

# Study on Corporate Foundations: An Emerging Development Paradigm?

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2015

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*Supported by:*

Dikhit Saluja Praxis, Sachin Sebastian Prakruthi, Shishupal Prajapati, Praxis

*Published by*

**Prakruthi**

Head office: #21 (Old No. 1564 – 1566)

IInd Cross, Old Nilgiris Road,

St. Thomas Town Post Kammanahalli,

Bangalore – 560084, Karnataka, India

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# FOREWORD



The importance of research lies in the fact that it informs, supports and guides action in any domain. It not only is an important tool in the pursuit of knowledge but also is inextricably linked to problem solving.

High quality academic and action research should underpin public policies to support corporate social responsibility and feed into the CSR practices of enterprises and other stakeholders. It would thus help in policy making, designing of projects, highlighting areas of concern, drawing attention to the outcomes of initiatives and influencing the CSR curriculum at academic institutes.

Presently, there is a dearth of research, surveys and studies conducted in the field of CSR in the country so a collaborative initiative to undertake a study was a step in the right direction. Moreover, a study on corporate foundations is quite unique and perhaps the first of its kind in the world.

I would like to thank all the partners involved with the IICA in this initiative and I am sure that this study will be helpful to CSR practitioners, business schools and all other stakeholders in getting an insight into Corporate Foundations in India.

**Dr. Bhaskar Chatterjee**

Director General & CEO  
Indian Institute of Corporate Affairs



Following the opening up of the Indian economy in the early nineties, the country has seen an increase in the establishment of Corporate Foundations, a considerable increase compared with previous decades. This trend is likely to grow further. This is an interesting phenomenon and drivers behind such growth need to be unpacked further. We need to welcome corporates venturing into philanthropic work with an understanding that there is a wider and deeper role the corporate sector can contribute to the development and wellbeing of society. With the passage of the new Companies Act 2013 and the mandate given to certain companies of size and profitability to spend at least 2% of profits through Corporate Social Responsibility, it is likely this will bring structured mechanisms to the implementation of corporate philanthropic activities. We need to commend the Government of India and institutions like IICA for facilitating these positive developments.

While welcoming these positive developments, it is important for all stakeholders to understand the broader development challenges in the country. On one hand we are witnessing rapid economic growth contributing to an increase in the rich and middle class; on the other hand we are also witnessing disturbing trends of growing inequalities and exclusion. This calls for making growth more inclusive and sustainable. India still faces the challenge of over 330 million people living below the poverty line, with the majority of the poor being concentrated among socially excluded communities such as Scheduled Tribes, Scheduled Castes and other marginalised communities, which reflects that poverty in India is not only economic, but also structural. One needs to understand these structural challenges to end poverty and exclusion.

India is known for cultivating vibrant civil society organisations that are working for the empowerment of poor and excluded communities. Some of them became pioneers in finding scalable solutions to end poverty and exclusion. In addition, the Government of India has enacted several progressive legislations and launched several social welfare programmes for the development of poor and excluded communities. The entry of corporate philanthropic organisations through CSR initiatives is likely to contribute to accelerating the ongoing work. For this to be truly successful, it is important corporate foundations learn from the experiences of civil society and actively collaborate with them in a true spirit of partnership. For an organisation like Change Alliance, it is an opportunity to comprehend and appreciate the development mandate of corporate foundations and engage with them appropriately to promote inclusive growth and sustainable development in the country.

On behalf of Change Alliance, I congratulate the research team for bringing out this report on the development of corporate foundations which has brought some salient findings and recommendations, especially on the need to expand the collaborative efforts of the corporate foundations going beyond the industry sector. I hope that the report will contribute to enhancing our understanding of corporate foundations as an active stakeholder in the development sector.

**Anand Kumar Bolimera**  
Director  
Change Alliance

# PRAXIS



As an organisation committed to mainstreaming the voices of the poor and marginalised sections of society, we were quite interested in knowing the philosophy and intent behind the activities undertaken by the social arms of businesses i.e Corporate Foundations (CFs). Since the time we were established in 1992, our focus has been to ensure equity and participation in development processes. With many a CFs undertaking developmental activities and the new CSR rules making it mandatory for companies to spend a portion of their profits on CSR, aligning with Prakruthi on this study provided us an opportunity to gain a deeper, comprehensive understanding of how these organisations work.

Going beyond CFs, we are also tirelessly working towards raising awareness on the necessity to make companies responsible and accountable for their deeds and misdeeds. Praxis is the secretariat for Corporate Responsibility Watch (<http://www.corporatewatch.in/>), which is presently engaged in analysing Business Responsibility Reports of the top 100 listed companies in India. The Report is based on the nine business responsibility related principles under the National Voluntary Guidelines (NVGs). One of the principles under the guidelines expects businesses to support inclusive growth and equitable development. This is what companies have been trying to through their foundations – be it as acts of philanthropy or with the strategic intent.

Given the expectations from businesses outlined in the NVGs, the new legislative requirements for companies to spend on CSR as well as report on such activities and the gradual reduction in aid money from other agencies, we do see many more CSOs – much more than before - looking towards companies as partners in development. It will be interesting to see whether in the future these CFs will take the role of the agency that distributes company's CSR funds or simply become a counterpart to CSOs. And if the latter happens, how much of the development work would be participative, determined by the community's needs and how much would be influenced by the dominant development narrative.

**Tom Thomas**

Chief Executive  
Praxis Institute for Participatory Practices



The last few years have seen a spurt in establishment of corporate foundations, with significant long term implication on Indian philanthropy, voluntary sector as well as on the broader development scenario. Corporate foundations have been one of the most preferred mechanisms for businesses to give back to society and some of the foundations established by Indian business houses over the years have made significant developmental contributions. The passage of the Companies' Act 2013 with a mandatory provision for CSR expenditure seems to have provided yet another reason for businesses to establish their foundations. As a result an increasing number of corporate foundations have come up and more are in the pipeline to channelize- implement the CSR activities. While these foundations are becoming critical players in CSR and development, there is a limited understanding about their legal identities, nature of operations, thematic focus and relative focus on partnerships with other developmental actors. Thus, it becomes imperative that we ought to have a better understanding about corporate foundations.

The present collaborative study on Corporate Foundations in India is the result of an attempt to better understand and add to the existing knowledge base. The development sector is undergoing some fundamental changes in recent times. We have been witnessing a gradual retreat of traditional development financing agencies from India, as well as a gradual change in the role of the state in development. Countless NGOs and civil society agencies in India have also been long standing pillars of Indian democracy and today, many of them face a resource crunch to carry on with the good work that they do. In this context that the role of corporate foundations becomes critical and hopefully they will come forward to fill in some of these gaps. Lastly, I am quite hopeful this study shall help in strengthening public discourse on business responsibility in India and help strengthen business-NGO partnerships.

