placement drives conducted by Centum. Concentrix also plans to hire trainees from the talent pool developed.

Scale & Impact
• Under this program, 400 youth across the states of Jammu & Kashmir and Haryana will be trained in skills in specialized areas of Customer support and Tech support.
5.3 Cyient: Skill development program successfully trained over 4000 trainees

Thematic Area
- Skill Development
- Support Education

Models
- Own Foundation
- Collaboration with NASSCOM
- QP Based training

Stakeholders/ Target Segments
- Youth
- Underprivileged Students

Key Activities/ Highlights
- **Education**: Cyient has taken the “Adopt a school initiative” with the intent to improve the quality of education through adoption of Govt. schools. Cyient Foundation had adopted 14 schools and presently support 9,200 children from primary education to high schooling.

- **Skill Development**: Cyient Foundation has established (National Digital Literacy Mission) NDLM Centers which aims to empower neighbourhood communities with digital literacy. The initial phase of the program uses infrastructure of adopted schools. As part of the program, 4000 community members were identified in four locations and one member from each family is being trained to operate a computer or a digital access device. The training modules are developed by NASSCOM FOUNDATION. The course covers content on health, education, literacy and livelihood.

- **Skill Development**: The Cyient Foundation has identified a number of Engineering colleges where specialized training programs will be offered which will augment the efforts of the colleges to ensure the students get industry orientation while they are still in the colleges and thus enhance their employability.

Scale & Impact
- In the Phase 1 and Phase 2 of the skill development program, 3536 and 745 students have been trained respectively.
- **Phase 3**: Training is in progress for 240 students, 6 campuses are hosting the training programs
5.4 Genpact: Collaboration with NASSCOM Foundation for Reach Higher Program

### Thematic Area
- Promoting Education
- Skill Development

### Models
- Work with partner NGO’s
- Collaboration with NASSCOM
- QP Based training

### Stakeholders/ Target Segments
- Youth
- Underprivileged Students

### Key Activities/ Highlights

#### Skill Development:
- **Reach High** is a vocational skill-building program in relation with the Government of India’s aspiration to train 150 million people by 2022. Genpact Limited signed an MOU with the NASSCOM Foundation and IT-BPM Sector Skills Council NASSCOM to create the program.

- The program is targeted at the 18-30 year age group. Currently they impart training in Finance & Accounts, Customer Relationship Management (CRM) and IT along with soft skills, English communication and computer literacy which are job-related essentials. The courses were delivered through vocational training companies: NIIT Ltd and Global Talent Track Pvt. Ltd.

- **Collaboration**: Currently they impart training in Finance & Accounts, Customer Relationship Management (CRM) and IT along with soft skills, English communication and computer literacy which are job-related essentials. The courses were delivered through vocational training companies: NIIT Ltd and Global Talent Track Pvt. Ltd.

- **Long Term Sustainability**: The program makes the candidates job ready and the talent pool is hired by different companies. The program aims to scale up across skills and job roles according to the industry needs thereby generating a long term sustainable impact.
5.5 HCL: iSkill empowered over 30,000 women

Thematic Area
- Promoting Education
- Skill Development

Models
- Own Foundation
- Work with partner NGO’s

Stakeholders/ Target Segments
- Under-privileged Women

Key Activities/ Highlights
Skilling for women
- Refresher course and coaching is provided for women who have work and who have taken a break from their career for a maximum of five years and are currently unemployed.
- The identified skillset areas are C++, Java, SQL, Technical support (Service desks), Data center operations, Windows administration, and UNIX administration. Other than technical skills, any candidate with BPO (voice-based support) can apply for the re-skilling program.
- A Mile for Her was launched to support the iSkill program. The campaign extensively leveraged social media channels for driving awareness about women empowerment through literacy and the change individuals can bring.

