

December 2024

CSR & NPO



“We are all trying to make a better world. Nothing is more humbling in one’s life than when we come to the realization, which all of us come to very quickly in this journey, that social change is the hardest thing we have ever attempted. We have all been successful in our businesses or our professions – we can even pat ourselves on the backs for it. But making lasting change for the good is incredibly difficult. It requires us to cultivate humility, patience, and hope every single day.”

- Rohini Nilekani, Chairperson, Rohini Nilekani Philanthropies

FROM THE EDITOR’S DESK...

There is an old African proverb, ‘It takes a village to raise a child’. The proverb underlines the fact that it is not just the parents - the community, as a whole, helps create a healthy environment for the child to grow up in.

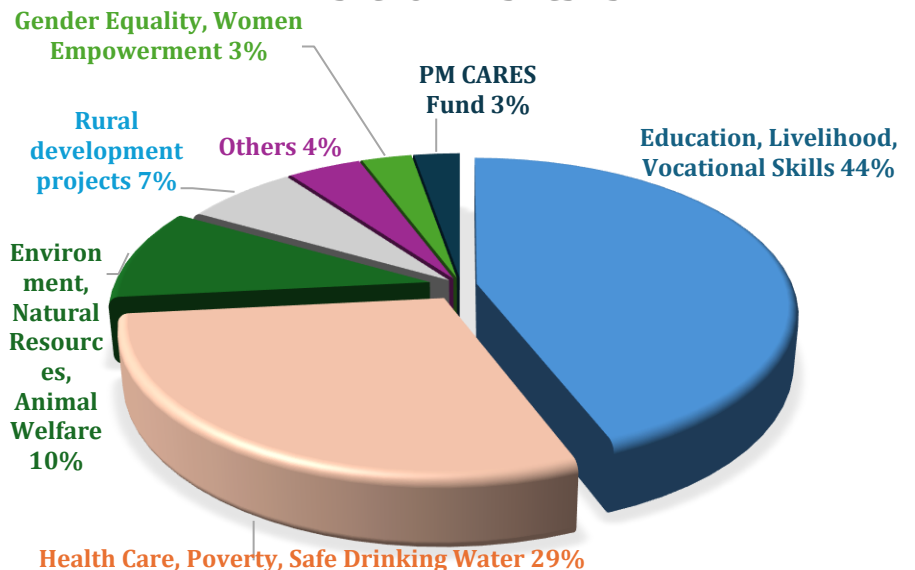
And so, it is with any social cause. While the principal stakeholders are unarguably the beneficiaries, the agents of change (typically, the non-profits) and the donors/ philanthropists, one cannot deny the role played by the others - the government, the regulators, the auditors, the consultants, the service providers etc. - in ensuring that the objectives of the program are met.

This Newsletter, the maiden issue from the CSR & NPO Advisory, endeavours to provide a platform to the concerned stakeholders to be heard and acknowledged for the inspirational work they do to improve the fabric of our great nation.

DID YOU KNOW?

- In 2014, India became the first country to legally mandate CSR spending.
- In F.Y. 2022-23:
 - Over 24,000 companies contributed approx. Rs. 30,000 crores.
 - Non-PSUs contributed approx. Rs. 26,000 crores (i.e. 86%), with PSUs making up for the balance (approximately Rs. 4,000 crores i.e. 14%).

SECTOR-WISE CSR SPEND



(Source: National CSR Portal)

Note: ‘Others’ include contributions to sports, arts and culture, slum area development, armed forces and veterans, disaster management, incubators and research development projects.

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LEADER SPEAK



**Huzaifa Khorakiwala, CEO,
Wockhardt Foundation**
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1. List out the top 3 differences brought about by your programs.