**Amitabh Behar**

Executive Director  
National Foundation for India

Philanthropy in India is not new and has never been static as a concept. Over the centuries, it has moved

# CAF Charities Aid Foundation India



from an act of charitable giving to an approach for strategic investments for socio-economic development. Companies Act 2013 is significant development that is likely to trigger a paradigm shift in ways corporate philanthropic investments will be made.

At Charities Aid Foundation (CAF) India, we are committed towards creating a better infrastructure for giving and aim to make it more organized, constructive and strategic. For nearly two decades now, we have advised and supported companies on strategic CSR investments. One of which has been our engagement with companies to set up, manage and run their Foundations for meeting strategic community and social initiatives

The concept and practice of CSR has a long and varied history in India. Many companies have established their own foundations through which they have been undertaking their CSR investments, either directly investing in the target areas and communities or as a resource agency working in partnership with local NGOs.

We realize that there is a very clear and present need to develop a better understanding about the issues and concerns related to corporate foundations in India – who they are, what they do and also what they should be doing. We are pleased to be associated with like-minded organizations and support the ideation and research of this much needed subject.

We believe that the report you have in your hands is going to set directions of corporate philanthropy in India and serve as a helpful, guiding tool for many corporate foundations in the coming years and decades. We remain alongside with you on the path of this forward journey.

A handwritten signature in black ink, appearing to read 'Meenakshi Batra'.

Meenakshi Batra  
Chief Executive



## MESSAGE FROM PRAKRUTHI

The current paradigm of development sector in India is not just about the sector comprising of Civil Society Organisations (CSOs) but also the legally registered not-for-profit entities established and promoted by the company/businesses for implementing its CSR commitments. However, the situation in India is such that on the one hand, there is a fund crunch as the international aid for development work is gradually shrinking, largely due to India's claims of self-sufficiency, whilst on the other hand, the government of India through Section 135 of the new Companies Act 2013 has mandated companies of a certain size and profitability to spend at least 2% of their net profit on CSR.

At the same time, many companies - especially those who are new to CSR as a result of coming under the ambit of Section 135 - have not been undertaking any significant CSR activities till now. They are now attempting to determine the best mechanism(s) to undertake CSR activities – whether to start their own foundations or work with NGOs with the necessary domain expertise. Further, there are various studies by various agencies on company CSR activities in last two decades. However, it is of immense importance to understand in detail the social arms/agencies/ bodies carrying out these CSR activities on the ground on behalf of the companies. Information and studies on company-promoted foundations are not comprehensive enough.

Keeping these developments in mind, the present study on corporate foundations is not only unique in its focus but will also provide critical information on aspects such as identity, partnership/collaboration, funding pattern, their reach to community and geographical locations of operation. Prakruthi as an organization has generated a rich body of research on various unaddressed issues of practical importance. The present study is one of them – one that probably will pave the way for strengthening the understanding of CSR and development. We envisage CSR to be a very useful tool, to be handled with care for the empowerment of the communities and development of vulnerable sections of the society. Various vehicles and models of development sector need to join hands, build partnerships based on mutual respect, trust and transparency to take the agenda of sustainable development forward.

We hope that the present study generates further interest amongst key stakeholders to invest in further enquiry and research into some of the themes and issues identified in this report.

# EXECUTIVE SUMMARY

Corporate foundations in India are not a new phenomenon. The wealthy of the pre-independence era, prompted by the traditions of their community or encouraged by the Gandhian principle of Trusteeship, were generous in giving back to the society. Their philanthropic contributions were not limited to donating to the poor; some philanthropists were also involved in setting up some of the most famous institutions in the country – for example: contributions of Jagannath Shankarshet (1803–65), Jamsetji Jeejeebhoy, or ‘J J’ (1783–1859), Sir Jamsetji Tata (1839 -1904) and G D Birla (1894 – 1983) towards setting up of institutions such Elphinstone College, JJ School of Art and Mahim Causeway, Indian Institute of Science and Birla Institute of Technology respectively.

Over the years, foundations established by companies in India have assumed various forms in terms of their legal status, focus, funding, operations and activities. But the stated focus remains the same: social development, and empowerment of the poor and disadvantaged, in many cases, in the areas where the companies operate. Several companies have their foundations as the social arm of the company to undertake their Corporate Social Responsibility (CSR) activities and programmes.

The current study is an attempt at understanding the role of corporate foundations (CFs) in the development space, their role vis-à-vis the entities that support them, the challenges and opportunities they face - specifically in reference to the changes brought about by the Companies Act 2013. It is also located in the context of how on the one hand, a large amount of corporate funds will be channeled into development activities, a good chunk of it through CFs, and on the other, international aid for development is gradually shrinking.

For the purpose of the study, the top 300 listed companies were taken as the sample size, among the universe of active companies India. These 300 companies are seen as the most successful in India. In turn, the impact of these companies on the society at large is also immense. Further, since the shares of these companies are traded publicly on the biggest stock exchanges in India, there's an element of public ownership or stake in their performance – be it social or economic.

The study process broadly involved three phases. In the first phase, the study team tried to find out which of the companies in the sample have foundations, based on information from secondary sources. In the second phase, hard copies of questionnaires, concept note and letter from IICA was sent to the foundations identified in the first phase. In the third phase, in-depth interviews were conducted with the heads/chief executive officer (CEO)s of chosen foundations

Of the 300 companies, the study team was able to find foundations for 142 companies. For these 142 companies, 153 foundations were found. The sector with the maximum number of companies with foundations was finance, followed by housing, infrastructure and hospitality sector (these three areas have been clubbed into one sector and includes real estate, cement, hotels and infrastructure companies).

For 153 foundations for these 142 companies, the availability of information was not uniform. While many had their own websites, some had a dedicated link in the promoter company's website. In case of the rest, there was either a mention of the foundation on the company website (as opposed to a dedicated link) or the information was obtained from other sources such as company annual reports, CSR policy (mandated

as per the new CSR rules) or any other official company document.

In terms of identity, the majority of foundations were found to be incorporated as Trust, either public charitable trust or a trust under various state Trust Acts. An equal number of foundations identified themselves as a Section 25 company and a society. Most of these foundations were established post liberalization – almost 100 out of the 153. Information on year of establishment was not available through secondary sources for 25 foundations. As per the information collected from secondary sources, most of the foundations had activities primarily in the domain of promoting education, health and livelihood.

The process of gathering information from primary sources proved to be much more difficult than sourcing through secondary sources. Despite repeated follow-ups, many foundations either did not respond or kept delaying the sending of questionnaires, which led the study team to extend the deadline for primary research by almost three months. In the end, the study team received 31 questionnaires and conducted interviews with 32 foundations.