Scale & Impact
- In the year 2015-16, approximately 30,000 women are empowered to pursue their career for a second time
5.6 IBM: Teachers Try Science (TTS) trained 18800 government teachers

**Thematic Area**
- Promoting Education
- Skill Development (teachers)

**Models**
- Work with partner NGO’s

**Stakeholders/ Target Segments**
- Local schools
- Teachers

**Key Activities/ Highlights**
- **Skill Development for teachers**: This program looks at professional development of teachers in the area of Science, Technology, Engineering and Math’s (STEM). Teachers TryScience provides free project-based lessons, integrated with multimedia professional development resources, to help government school teachers strengthen their instruction skills in teaching STEM subjects. TTS resources are being implemented by about 400 government schools.
- In 2014-15, 5 key TTS implementation partners worked on scaling-up the program in India across 8 states including Karnataka, Bihar, Andhra Pradesh, Tamil Nadu, Gujarat, Maharashtra, Delhi, and Haryana.
- All the lesson plans are aligned to the NCERT (National Council for Education, Research and Training) and SCERT (State Council for Education, Research and Training).

**Scale & Impact**
- Reached to about 20,000 government school students since its inception.
- 18,800 government teachers were trained on TTS web resources through 200 TTS workshops and its impact reached out to more than 10,000,00 government school students.
5.7 Mphasis: Aalamba empowers 800 school drop outs with skill training

**Thematic Area**
- Promoting Education
- Skill Development
- Supporting Livelihood

**Models**
- Own Foundation
- Work with partner NGO’s
- Collaboration with NASSCOM Foundation

**Stakeholders/ Target Segments**
- Local communities, Students

**Key Activities/ Highlights**
- **Skill Development Aalamba**: It’s an employability and entrepreneurship program aimed at youth who are school dropouts. Through the Headstreams Aalamba program Phase 1, Mphasis has already empowered 800 youth with employment and skills training; and supported them with employment exchange services. In Phase 1, they have also supported 135 self-help group members to set up their own enterprises, as part of the business and employment co-operative. Aalamba is in its Phase 2 now. In this phase the aim is to generate livelihoods for at least 90 more families through newly formed self-help groups (SHG) and reach social security to at least 240 new families.

- **Skill Train Partner with NASSCOM Foundation**: Winner of Skill Train and partnered with Wilgro. Wilgro looks at video based skill training for unemployed youth like in Mumbai, Thane and North India for job roles like mobile repair, masonry, plumbing, develop a mobile app and electricians.

**Scale & Impact**
- Trained and provided employment opportunities to 800 school drop outs
- Supported 135 self-help groups to create employment
5.8 Mindtree: Innovative Learning Centre trained 600 engineering students

<table>
<thead>
<tr>
<th>Thematic Area</th>
<th>Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Promoting Education</td>
<td></td>
</tr>
<tr>
<td>• Skill Development</td>
<td></td>
</tr>
<tr>
<td>• Supporting Livelihood</td>
<td></td>
</tr>
<tr>
<td>• Own Foundation</td>
<td></td>
</tr>
<tr>
<td>• Work with partner NGO's</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stakeholders/ Target Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Local communities, Students</td>
</tr>
<tr>
<td>• JM Engineering College</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Activities/ Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Partnering with local communities: Adoption of a local village in Tamil Nadu to provide end to end support for high school education to willing students</td>
</tr>
<tr>
<td>• Partnering with local college: Mindtree Foundation adopted JM Engineering College in Tamil Nadu and is supporting them in infrastructure development to meet the standards of Grade A colleges. Students supported by Mindtree in high school are admitted in the college to enable them to pursue their graduation.</td>
</tr>
<tr>
<td>• Skill Development Partners: Mindtree has partnered with Radic Technology Training Institute to provide skilling programs to the students of JM Engineering College over and above the college course curriculum. This is an effort to align training to the needs of the IT –BPM industry (for e.g. Programming skills, personality skills, communication skills). This program is currently run only from the 6th semester however, they plan to start this training from the 1st semester itself for the students in the coming years.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scale &amp; Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Over the past two years, this program has provided training to around 600 students. In the future, the plan is to scale up operations as per the growth in demand</td>
</tr>
</tbody>
</table>
5.9 Tech Mahindra: Skills for Market Training (SMART) plans to train over 30,000

“SMART programme clearly reflects Tech Mahindra’s desire to create employability – more important is employability with two horizontals which is 50% women and 10% physically challenged people in the society. I do believe that SMART has only succeeded by putting in 50 centres, wherein the desire is to put 500 centres and the growth has come on a strong planning...... I think it’s a very well thought out programme. If I’m personally proud of one initiative across the Tech Mahindra Foundation, if its only one....I would say SMART is that initiative.”