1. Increased Healthcare Access: Direct reach of mobile medical units and dialysis centers to remote and underserved populations, reducing disease prevalence/ improving early diagnosis/ treatment rates.
2. Enhanced Health Awareness: Educating communities leading to better health and hygiene in participating regions.
3. Empowered Education and Value Based Growth: Instilling human values positively impacting youth development, fostering empathy, integrity, and a stronger sense of community.

2. Name top 3 things you would want your implementing partner/ NPO to do differently

1. Enhance Data-Driven Decision-Making
2. Improve Community Engagement and Ownership
3. Strengthen Financial Accountability and Sustainability.

3. Top 2 regulatory changes on your wish list.

1. Simplification of Foreign Contribution Regulations Act (FCRA): FCRA imposes stringent requirements including complex registration processes and restrictive utilization norms. Simplification would

provide easier access to foreign funding, thereby enhancing their capacity to serve communities.

2. Streamlining Tax Exemption Processes: The compliance requirements for obtaining and maintaining tax-exempt status is hugely burdensome, especially for smaller organizations. Streamlining these procedures would reduce compliance burdens, allowing nonprofits to focus more on their core missions.

4. List out top 2 changes in employee behaviour/ productivity witnessed on account of this engagement.

1. Enhanced Team Cohesion and Collaboration: Participation has strengthened team bonds and created positive impact on collaboration and communication back at workplace.
2. Increased Motivation and Job Satisfaction: Employees have felt greater sense of purpose, and the motivation has translated into greater productivity and a deeper commitment.

5. Name your (one) most satisfying experience in recent times

One example that resonates deeply is the story of Kothandaraman, a 50-year-old construction worker in Chennai. He visited our mobile clinic in Kolathur where the doctor diagnosed his condition as acute gastritis, and prescribed a week's worth of medication, along with dietary guidance. Kothandaraman's symptoms greatly improved within two weeks. He expressed deep gratitude to our team.



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REGULATORY INSIGHTS – SOCIAL STOCK EXCHANGE (SSE)

Social enterprises, registered and listed on the SSE, are required to submit annual disclosures in revised formats for the financial year ended March 31, 2024, onwards to the SSE. The revised disclosures include:

1. Form 1A: Annual Self-Disclosure Report (covering general and governance disclosure aspects that are not dependent on statutory financial audit).
2. Form 1B: Annual Self-Disclosure Report (covering disclosures of general, governance and finance aspects that have a reference to audited financial statements) and Annual Social Impact Report by Social Enterprise (Report to be prepared annually by social enterprises for significant social projects/ programs not funded through listing on SSE).
3. Form 2.1: Annual Social Impact Report by Social Enterprise (Report to be prepared annually by social enterprises for social projects/ programs funded by security listed on SSE).

As can be seen, all social enterprises registered on the SSE, regardless of whether they have currently listed securities or not, will have to submit Form 1A and 1B to the SSE. While Form 1A is required to be filed by every year, Form 1B must be submitted by 31st October every year.

Of particular interest is the Form 1B which covers disclosures of general, governance and finance aspects that have a reference to audited financial statements and filings with Income Tax, FCRA, Charity Commissioner, Registrar of Societies, Registrar of Companies, and other regulators as applicable. Further, as part of this form, registered NPOs must submit separate Annual Impact Report (AIR) for each of the thematic area they work in, while covering at least the top 67 % of program spending for the reporting period.

CNK'S CHANGE AGENT



Sarika Prasad
CSR & NPO Advisory
Churchgate

I joined CMCA (Children's Movement for Civic Awareness) as its purpose resonated with my desire to engage with the youth of our country, to increase social awareness and encourage active citizenship towards a better society, rather than waiting for systemic change.

The ability to interact with these evolving minds and discuss various issues was invaluable—such as understanding constitutional rights and responsibilities, recognizing the need for gender equality and tolerance, addressing environmental issues, and fostering empathy and respect in daily life.

The task may seem arduous and the horizon of a perfect society distant, but when you see a glimmer of change in attitude and the first steps towards action in the right direction, you feel gratified that you managed to spark a change!

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