According to the foundations, the key drivers to establish foundation were giving back to society, creating a peaceful environment around operating areas of the company, consolidating the companies CSR activities spread across various locations, sustainability, creating a buffer zone between the main company and the community (especially so in case of mining and extractive companies), improved branding and tax benefits accruing from contributions to the foundations.

Most of the foundations stated that the governance structures in most Non-Governmental Organisations (NGOs) were not upto the mark. They were of the opinion that owing to the company's influence on their foundations, the governance and monitoring systems were stronger vis-à-vis the average NGO. Also, as a result of the relative ease in getting funds from companies, attracting and retaining talent is much easier in case of foundations, as opposed to NGOs.

It was found during the study that foundations and their parent companies share an interesting relationship, which stretches much beyond the donor-donee dynamics. From the perspective of foundations, the company name not only lend credibility to the organisation, many a time the company is also able to take care of many of the organisation's structural and infrastructural needs – office space, systems and procedures and at times, salary of foundation's employees as well. This, in turn, help the foundation reduce their costs and invest more into the activities that it undertakes. From the perspective of companies, foundations help portray a sensitive, socially aware side to the companies. They not only sensitise the company on societal concerns and trends, they also become the eyes and ears of the company when engaging with the community.

In terms of geographical reach of the foundations, it was found that most of foundations had their activities in Rajasthan, Madhya Pradesh, Maharashtra and Andhra Pradesh with 12 foundations (from among the respondent foundations) active in each of them. Only one foundation was active in two states of the North-East region with the remaining states in the region virtually untouched by the foundations under study. Same was the case with Goa. Jammu and Kashmir had just two foundations working in the state. It is to be noted that the states with some of the lowest indicators on socio-economic development – such as Bihar, Uttar Pradesh, West Bengal, Odisha – had very few foundations active there.

With respect to monitoring and evaluation systems and processes, more than half of the respondent foundations said that they do not engage any external agency in evaluating the impact of foundations'

activities. They said that the same is conducted internally through established processes, either specially created for the foundation or borrowed from the company.

A large part of the interactions with foundations focused on partnerships – with NGOs, with other foundations, and companies. Most respondent foundations stated that they implement projects directly as well as work with NGOs. Eleven foundations said that they implement their activities directly, without engaging NGOs to do so, while only two foundations said that they only work through NGOs and don't implement directly. The ability to give undivided attention to activities, poor governance of NGOs, high overhead costs of NGOs and the time and resources to be invested in due diligence of potential partner organisations were cited as some of the reasons behind foundations choosing to implement directly. Unsurprisingly, most of the foundations were also in favour of companies opting to undertake their CSR activities through foundations as opposed to a department within the company or in partnership with NGOs.

In case of partnership with other companies and foundations, the majority of foundations replied in the negative. The primary reason for the situation to be so was that companies tend to compete with each other even in the development space. While some said they have companies and/or their foundations as partners, others said that attempts to establish such partnerships are afoot.

The nature of partnership with government was discussed in detail during the interactions with the foundation. While many foundations said that engaging with the government is necessary to leverage critical services provided by them and to achieve scale in developmental activities, many rued the inefficiencies that come along with government partnerships, as a result of the long drawn processes.

During the interactions, foundations were asked to list what they saw as key challenges and opportunities of being a corporate foundation. According to most foundations, sustainability of funds is somewhat ensured, which is not the case with most NGOs. Further, as a result of technical and other support from the company, foundations are able to dedicate more funds to the activities, instead of having large overhead, as many NGOs tend to have. On the other hand, foundations said that the community had consistently high expectations from them. While there's a sustainable source of funds, foundations were keen on breaking the perception that foundations are flush with funds. Lastly, although their identity was linked to their company, foundations found it challenging at times that the community saw the foundation as the company.

When asked about what companies new to CSR should do, many foundations suggested that if the resources allow, it is best to establish a foundation. If the funds are not sufficient, then it is best to collaborate with NGOs who have the requisite expertise. One of the important points that emerged during discussions on this aspect was the need for a platform that will help bring foundations together. Such a platform will not only help foundations explore the possibility of partnerships between them, it will also help in establishing best practices that other companies or new companies can replicate or add on to.

The current study, though exhaustive, can be seen as the beginning of an exploration of the emergence of CFs as an alternate development paradigm. Each of the themes relating to corporate foundations covered under the study can be taken as individual research and exploration subjects in the future. With a large amount of funds set to be dedicated to CSR activities, as a result of the provisions relating to CSR under the Companies Act 2013, foundations have the potential of becoming the preferred mode for companies to invest in developmental activities. The prospects, clearly, are immense; the challenges are numerous but the journey is set to be quite interesting - as interesting as this project was for the study team.

# INTRODUCTION

A **Company Foundation** is a legally registered not-for-profit organization/society/company/trust established and promoted by the company/business for implementing its CSR commitments, and can be said to fulfil the following criteria:

1. *The majority of its funding is from the Company*
2. *It is foundation based in India (Head office in India)*
3. *The foundation's governance body comprises company staff and management*
4. *The website and annual report of the company mentions the foundation as the primary vehicle through which it undertakes its CSR activities*

-- *Prakruthi, 2015*

Foundations established by companies in India are varied in terms of their legal status, focus, funding, operations and activities. These foundations, promoted by an individual company or group of companies, largely focus on social development, and work for the empowerment of the poor and disadvantaged in the areas where the companies operate. Several companies have their foundations as the social arm of the company to undertake their CSR activities and programmes.

CSR has travelled different pathways - right from charity, trusteeship, philanthropy and currently strategic and sustainable development. To India's rich, investing in charity and development activities is not a new phenomenon. Such activities by successful industrialists can be traced back to the first generation of big businesses in India<sup>1</sup>.

This landscape, so to say, can be seen as going through the following four phases:

**Phase -1 (1850 – 1914):** During this period, social welfare causes defined corporate philanthropic activities mainly through donations for schools, hospitals and temples carrying the family-name ensuring legacy. Industry pioneers belonging to families such as Tata, Birla, Bajaj, Lalbhai, Sarabhai, Godrej, Shriram, Singhanian, Modi, Naidu, Mahindra and Annamalai were at the forefront.

**Phase 2 (1914-1960):** During this period, a large number of industrialists were significantly influenced by Mahatma Gandhi's theory of trusteeship, which called for the wealthy to invest in social development as a citizen's responsibility for the greater good. Women empowerment, rural development, abolishment of untouchability, critical reforms for a growing, inclusive, independent nation etc were the issues that became widely espoused under this philosophy. Companies began seeing a bigger role for themselves in the country's economic development and fighting the colonial rule. It was in this period that the institutionalisation of social development began with the creation of Trusts, such as the Sir Ratan trust.

**Phase 3 (1960-1980):** During this period, India decided to define its own course, of neither communism nor capitalism, which resulted in a mixed economy. Key sectors were nationalized into public-sector companies and the role of the private sector decreased. High taxes, production quotas and the infamous license system imposed significant restrictions on the private sector, indirectly triggering corporate malpractices. Public Sector Units (PSU) were seen as the way to distribute wealth to the needy.