CP Gurnani, Managing Director, Tech Mahindra

### Thematic Area
- Skill Development

### Models
- Own Foundation

### Stakeholders/ Target Segments
- Underprivileged Youth

### Key Activities/ Highlights
- SMART is a model vocational training programme for youth from underprivileged backgrounds, which helps them to actualize their potential in a career of their choice. The SMART programme equips youth from urban communities with the requisite skills and attitudes for them to gainfully participate in the new economy.
- Launched in 2012, the SMART programme began with a Foundation Course, which trains youth in:
  - Spoken English
  - Basic IT and Computers
  - Workplace Readiness – soft skills
- Starting 2015-16, the SMART Academies will be developed as centres imparting high-quality professional vocational training, with a blend of classroom, practical and on-the-job training, and be run as self-sustaining institutions with world-class infrastructure and nominal course fees.
- The SMART Academy for Allied Health Professionals, will be an institute with the capacity to train and develop para and allied health care professionals of global standards.

### Scale & Impact
- The Academy plans to train over 30,000 youth to join the Indian healthcare sector by 2025.
5.10 Wipro: Mission 10X trained over 27,000 engineering faculty

**Thematic Area**
- Enhancing Employability

**Models**
- Own Foundation
- Work with partner NGO’s

**Stakeholders/ Target Segments**
- Engineering Students
- Faculty

**Key Activities/ Highlights**
- **The three pillars of Mission 10X are:**
  – Empowering Faculty members to use Mission10X Learning Approach (MxLA)
  – Developing transformative Academic Leaders to build institutions of excellence
  – Deploying Unified Technology Learning Platforms (UTLPs) to bridge the gap between
- To empower the faculty Mission10X certificate programmes offers an opportunity to the faculty members of the engineering colleges to go beyond the conventional teaching practices and experiment with innovative learning techniques and styles. The Academic leaders are also equipped to competencies to take up challenges, master the concepts and practice of leadership and have a global perspective.
- **Innovation:** The Mission10X Learning Approach empowers engineering faculty with teaching techniques known as Unified Technology Learning Platform (UTLP) using which they help students in imbibing higher level of understanding of subjects, application of concepts learned and development of key behavioral skills.

**Scale & Impact**
- The initiative has spread to over 1,300 engineering colleges across 29 states in India. Overall 27,482 engineering college faculty has been trained
- In FY15, 76 Academic Leadership Workshops, 1003 Faculty Empowerment Workshops, 91 UTLP Practitioner’s workshops and 614 Student Engineering Thinking workshops were organized
To summarize, initiatives undertaken by the IT companies in the skill development sector have a positive impact in terms of providing infrastructure, trained faculty and providing employment opportunities. It was also found that IT companies are taking initiatives to streamline the vocational training with the industry by undertaking QP based trainings. Qualification Pack certify a person for a specific job role. Each Qualification Pack contains the minimum level of qualification for every Entry Level job role in the IT-BPM industry. Undertaking vocational training in the entry level qualification packs will have a job ready pool which can be successfully employed by the companies.

5.11 Zensar: Urban Slum Development program impacted 9000 individuals

- **Thematic Area**
  - Promoting Education
  - Skill Development
  - Community Development

- **Models**
  - Own Foundation
  - Work with partner NGO’s
  - Collaboration with NASSCOM
  - QP based training

- **Stakeholders/ Target Segments**
  - Local communities
  - College students

- **Key Activities/ Highlights**
  - **Urban slum development**: Zensar is working towards the development of two slums in Pune and Hyderabad. They have tied up with local universities and are providing skill training to the youth in the slums to enhance employment. The skill training is provided for tailoring, cooking and construction job roles. Further, they are planning to partner with LaborNet in Hyderabad and start IT courses which will be aligned to NSDC Qualification Packs.
  - **Collaboration: Aligned to NSDC QPs** like Software Analyst, Developer, Software Maintenance Engineer, Software Product Developer, Web Developer, Software Tester and Systems Engineer
  - **Partnering with local college**: Tied up with more than 30 colleges in tier 2 & 3 cities. Providing short duration skill training to final year engineering students of these colleges. Zensar employs 25-30% of students trained.

