

ICAI's Corporate Social Responsibility Initiatives in Recent Years – An Update



Over the years, the autonomy bestowed on the accountancy profession by the founding fathers of the nation has also manifested into general welfare of the society. Today, Social responsibility, in all its various forms, is a very important, integral and natural part of ICAI and accountancy profession. Since this calling is a service-oriented profession, accountancy professionals are strongly linked with each and every economic and social stream. Given the mandate, everything a CA does as a professional, carries paramount social responsibility. However, there is much more that the accountancy profession can do for society, beyond professional domains and far beyond balance sheets. In that spirit, over the years, the ICAI has been proactively working to inculcate a sense of 'payback to society' among its members and a report on such initiatives had been earlier published in this journal. In this special feature, we bring forth some important social responsibility initiatives taken by the ICAI and Indian accountancy profession over recent times. Read on ...

In its role as 'facilitator' as well as 'regulator', ICAI has also been working to develop a close-knit CA community having close proximity to society. Although social responsibility initiatives are being taken by the ICAI since its inception, following are some key initiatives and

milestones of the ICAI in this regard over the last few years:

(1) Partnering with New Government's Flagship Programmes: PM Nominates ICAI for Clean India Campaign

Responding to the need of the hour, the Government had launched three important flagship programmes, viz 'Make in India,' 'Pradhan Mantri Jan Dhan Yojana,' and 'Clean

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(Contributed by Editorial Board Secretariat of ICAI with inputs from ICAI Committee on Corporate Social Responsibility)

Social Responsibility

India Mission in the year 2014. In line with its tradition as partner in nation-building, ICAI envisaged a vast scope of its involvement in ensuring the success of these ambitious programmes, particularly in view of a united strength of more than 2.70 lakhs Chartered Accountants and about 8 lakhs CA students. As such, ICAI launched '*Clean India Campaign*' of its own from Bengaluru and has also envisaged a detailed action-plan on how ICAI can associate with these programmes. ICAI committed itself to the *Clean India* pledge delivered by Prime Minister to devote at least one hundred hours every year and two hours every week towards cleanliness of its offices and surroundings with Institute's employees across India joining this campaign by taking the Cleanliness Pledge.

A significant achievement in this sphere in 2015 has been our Prime Minister Shri Narendra Modi nominating ICAI to take forward the Swachha Bharat Abhiyan. It is for the first time that any professional body has been nominated by the Prime Minister for this important national initiative. This is the result of ICAI's deep commitment and proactive actions with respect to the new Government's growth agenda and its flagship programmes.

While *Make in India* aims at making India a manufacturing hub, facilitate investment, and foster innovation, the *Pradhan Mantri Jan-Dhan Yojana* is a National Mission for Financial Inclusion. The *Clean India Mission* not only aims at correcting the country's reputation for poor public hygiene and rudimentary sanitation but also promises a positive economic impact.

(2) CSR Initiatives:

(a) Physical Verification of the School Toilet Blocks/ Units under Swachh Vidyalaya Abhiyaan

The new Government has launched Swachh Vidyalaya Abhiyaan to provide separate toilets for boys and girls in all the government schools throughout the country. The construction of new toilets as well as repairs of dysfunctional toilets has been undertaken by the Central Public Sector Undertakings (CPSUs) governed by the Ministry of Power, Coal, New and Renewable Energy (MoP) and will spend their CSR funds for construction/repair of the said toilets in schools that are having in-adequate toilets.

It had been desired by the Ministry of Power, Coal, New and Renewable Energy (MoP) that the physical outcome of such activities be suitably verified and the services of the Chartered Accountants be availed for this purpose on a pro bono basis. In

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view of the above, the ICAI made an announcement to this effect to its members inviting them to confirm their interest in supporting the aforesaid initiative. As on 10th June, 2017, more than 822 members have already expressed their interest and confirmed their commitment to the Institute.

(b) International Yoga Day: ICAI Organised a Curtain Raiser Programme for International Yoga Day under the aegis of Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) on 3rd June, 2016 at Mumbai.

(c) More than 17 Programmes on Corporate Social Responsibility (CSR) were organised by CPE POU's across India since 2016.