<sup>1</sup>Partners in Change (2006), Delivering Value – An Exploration of Community Development Vehicles Adopted by Corporate in India.

**Phase 4 (1980 – present):** This phase was characterized by a hybrid approach - combining traditional philanthropy through the creation of family foundations, CSR, and corporate philanthropy aligned with a sustainable business strategy. Liberalization and deregulation of the economy led to the business environment becoming more transnational in nature. The tremendous rate of growth propelled India into becoming a global player, which stood as a paradox in the face of aggravating poverty and inequality. The need for corporate responsibility arose, as the custodians of wealth were expected to play a role in changing the lives of those living in poverty<sup>2</sup>.

### The emergence of corporate foundations- Policies and Strategies

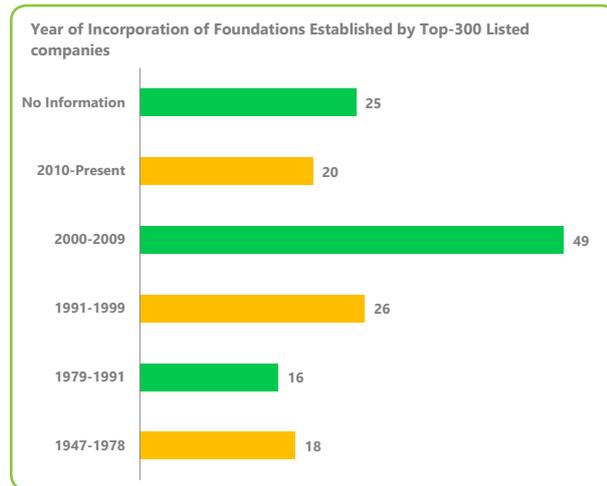


Figure 1

There were only few corporate NGOs prior to 1979 in India. For instance, among the current top 300 listed companies in India, as per the research conducted for this study, only 18 foundations were established prior to 1979. Most of these were established by companies that have now become large conglomerates – Groups such as Bajaj, Aditya Birla, Godrej, Amara Raja, Dalmia, Ruchi et cetera. The idea of businesses working on rural development and social empowerment was very nascent, though there were some prominent NGOs working for social causes and development, especially in the rural areas.

Things changed in 1979 with the enactment of the Finance Act 1979. Under this act, a new section – 80GGA – dealt with deductions for contributions to approved associations or institutions engaged in carrying out rural development programmes or to approved scientific research associations. As under section 35CCA, sums paid by taxpayers – business entities, professionals or servicepersons - to any approved association or institution which undertakes approved programmes of rural development are allowed as deductions in the computation of their taxable profits or income.

Under an amendment made to section 35CCA by Section 5 of the Finance Act, 1979, sums paid by such taxpayers to any approved association or institution which has as its objective of training of persons for implementing programmes of rural development will also be allowed as deduction in the computation of their taxable income or profits. As a result of this, many foundations were established by companies to get tax rebate benefits and at the same time engage in rural development programmes. For example, among the current top listed companies, 16 foundations were established in the 12 years between 1979 and 1991, as opposed to 18 in the three decades between 1947 and 1978. (Figure 1)

Liberalisation of the Indian economy not only changed how business was done in India, it also changed how businesses invested in philanthropy and development. The same is evident from the fact that almost 120 of the 153 foundations (78%) associated with the current top 300 listed companies have been established since 1991.

In the last decade, the role of the corporate sector in the socio-economic development of the country has become particularly pronounced. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Businesses (also known as NVGs) were launched in 2009 and passed by the Ministry of Corporate Affairs in July 2011. Subsequently, Security and Exchange Board of India made the

<sup>2</sup>Dasra, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Omidyar Network (2013) Beyond Philanthropy: Towards a Collaborative Approach in India

Annual Business Responsibility Report (ABRR), a reporting framework based on the NVGs, mandatory for the top listed companies in India. The Department of Public Enterprises released the CSR guidelines for public sector companies in 2010 wherein all the PSUs were mandated to spend 2-5% of their net profit on the basis of their turnover. And then came the final push in the form of rules specially related to CSR and the likely areas of investment that were notified in the Companies Act 2013.

### **Relevance of the Study**

The situation in India is such that, on the one hand, there is a fund crunch with international aid for development work gradually shrinking, largely due to India's claims of self-sufficiency, whilst on the other hand, the government of India through Section 135 of the new Companies Act 2013 has mandated companies of a certain size and profitability to spend at least 2% of their net profit on CSR. The provisions of Section 135 of the Companies Act 2013 mandate structured mechanisms to conduct CSR activities, as opposed to sporadic donations and initiatives. With the Act mandating a spend of minimum of 2% of profits (average of previous year's net profits) on CSR, quite a few companies have adopted foundations established by their promoters as the vehicle of choice, further blurring the line between CSR and philanthropy.

It is worth noting that the Act in its draft versions had specified that companies could donate their earmarked CSR funds to a foundation/trust/society established by a company, provided the organisation has minimum three years experience in carrying out development activities. This three-year experience provision has been removed in the final Act. As a result, there's a possibility that many companies would prefer establishing their own foundations.

Many companies are already routing their CSR investment through company trusts or foundations, either directly investing in the target areas and communities or as a vehicle that invests in other NGOs. These foundations have either or both of the following as their agenda: mitigating business' impacts on the companies' stakeholders and working for the welfare and development of marginalized communities. There are also instances where the Company utilizes its Trust or Foundation to develop rural markets for its products and services.

At the same time, many companies - especially those who have now come under the ambit of Section 135 and have not been undertaking any significant CSR activities till now - are attempting to determine the best mechanism(s) to undertake CSR activities - whether to start their own foundations or work with reputed NGOs with domain expertise. Keeping these developments in mind, the present study on corporate foundations is not only unique in its focus but will also provide critical information on their incorporation, identity, operation, resources etc.

Thus in the context of changing dynamics of CSR in the country with NVGs 2011, PSU guidelines on CSR 2010, reporting mandated by SEBI 2012 (for top BSE listed 100 companies of India) and most recently provisions relating to CSR in the Companies Act 2013 (section 135) which clearly mentions company promoted foundations it is relevant to understand the emerging foundations as new development paradigm through CSR.

The current study is an attempt at understanding the role of corporate foundations in the development space, their role vis-à-vis the entities that support them, the challenges and opportunities they face - specifically in reference to the changes brought about by the Companies Act. It is located in the context of how on the one hand, a large amount of corporate funds will be channelled into development activities, a good chunk of it

through corporate foundations, and on the other, international aid for development is gradually shrinking.