- **Scale & Impact**
  - Through their urban slum development program, Zensar has been able to touch the lives of 9000 individuals.
  - Over the past year they have been able to train more than 900 students by partnering with colleges and target to train 1500 students in this year.
6. Way Forward

6.1 Aligning CSR to Skill India Mission

Skill India Mission

The Skill India Development Mission was launched by the Government of India under the Ministry of Skill Development and Entrepreneurship (MSDE) in order to converge existing skill training initiatives and combine scale and quality of skilling efforts. The key objectives of the Mission are defined below:

- Create an implementation framework for skill development
- Align industry demand and workforce productivity for sustainable livelihoods
- Establish and enforce nationally and internationally acceptable standards for skill training by creating a quality assurance framework
- Build capacity for skill development in the unorganised sectors
- Develop a network of quality trainers
- Leverage existing public infrastructure and industry facilities
- Promote convergence and co-ordination between skill development efforts of all Central Ministries/Departments/States/implementing agencies
- Maintain a national database

In order to achieve the mission, National Skill Development Agency (NSDA), National Skill Development Corporation (NSDC), and Directorate General of Training (DGT) will be supporting the Ministry to facilitate smooth functioning of the national institutional mechanism.

Digital India Initiative

In addition to the Skill India Mission, there is a vision to transform India into a digitally empowered country by 2019. The program was envisaged by Department of Electronics and Information Technology (DeitY) and will impact Ministry of Communications & IT, Ministry of Rural Development, Ministry of Human Resource Development, Ministry of Health and others. The ongoing e-Governance initiatives were revamped to align them with the principles of Digital India. The aim was to ensure that government services are available to citizens electronically. It would also bring in public accountability through mandated delivery of government’s services electronically.

To achieve the Skill India and Digital India initiative outcomes, CSR can play a pivotal role by deploying the CSR funds in skills development and livelihood enhancement. Currently several companies undertake CSR projects in vocational training and have projects in the IT sector like providing language and computer literacy skills, large scale skill development projects involving collaboration between the Ministry of Labour, NSDC and private and public companies.

With the advent of digital technologies as well as automation and the adoption of the same by Indian IT-BPM companies in India, 30% of the existing manpower is expected to undergo re-skilling. This translates to re-skilling of about 1 million of the IT workforce. These collective efforts of various stakeholders can help in achieving the Skill India, Digital India Initiative and re-skilling of the workforce in the IT-BPM industry. Having said that, the efforts will also create a skill trained job ready pool which will reduce the recruitment and training costs of companies.
**CSR and Skilling: Scale of Potential Impact by IT-BPM Industry**

By FY20 the IT industry revenue is expected to increase with a CAGR of 8.9% year on year, thus having a cumulative revenue of INR 50,000 Billion by 2020\textsuperscript{12}. Based the current average net profits ratio of 9\%, an estimation of net profits amount to INR 4500 Billion. Considering that the IT companies utilize the 2\% of the prescribed spend on CSR, approximately INR 90 Billion will be accumulated in the CSR kitty. Based on the current evidences, if IT companies spend 30\% of the CSR expenditure on vocational training and skills development, impact would be made on \textbf{2.7 Million individuals} by the end of FY20 (Figure 11).

![ CSR and Skilling: Scale of Potential Impact by IT-BPM Industry ]

**Figure 11: Impact of CSR on Skill Development**

Furthermore, the 2.7 Million individuals impacted by the vocational training and livelihood enhancement program of the IT companies would contribute to the Skill India and Digital India Initiative.

Thus the collaborative efforts of IT companies and the government can eliminate the issues of unemployment and job creation. Skill development will help the prospective employees to get easier access to the formal job market where they can bargain for higher incomes, work under safer labour conditions and be provided better health care and medical facilities and an overall better quality of life.

**Corporate Skill Excellence Centres**

In line with the Skill India Dev Mission, the Ministry of Skill Development & Entrepreneurship, the nodal ministry for all Skill India efforts, embarked on a special industry initiative to attract leading corporates to setup co-branded Corporate Skill Excellence Centres in a Public Private Partnership mode. The CSEC is envisioned to cater to multiple sector that is endowed with world class infrastructure.