(d) ICAI Guidance Note on Accounting for Expenditure on CSR Activities

Section 135 of the Companies Act, 2013 (the Act), requires the Board of Directors of every company having a net worth of Rupees 500 crore or more, or turnover of Rupees 1,000 crore or more or a net profit of Rupees 5 crore or more, during any financial year, to ensure that the company spends in every financial year at least 2% of the average net profits of the company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) in pursuance of its policy in this regard. The Act requires such companies to constitute a Corporate Social Responsibility



Committee which shall formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the company as specified in Schedule VII to the Act. Taking this government initiative forward, the Council of the ICAI has issued a Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities which came into effect from May 15, 2015, the date of its issuance. The objective of this Guidance Note was to provide guidance on recognition, measurement, presentation and disclosure of expenditure on activities relating to corporate social responsibility. It provides guidance on accounting for expenditure on CSR activities in line with the requirements of the generally accepted accounting principles including the applicable Accounting Standards.

(f) ICAI Committee/Group on CSR

To give a focussed direction to ICAI's CSR initiatives and plans, a new non-standing Committee on Corporate Social Responsibility was constituted in the council year 2015-16. The main objective of the Committee on Corporate Social Responsibility (CCSR) was to undertake meaningful and quality initiatives; such activities that capture the true essence of social responsibility in such a way that leads to value creation for the society, promote sustained growth in harmony with the environment through transparency and effective governance.

Among others, the focus areas of the CCSR was to suggest and explore various avenues for ICAI for making contributions to the society, to sensitize and encourage the members of the Institute towards the environment, society and undertake various CSR activities on *pro bono* basis. The ICAI's CSR set-up and objectives continue in the Council Year 2017-18 too in the form of a CSR Group.

(3) Over ₹1.54 Crore Contribution for CABF in 2016-17

During the financial year 2016-17, the CABF (Chartered Accountants' Benevolent Fund) of ICAI received a contribution of ₹1,54,11,571/- and it granted a sum of ₹1,13,28,500/- as medical and financial assistance to the members and families of the deceased members of the Institute. The CABF has been proactively functioning since 1962 to provide fiscal aid and assistance to all ICAI

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members-in-distress for support and sustenance. ICAI former President late CA. P. A. Nair played an exemplary role in promoting and strengthening this scheme. Members and other stakeholders of the profession generously contribute to this fund in letter and spirit in order to empower this benevolent initiative for the cause of needy members. Contributions to CABF are exempted under Section 80(G) of the Income-tax Act, 1961. The CABF provides financial assistance for medical treatment, education, maintenance or any other similar purpose to necessitous persons. Financial assistance in lump sum is also given to the widows/relatives of the deceased member in case of accidental/unnatural death at age below 55 years. The contributions are made in the form of 'Life Membership' (₹2500), 'Ordinary Membership' (₹500 annually), or 'Voluntary Contribution' (an amount up to any extent).

CAs and the Green Cause

Particularly over the last few years, the ICAI has been mooting working on the concept of a paperless organisation to the maximum extent possible. The idea is to put in place a more environmental-friendly work culture. As such, being an environmentally conscious organisation, the Green Drive at ICAI has been a continuous phenomenon over the recent years with a number of far-reaching decisions taken such as electronic circulation of agenda and other related documents at meetings, publication of newsletters at Regional and Branch levels of ICAI in digital mode, giving option to green-thinking members to opt for the electronic version of *The Chartered Accountant* monthly journal while discontinuing the hard copy, to save vegetation. Some highlights are as under:-

(a) **Paperless Meetings:** Supporting its Go-Green agenda, ICAI has implemented paperless meeting management so as to circulate agenda and other related documents electronically at all its meetings, instead of printing/publishing the same.

(b) **Discontinuation of hard copies of newsletters:** ICAI has decided to stop the publication of newsletters of all its and Branches, promote their digital versions instead.

(c) An **I Go Green with ICAI initiative** has been launched to encourage members to discontinue receiving hard copy of *The Chartered Accountant* journal and instead make use of its digital versions available online. Micro-site has been developed and hosted on ICAI website www.icaai.org to enable members to register for discontinuation of physical copies of the journal. In an encouraging response, about 7,000 members have so far given their consent to discontinue hard copies of the ICAI journal.

(d) **Supporting Paris Agreement:** Members were urged to support the global initiative of signing of the historic Paris Agreement on Climate Change. ■