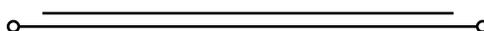
For the purpose of this study, the following criteria was applied to select the foundations:

1. The majority of its funding is from the company
2. It is an India based foundation (Head office in India)
3. The foundation's governance body comprises of company staff and management.
4. The website annual report and/or CSR report of the company mentions the foundation as the primary vehicle through which it conducts its CSR

Accordingly, the main objectives of this study are:

- Map foundations on the basis of their donor/parent companies' sector and ownership
- Segregating the foundations based on their year of incorporation, location, information in public domain and key activities/initiatives.
- Explore foundations' primary goals, its degree of independence, transparency, governance, identity, nature of its resources, mode of operations and partnerships with various agencies
- Examine the foundation's funding structure, accountability processes and method of selection of target beneficiaries
- Understand the specific opportunities and challenges unique to such foundations
- Assess the impact of Section 135 of the Companies Act 2013 and other CSR policies on both foundations and other NGOs and their relationship in the long term

The study is meant to establish the baseline with respect to corporate foundations, their activities, objectives, legal status and their alignment with current CSR legislation. It can also act as a guidance tool for companies that are new to CSR and for stakeholders who require information and insight into the current CSR landscape vis-à-vis corporate foundations. A 'revisit-study' at a later stage will establish the impact of the new rules and the changes on the policies and programmes of the foundation.



# METHODOLOGY

For the purpose of the study, the top 300 companies by market capitalisation on the Bombay Stock Exchange (BSE) as on 31st March 2014 have been taken as the sample size, from the universe of companies active in India. These companies and their foundations have been taken for the study as the sample size because of their mandated reporting on NVGs in the Annual Business Responsibility Report.

The Securities and Exchange Board of India (SEBI), 2012 had mandated that listed companies report on Environmental, Social and Governance (ESG) initiatives undertaken by them as a part of the companies' Annual Reports. It was immediately applicable only to the top 100 companies (by market capitalization) and will subsequently be phased for the remaining companies.

The reports released by companies in the past two years are being analysed by various agencies most prominently, GIZ, Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH and Corporate Responsibility Watch (CRW), which is a voluntary network of 14 organisations and independent consultants that has come together to analyse and watch the corporate environment in India from a civil society perspective. According to CRW, after analysis of these reports, more than 50% of the companies were found to be in the 'high disclosure' category. However, high disclosure does not mean high level of adherence to the principles related to human rights, employees' wellbeing, inclusive growth, environment and product life-cycle sustainability.

Although the same principles and parameters do not apply to CFs, the level of disclosure is similarly lacking. The number of foundations that agreed to part of the study is one such indicator of the CFs' inclination and comfort in disclosing information and being a part of a conversation on the subject development and the role of CFs.

Not just the current reporting requirement, these 300 companies are seen as the most successful in India. In turn, the impact of these companies on the society at large is also immense. Further, since the shares of these companies are traded publicly on the biggest stock exchanges in India, there's an element of public ownership or stake in their performance – be it social or economic.

To conduct the study both qualitative and quantitative research methods were used. Data was collated and analyzed by both primary and secondary sources. The data recovered from the secondary research and field was manually edited and entered into a database. Standard data operating and processing packages were used to clean and quantify data according to the indicators.

## Sample size

The study accounts for 153 company promoted foundations amongst 142 companies from the sample of 300 listed companies. For the remaining 168 companies on the list:

- Few foundations were established outside India, hence not eligible for the study
- The study team was unable to find information related to foundations for the rest and hence, it is assumed that these either through in-house departments in collaboration and partnership with NGOs, government and other agencies.

## Secondary Research

Before the study process began, the study team conducted in-depth secondary research on each of the companies on the Top 300 list to determine whether, which and how many foundations they have. Subsequently, information available in the public domain such as presence of websites, sectors of business activity, ownership of companies, year of incorporation of these foundations, contact details, theme of activities and other related information were documented. The concept note for the study, the request letter from IICA and the questionnaire were then sent on the contact details found during this process.

## Primary Research

One part of the primary research process involved obtaining information from the foundations through a questionnaire. In the second part, the study team conducted in-depth interviews with select foundations (based on how comprehensively they filled up the questionnaire, size, geographic location- backward, mode of operation, ownership, sector based, recognition, funding pattern et cetera). The different phases of the study have been detailed below:

### PHASE I: SECONDARY DATA

Step 1: Foundations were identified through company websites and information on these foundations was collected through websites, annual reports, CSR reports et cetera

Step 2: The foundations were segregated based on their ownership pattern- PSUs and private (family owned within private since many of the foundations in India were started by family businesses) and sector wise segregation of promoter companies (15 sectors).

#### Sectors of business (promoter company):

1. Chemicals, Petrochemicals and Agriculture
2. Capital Goods
3. Consumer Durables
4. Diversified
5. Energy (Power, Oil, Gas, Renewable)
6. Finance
7. FMCG
8. Healthcare
9. Infra structure and Housing Related
10. IT and Education
11. Media, Publishing and Telecom
12. Metal, metal products and mining
13. Retail, Tourism and Transport (Services)
14. Textile and Paper
15. Transport Equipments

**Step 3:** The foundations based on their year of establishment were categorised into five categories based on their year of incorporation.

- Foundations before 1979/pre- independence.
- Foundations after 1979-1990
- Foundations established from 1991-2000 (New Economic Policy)
- Foundations established in the decade after liberalisation (2000-2010)
- Foundations established in last five years (2011- 2014- Post NVGs and Companies Act 2013)

## **PHASE II: PRIMARY DATA- STRUCTURED QUESTIONNAIRE**

**Step 4:** Questionnaires to all foundations (from the list of companies of top 300) were sent for their response. (Refer Annexures). Questionnaires from 31 foundations were received

## **PHASE III: PRIMARY DATA- SEMI STRUCTURED IN-DEPTH INTERVIEWS**

Step 5: Thirty two foundations were interviewed based on the responses received in questionnaire and also fixed categories - size, geographic location- backward districts, modes of operation, ownership, sector based, recognition, funding pattern (government, foreign, other company, other foundation, promoter company). These interviews or interactions were conducted directly with the heads/CEOs of the foundations and on an average lasted for about 45-60 minutes.

### **Methods for the study**

The following tools were used as part of primary research:

#### **1. Questionnaire:**

An in-depth questionnaire was prepared and both hard and soft copies of the same were sent to foundations. The questionnaire had questions pertaining to aspects such as governance, financial resources, geographical focus, thematic focus, programme or project planning, monitoring and evaluation and reporting and disclosure. The questionnaire also included a few essay type questions, requiring foundations to articulate the challenges and opportunities of being a corporate foundation and quote their best practices. This questionnaire was sent to foundations in the second week of January 2015.