The aim of setting up such Centres was three-fold –

- To bring together the key stakeholders in the initiative of creating high quality iconic and visible centres
- Substantially increase youth aspirations as part of the Skill India initiative, and
- To cater to the captive demands of the corporate, supply chain partners and demand arising in the surrounding areas in a sustainable manner.

\textsuperscript{12} IT-BPM Sector in India, Startegic Review 2015, NASSCOM, February 2015
The Ministry, through its various agencies and programs, provides various incentives for corporates that setup Corporate Skill Excellence Centres as part of their core business or CSR activities. CSR funds can also be routed through NSDF with specific outcomes to be implemented by NSDC. The key incentives are provided in Table 5.

**Table 5: Key incentives under CSEC**

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Financial Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Skill Development Fund (NSDF)</td>
<td>• Government of India fund to channelize all investments in skill development activities; over INR 2500 Crore committed in investment through NSDC in promoting PPP models; ready pool of private training partners&lt;br&gt;• FCRA exemption available for investment in skill development&lt;br&gt;• 80G certificate available&lt;br&gt;• Application of CSR under Section 135 of the Companies Act, 2013&lt;br&gt;• Employment enhancing vocational skills especially among children, women, elderly, and the differently enabled and livelihood enhancement projects&lt;br&gt;• Rural development projects</td>
</tr>
<tr>
<td>National Skill Development Agency (NSDA)</td>
<td>• Under Section 35 CCD of the Income Tax Act a company can avail benefits of weighted tax deductions of 150 percent of the expenses (other than land or building) incurred on skill development projects.&lt;br&gt;• A skill development project shall be considered for notification if it is undertaken by an eligible company and the project is undertaken in separate facilities in a training institute.&lt;br&gt;• The eligible company, before undertaking any skill development project, shall make an application for notification of such project to the National Skill Development Agency</td>
</tr>
<tr>
<td>National Skill Development Corporation (NSDC), Sector Skill Council (SSC) and/or Assessment Agency approved by NSDC/SSC</td>
<td>• Application of Service Tax Exemption&lt;br&gt;• Vocational education/training/skill development courses offered by any institution setup by the Government of India, State Government or any local authority&lt;br&gt;• Any service provided by NSDC Training Partner, SSC, Assessment agency approved by NSDC/SSC</td>
</tr>
<tr>
<td>Offset of Training Costs</td>
<td>• Convergence of Government schemes, specifically through allocations under the Ministry’s flagship scheme, Pradhan Mantri Kaushal Vikas Yojana (PMKVY)</td>
</tr>
</tbody>
</table>

The CSR funds of IT companies can be channelized to realise the Skill India initiative. IT companies can collaborate with other companies and Sector Skill Councils for undertaking CSR projects in vocational education and skills development. The subsequent section highlights the initiatives undertaken by NASSCOM to facilitate CSR.
6.2 CSR Opportunities through NASSCOM/ SSC NASSCOM

There are major disruptions that are expected over the next 3 to 5 years in the global and local IT industry segments. These disruptions will require people to be skilled in both new areas as well as across multiple domains to be able to meet the expectations of clients from across the world. Thus there is need for significant intervention for skilling which will require the combined effort of both industry and academia.

Furthermore, one of the most critical factor faced by the industry today is low employability of candidates applying for the job openings. This is a direct result of lack of relevant training at colleges and other educational institutes. Qualification Packs (QPs) were brought on to address this very concern wherein standards were developed for all jobs within an industry by the combined feedback of all the industry member companies. However, there is limited understanding of what a QP is and how it is to be used amongst the educational institutes. There is thus a great need to promote and advocate use of QPs amongst colleges and other educational institutes.

It is therefore imperative from the perspective of SSC NASSCOM to conduct the necessary drives and outreach programs to corporates to provide them with necessary information about schemes like Corporate Skilling Centers, contributions to National Skill Development Fund (NSDF) or even work towards sponsoring of assessment and certification fee for candidates from rural locations. Companies can thus benefit from the NASSCOM ecosystem to provide structure to their CSR programs.

SSC NASSCOM

NASSCOM set up IT-ITeS Sector Skills Council (SSC) (henceforth referred to as the SSC NASSCOM) under the mandate of the National Skill Development Corporation (NSDC) with the key objective of enabling a skilled workforce for the industry.

The key mandates of SSC NASSCOM are listed below:

- Develop occupational standards for the industry
- Develop Workforce Management Information System (WFMIS) offering a single portal for all related activities
- Conduct faculty development and subsequent student training
- Promote employability assessments, standardize National Occupational Standards (NOS) assessments and certification
- Develop Foundation and Specialization courses across industry verticals
- Develop Quality Assurance, accreditation norms and processes for occupational standards & related certifications, relevant programs / courses, training institutions
- Recommendations on standardization of affiliation and accreditation process in collaboration with relevant stakeholders

A key initiative that SSC NASSCOM has conducted is the development of National Occupational Standards (NOS) for the industry. NOS are benchmarks of competent performance that individuals must achieve when carrying out functions in the workplace in terms of skills, knowledge and understanding and performance criteria’s. They are used to underpin vocational learning and qualifications across occupations. Globally, OS act as a foundation of skill development initiatives for industries and academia. OS will ensure that the industry follows a defined set of standards for all job roles that exist in the constituent sub-sectors.

Several IT companies like Genpact, Concentrix, Cyient etc. are working with SSC NASSCOM to execute OP based skill trainings under their CSR initiatives in order to create a job ready pool. Further, companies executing skill based trainings in the IT-BPM sector can work with SSC NASSCOM to align their training with the specific Qualification Packs which have the industry recognition. Alternatively, companies can conduct assessment and provide joint certification through SSC NASSCOM for their skill based trainings in the IT sector.
NASSCOM Foundation

NASSCOM Foundation was set up as a non-profit organization to leverage the capacities and competencies of the ecosystem of the IT-BPM industry. The Foundation works with the member companies, NGO’s and Social Enterprises to support innovative models, provide easy access to technology and help companies go beyond the traditional CSR and establish strategic CSR.

The various programs facilitated by NASSCOM Foundation illustrate the diversities in opportunities for members of the IT-BPM companies

- **Disability Initiative**: Sensitizing and assisting the IT industry to promote inclusion by providing employment to persons with disabilities and creating accessible workplaces.

- **Business Responsibility Forum**: Discussion platforms that help the industry understand the need to move beyond traditional CSR to mainstream business responsibility through dialogues and knowledge sharing.

- **MyKartavya**: Volunteering opportunities to companies and its employees to empower NGOs through training or direct involvement.

- **BigBridge**: A hardware donation program via which the companies can serve the underserved communities by donating redundant computers and peripherals at the same time making sure responsible disposal of the e-waste generated by them. These computers are refurbished by the Foundation and then donated to NGOs.

- **BigTech**: A software donation program through which the software companies can meet the technology needs of NGOs by donating their software and assisting them in achieving their respective goals.

- **NASSCOM Social Innovation Forum**: A platform that gives incentive to corporates and other entities to develop innovative technologies that facilitate social transformation.

- **Impact Sourcing**: The aim of the program is to build an ecosystem to assist big and small BPMs practice inclusion by employing underserved communities.

![Figure 12: Facilitation of Social Responsibility](image)

Additionally, companies like Genpact, Aricent, Cytent, Zensar and Amdocs work with the NASSCOM Foundation to provide Qualification Pack based skill trainings. The corporates provide the below mentioned facilities:

- Infrastructure for the digital literacy training centres
- Strengthening capacity for the digital literacy trainings and ensuring their effectiveness, through curriculum design, human capital support, and/or monitoring and evaluation tools
- Support placement programs for youth undergoing skills development, wherever possible

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13 www.nasscomfoundation.org
In order to leverage the network and collective experience of the NASSOM membership, companies may engage with SSC NASSCOM and NASSCOM Foundation to plan and implement their CSR activities. Skill training programs can be further linked to the Qualification Packs.