#### **2. Interviews using a structured Interview guide:**

For in-depth interviews with heads/CEOs of the participating foundations, a structured interview guide was used to obtain information broadly pertaining to the emerging drivers for companies to establish foundations; the changing funding pattern of development organizations in the country, governance structure of foundations vis-à-vis traditional NGOs; the relation between the foundations' activities and the parent companies' activities; whether and why they choose to implement directly or through partner organizations etc.

### 3. Skype call/Telephone interviews:

In some cases where a face-to-face interview was not possible, Skype interviews were conducted using the structured interview guide. Three interviews were conducted using this method.

### 4. Follow up

In most cases, sending the hard copies of the questionnaire was not enough to generate responses from foundations. It required getting in touch with the concerned person(s) in the foundations and sending soft copies of the questionnaire. This was the case with the majority of the foundations. In many cases, further telephonic follow-up was required and the date of receiving the filled up questionnaire was extended thrice in order to persuade foundations to participate.

## RESPONSES AND EXPERIENCE – THE STUDY TEAM

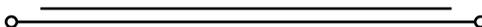
It was observed that responses from some of the foundations, which are large in size, operation, number of employees, reach to community and geographical locations were the most receptive. They not only wrote back on the receipt of the hard copies of the documents, they also provided most of the information sought. For the rest of the foundations, the study team continuously followed up till May first week to get the responses/questionnaires.

The questionnaires to all the foundations were sent in mid January 2015 and the initial deadline for receiving the complete questionnaires and conducting interviews with foundations was February-end. However, despite repeated follow-ups we were unable to get the requested information within the time limit specified. Many companies did not respond, despite telephonic follow-up and repeated mails and the following were the most common responses we received for non-participation:

- Questionnaire is too long.
- Fine with interviews but not comfortable putting things in writing
- Year-end commitments
- Responding is not mandatory

Our experience with in-depth interviews of the foundations was quite satisfactory, especially so in cases where the foundations Heads/CEOs readily accepted our request for an interview. As mentioned above we interviewed only 32 foundations so that the interview process did not stretch beyond the established timeframe. There were many other foundations that had agreed to be interviewed but we consciously chose not to cover them due to our fixed target and time frame

We strongly believe that if the information related to governance, partnership, funding, implementation, target group, policies and reporting was available in the public domain, a much more in-depth study could have been conducted. While through this study, we have been able to discuss the subject in significant detail, further information could have helped lay a much stronger foundation for further research on the subject.



# FINDINGS AND ANALYSIS

As mentioned above, the primary data collection was preceded by thorough secondary research on the top 300 BSE listed companies and the foundations they have. This research was not limited to finding out whether these companies have foundations, but also on their identity, year of incorporation, their head offices, the issues they focus on et cetera.

This sort of preliminary information was important for the study team to understand how much information on these foundations is available on the public domain. Correspondingly, the findings are based on this information only. If, for example, a company has more than one foundation but has listed information pertaining to just one on their websites or annual reports or any other publicly available document, the same has not been covered here.

## FINDINGS OF SECONDARY RESEARCH



Figure 2

Of the 300 companies, the study team was able to find foundations for 142 companies. For these 142 companies, 152 foundations were found. Among these 152 foundations, 18 have been established by 11 Groups viz. Adani Group, Aditya Birla Group, Bharti Enterprises, Bajaj Group, Godrej Group, Mahindra, Murugappa Group, Ruchi Group of Industries, Reliance Group, Shriram Group and Vedanta Resources. (Figure 2).

A total of 28 companies in the Top 300 list belonged to these 11 groups. Accordingly, these 28 companies had 18 group-created foundations associated with them. For example, four companies in the top 300 belonging to the Aditya Birla Group had one foundation. Similarly, four foundations created by the Mahindra Group catered to two Mahindra companies on the list. Further, 15 companies in the list had more than one foundation associated with them. This number does not include the 28 group companies identified above.

The above graph shows the sector of activity for the 142 companies with foundations. The sector with maximum number of companies with foundations was finance, followed by

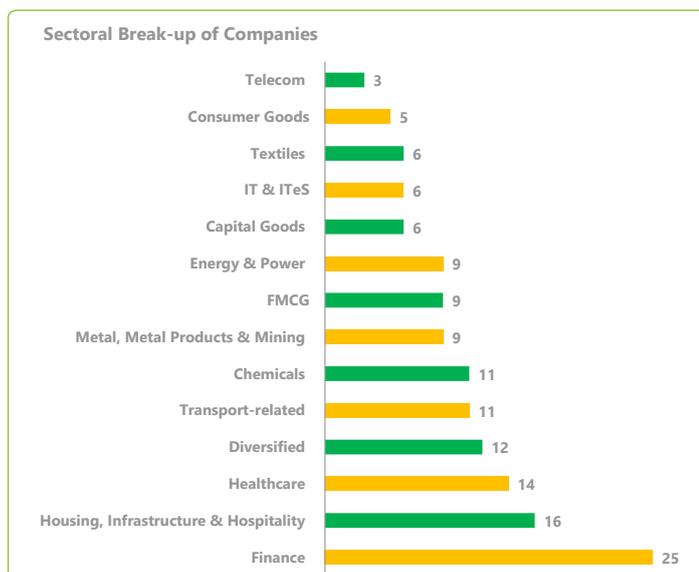


Figure 3

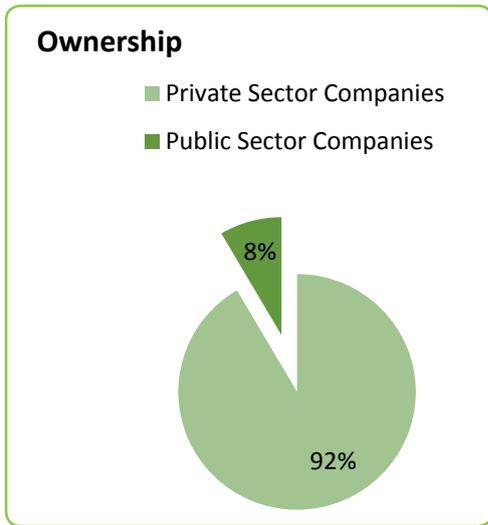


Figure 4

housing, infrastructure and hospitality sector (these three areas have been clubbed into one sector and includes real estate, cement, hotels and infrastructure companies). This maybe so because many in the top 300 list are finance sector companies. One interesting statement from the CEO of one of the financial sector foundations during the interview process was “ we are from finance sector and know how to manage our money so we opt for own foundations for CSR rather than depending on others”.

Almost 92% of the companies were private sector companies. Of these, at least 40% companies were family businesses. Among the public sector companies in the sample, most of them were public sector banks. (Figure 4)

For 153 foundations for these 142 companies, the availability of information was not uniform. While many had their own websites, some had a dedicated link in the promoter company’s website. In case of the rest, there was either a mention of the foundation on the company website (as opposed to a dedicated link) or the information was obtained from other sources such as company annual reports, CSR policy (mandated as per the new CSR rules) or any other official company document.

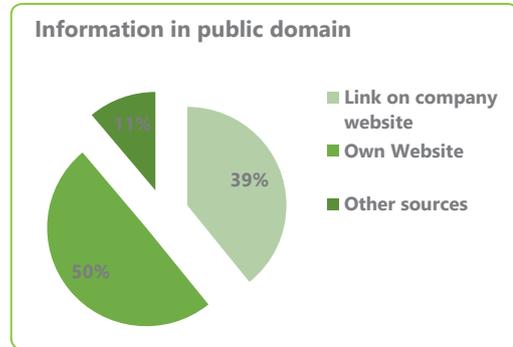


Figure 5

Almost 50% of the foundations had their own website. Though this may not be taken as an indicator of autonomy, it does indicate a certain level of conscious separation of the company’s and the foundation’s identity. 39% of the foundations had a link dedicated to them in the company website. In case of the remaining 11%, there was either a mention of the foundation in the website or in company documents.

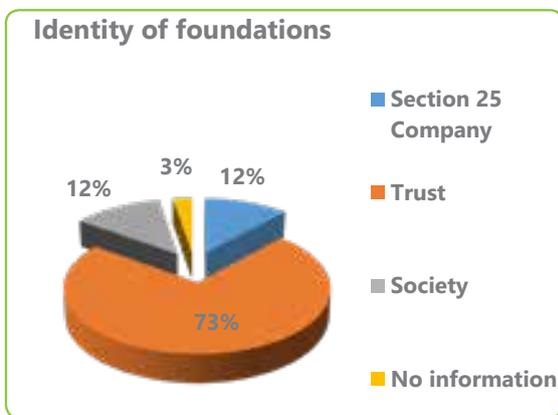


Figure 6

As is evident in figure 6 here, the majority of foundations were found to be incorporated as Trust, either public charitable trust of a trust under various state Trust Acts.

An equal number of foundations identified themselves as a Section 25 company and a society. Information pertaining to 3% of the foundations was not available.

As discussed above, foundations in India are not new. Some go as back as pre-independence era. Among the foundations under study, two such foundations have been identified. Figure 7 further elaborates on when these foundations were incorporated.

In the post-independence period, starting from 1947 to 1979 – when the Finance Act was enacted– 18 foundations were established by the companies that are currently in the Top 300. From 1979 to 1991 – the year of liberalization – 16 foundations were established. The number jumps to 26 within a decade

liberalization. It is interesting to note that a large number of foundations – 49 – were established between 2000 and 2010. And in just five years since 2010, already 25 foundations have been established. With CSR becoming mandatory for companies now, we may see a further rise in the number of foundations.

Apart from making CSR mandatory, the Companies Act also lists the thematic areas (Schedule VII) where a company could/should undertake their developmental activities. Most of the focus areas for the foundations

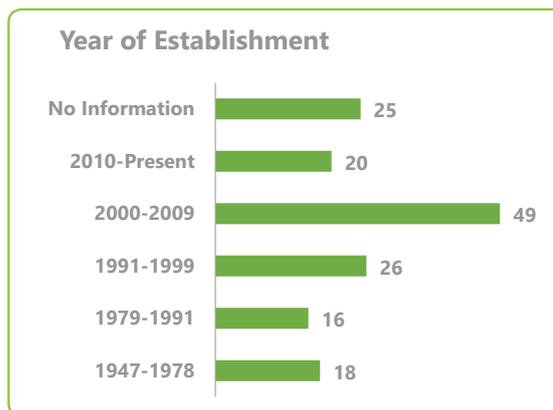


Figure 7

under study are aligned with these areas. A few foundations have listed areas that do not fit neatly within the prescribed areas. The alignments of foundations’ focus areas, both prescribed and self-defined, have been mapped below. (Figure 8 & 9)

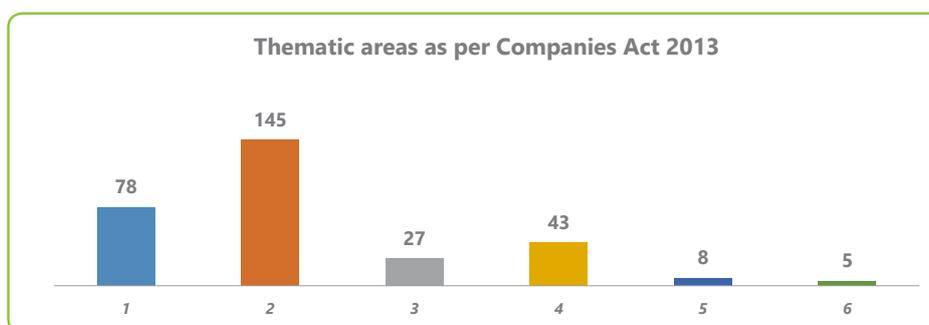


Figure 8

1	Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water:
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro, forestry, conservation of natural resources and maintaining quality of soil, air and water;
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional and handicrafts:
6	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

In Figure 9, 'others' includes Social welfare, donations, awareness generation on freedom fighters, corporate wellness, spiritual development, development consultancy and public utilities.

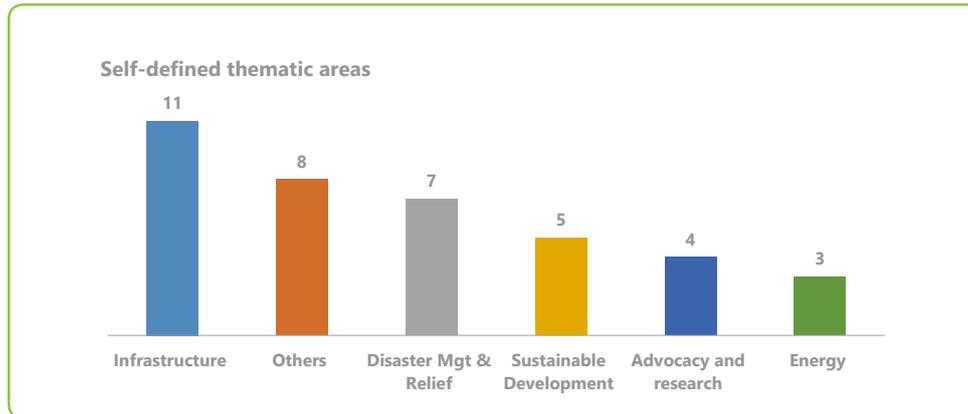


Figure 9

## FINDINGS OF PRIMARY RESEARCH

In the methodology section, we have described in detail the process we followed to get information from foundations on the basis of an exhaustive questionnaire. Subsequently, we interviewed a few foundations