### 6.3 Strengthening our approach to CSR

While designing the CSR strategy and activities companies should focus on few key aspects like objectives, the sustainability of an initiative, social returns and funding. The broad themes which can be considered while designing the programs are mentioned below:

<table>
<thead>
<tr>
<th>Leverage Business Expertise</th>
<th>Aricent</th>
<th>Genpact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Making CSR mandatory is to involve corporates into discharging their social responsibility with innovative, needs-based, localized solutions coupled with their management skills and efficiency in order to create better outcomes</td>
<td>Aricent Employability Program - A CSR initiative to create greater employability opportunities for 2500 college students, by up-skilling engineering undergraduates. Curriculum will be aligned to SSC-NASSCOM QP’s</td>
<td>Reach Higher program - Vocational Skilling program as a part of the CSR efforts. Partnered with NASSCOM Foundation and SSC NASSCOM to create a job ready workforce for the future.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earmarked Funding</th>
<th>Aricent</th>
<th>Genpact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• For larger public good to serve public purpose and promotes well-being of people, with special focus on needs of the underprivileged</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Design for Long Term Sustainability</th>
<th>Aricent</th>
<th>Genpact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Through creating a well-deliberated CSR policy, alignment of suitable organizational structures, engagement of appropriate implementation &amp; expert agencies and commitment of financial and human resources over a period of 3 to 5 years, and not yearly</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Look Beyond Regulatory Norms</th>
<th>Aricent</th>
<th>Genpact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Even though some activities such as Employee involvement, payroll giving, events, volunteering etc. do not fall under CSR, these are essential to generate pride and interest among employees, and move the company towards becoming a socially responsible business, and many companies continue doing them</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure Social Return of Investment</th>
<th>Aricent</th>
<th>Genpact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Inputs and outputs of the CSR programme need to be identified, measured and tracked using most appropriate indicators, tools, methodologies and expertise</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 13: Principles for designing CSR**
Furthermore, in the purview of the Companies Act, 2013 key good practices have been established which the companies can follow to ensure successful impact of the initiatives undertaken (Figure 12).

**Figure 14: Good Practices for Companies**

Following the good practices will ensure that the companies have structured and coordinated CSR programs. This will further help companies to create more value for society and have meaningful impact on both internal and external stakeholders.
# Annexures

## Annexure A: List of companies included in secondary research

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the firm</th>
<th>S.No.</th>
<th>Name of the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Accenture</td>
<td>21</td>
<td>Infosys Ltd</td>
</tr>
<tr>
<td>2</td>
<td>Aegis Logistics Ltd.</td>
<td>22</td>
<td>Justdial Ltd.</td>
</tr>
<tr>
<td>3</td>
<td>Capgemini technologies</td>
<td>23</td>
<td>KPIT Technologies Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Cognizant Technology Solutions India Pvt Ltd</td>
<td>24</td>
<td>L&amp;T Limited</td>
</tr>
<tr>
<td>5</td>
<td>Cyient</td>
<td>25</td>
<td>Mastek Limited</td>
</tr>
<tr>
<td>6</td>
<td>eClerx Services Ltd.</td>
<td>26</td>
<td>Mindtree Limited</td>
</tr>
<tr>
<td>7</td>
<td>EXL Services Pvt. Ltd.</td>
<td>27</td>
<td>Mphasis Limited</td>
</tr>
<tr>
<td>8</td>
<td>Financial Technologies (India) Ltd.</td>
<td>28</td>
<td>NIIT Technologies Limited</td>
</tr>
<tr>
<td>9</td>
<td>Firstsource Solutions Ltd.</td>
<td>29</td>
<td>Oracle India Pvt Ltd</td>
</tr>
<tr>
<td>10</td>
<td>Genpact India Pvt. Ltd.</td>
<td>30</td>
<td>Persistent Systems Limited</td>
</tr>
<tr>
<td>11</td>
<td>Geometric Ltd.</td>
<td>31</td>
<td>Rolta India Limited</td>
</tr>
<tr>
<td>12</td>
<td>HCL Infosystems Ltd.</td>
<td>32</td>
<td>Serco Global Services</td>
</tr>
<tr>
<td>13</td>
<td>HCL Technologies Ltd</td>
<td>33</td>
<td>Sonata Software Limited</td>
</tr>
<tr>
<td>14</td>
<td>Hexaware Technologies Ltd</td>
<td>34</td>
<td>Syntel Ltd</td>
</tr>
<tr>
<td>15</td>
<td>Hinduja Global Solutions Ltd.</td>
<td>35</td>
<td>Tata Consultancy Services Limited</td>
</tr>
<tr>
<td>16</td>
<td>Hewlett Packard</td>
<td>36</td>
<td>Tata ELXSI Limited</td>
</tr>
<tr>
<td>17</td>
<td>IBM</td>
<td>37</td>
<td>Tech Mahindra Limited</td>
</tr>
<tr>
<td>18</td>
<td>iGate Global Solutions Ltd</td>
<td>38</td>
<td>Vakranjee Limited</td>
</tr>
<tr>
<td>19</td>
<td>Infinite Computer Solutions (India) Ltd</td>
<td>39</td>
<td>WIPRO Limited</td>
</tr>
<tr>
<td>20</td>
<td>Info Edge (India) Ltd.</td>
<td>40</td>
<td>Zensar Technologies Limited</td>
</tr>
</tbody>
</table>
Annexure B: List of Abbreviations

Of the total companies selected for analysis around 35% contributed to 93% of revenue and employ about 83% of the workforce in the IT industry. 50% companies were mid-sized companies and 15% companies were emerging companies or start-ups. Thus, the data is representative of the total IT-BPM companies.

<table>
<thead>
<tr>
<th>Type of companies</th>
<th>Number of companies</th>
<th>Revenue contribution by the companies (per cent)</th>
<th>Per cent of people hired by the companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Sized (&gt;USD1 Billion)</td>
<td>14</td>
<td>93</td>
<td>83</td>
</tr>
<tr>
<td>Mid Sized (USD 100 Million – 1 Billion)</td>
<td>20</td>
<td>6.8</td>
<td>16</td>
</tr>
<tr>
<td>Emerging (USD 10 Million – 100 Million)</td>
<td>6</td>
<td>0.2</td>
<td>1</td>
</tr>
</tbody>
</table>

Type of companies for data analysis
## Annexure C: List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPM</td>
<td>Business Process Management</td>
</tr>
<tr>
<td>CB</td>
<td>Certifying Body</td>
</tr>
<tr>
<td>CNX 500</td>
<td>The CNX 500 is India’s first broad based benchmark of the Indian capital market. The CNX 500 Index represents about 95.77% of the free float market capitalization of the stocks listed on NSE as on March 31, 2015</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DPE</td>
<td>Department of Public Enterprises</td>
</tr>
<tr>
<td>ERD</td>
<td>Engineering and Research &amp; Development</td>
</tr>
<tr>
<td>IT-BPM</td>
<td>Information Technology – Business Process Management</td>
</tr>
<tr>
<td>ITS</td>
<td>Information Technology Services</td>
</tr>
<tr>
<td>MCA</td>
<td>Ministry of Corporate Affairs</td>
</tr>
<tr>
<td>NASSCOM</td>
<td>National Association of Software and Services Companies</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>PCB</td>
<td>Personnel Certification Body</td>
</tr>
<tr>
<td>QP</td>
<td>Qualification Pack</td>
</tr>
<tr>
<td>SPD</td>
<td>Software Products</td>
</tr>
<tr>
<td>SSC</td>
<td>Sector Skill Council</td>
</tr>
</tbody>
</table>
## List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Components of Corporate Social Responsibility</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Evolution of CSR in India</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Activities listed in Schedule VII</td>
<td>7</td>
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<tr>
<td>4</td>
<td>Increase in CSR spending (INR Bn)</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Spending by Thematic areas (INR Bn) for FY 2014-15</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>CSR Expenditure and Spending</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>CSR Vision, Policy and Oversight</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>Thematic Areas of CSR Activities (%)</td>
<td>12</td>
</tr>
<tr>
<td>9</td>
<td>Internal structure of implementing CSR activities (%)</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>Modes of Implementation of CSR Activities (%)</td>
<td>13</td>
</tr>
<tr>
<td>11</td>
<td>Impact of CSR on Skill Development</td>
<td>27</td>
</tr>
<tr>
<td>12</td>
<td>Facilitation of Social Responsibility</td>
<td>30</td>
</tr>
<tr>
<td>13</td>
<td>Principles for designing CSR</td>
<td>31</td>
</tr>
<tr>
<td>14</td>
<td>Good Practices for companies</td>
<td>31</td>
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