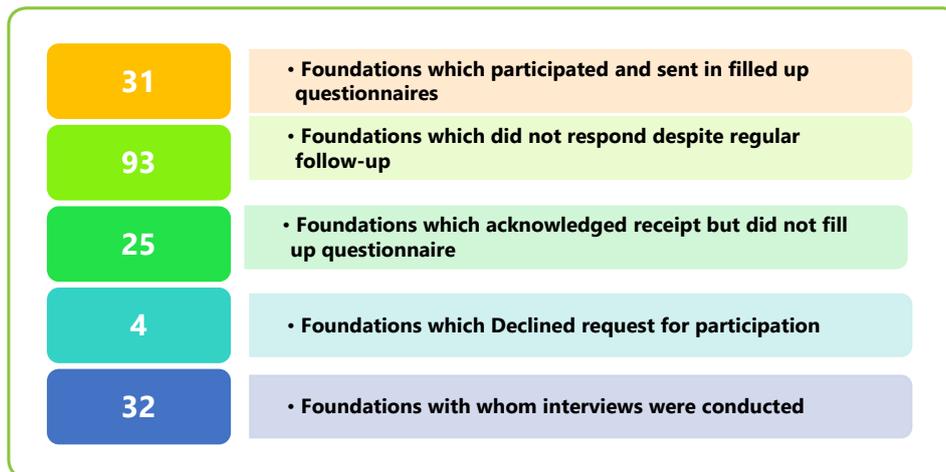


Figure 10

to obtain insights into qualitative aspects that could not have been sufficiently addressed through a questionnaire. Figure 10 shows the nature and quantity of responses, on the basis of which the analyses in the subsequent sections have been conducted.

## YEAR OF ESTABLISHMENT (LEGAL REGISTRATION) OF FOUNDATIONS AND THE DRIVING FACTORS

The trend in terms of year of incorporation among the 31 foundations that responded differed slightly compared to the trend among the entire sample. While there were no foundations that dated back to the independence era, a large number of foundations were incorporated post liberalization. However, the majority of participating foundations were incorporated in the last ten years. (Figure 11)

Majority of the foundations emphatically mentioned that their organizations were established way before

any kind of statutory requirement came into place. Therefore, the intent was not compliance but other drivers that focused mainly on the promoter company's objective to carry out developmental work. Most of the foundations when referring to the early days of the foundations either used charity or philanthropy to define the nature of activities. When it came to recent activities, however, CSR was the preferred term. This is indicative of not just how the promoter's

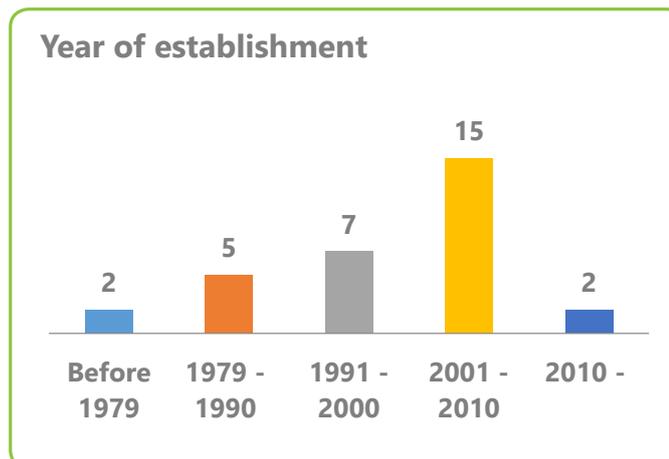


Figure 11

philanthropic activities have extended to become company's philanthropic activities but also the fact that from charity, developmental activity is now being seen as a business responsibility.

#### Following are some of the key drivers as mentioned by the foundations:

1. **Giving back to society:** Representatives of a few foundations, which were established between 1960s and 1990s, said that giving back to the society was the main intent of setting up a foundation. A few quoted the Gandhian principle of trusteeship, while some mentioned how charity work has a strong history in the Indian culture, especially in case of traditional trading communities. The promoters had a vision to contribute to the society from the wealth they generated through business activities. What started out as a personal undertaking gradually became associated with the company identity as they grew in size.

Further, a few mentioned that previously their promoter's charity work was need-based and unstructured. For these companies and businesspersons, as their business grew in scale and size, they thought of creating a special vehicle so as to structure their charity/philanthropy activities.

2. **Creating a peaceful environment around operating areas:** Many foundations said that the establishment of foundations was necessary to create and maintain a conducive environment for business and help them in providing the social license to operate. They acknowledged the negative impacts businesses had on the community and saw developmental activities as a basic responsibility to ensure inclusiveness and engagement. "If businesses don't listen to the concerns of the community, they would not be able to stick around," was a common refrain.
3. **Many companies and many locations:** For large companies with scattered or pan-India presence or groups with a large number of companies and subsidiaries, foundations were seen as the best option to undertake CSR activities. One common vehicle to consolidate activities of various group companies was stated as a necessity and not merely an option.

A few foundations mentioned that it was hard to find partners who have a pan-India presence and those who have are usually large NGOs. These NGOs tend to have high overhead costs and as a result are not seen as a practical choice. Partnering with grassroots NGOs in each specific location by the company was seen as inefficient. As a result, one common vehicle to carry out developmental activities wherever

the company is operational was seen as the best alternative.

4. **Single bottom-line vs. Triple bottom-line:** A couple of foundations saw a department within the organisation as an anomaly, given that business by definition has profit as its primary motive. If the CSR/development work has a bearing on profits, the shareholders can question the company. It was stated that it will take time for people in India to understand that CSR spending is not a cost but an investment. They saw a separate, independent entity; with the community has its primary focus, as the logical option so that the business motive does not undercut the development mandate.
5. **Foundation as a buffer:** One foundation, established by a mining company, suggested that the foundation acts as a buffer between the company and the community. Companies that are not seen in a positive light by the community by virtue of the impact of their activities – displacement, environment degradation, economic and social inequity – prefer engaging with the community through an agency which is not profit-oriented but at the same time represents the company.
6. **Demands of business:** One foundation stated that the activities related to the business, though not necessarily those, which bring in huge amount of revenues, required creation of an independent entity. According to them, research projects, policy support, public private partnerships, capacity building and government advisory relating to social-economic issues were better carried out by a Section 25 company.
7. **Improved branding:** A few foundations saw branding as a key driver but they were mostly stated while referring to other foundations. According to them, most business-to-consumer companies had better branding in mind while setting up their foundations. A company with a foundation will likely be seen as socially conscious and thus likely to be the brand of choice for the discerning customer.
8. **Entrepreneurial link to social work:** One foundation suggested that innovation is necessary for developmental work to become more effective. According to this person, an NGO may not have the financial capacity or operational wherewithal to focus on innovation. It will be more interested in fulfilling the mandate with which it has been set up. On the other hand, a foundation can focus on innovation by making use of the promoter company's capacity and financial support.
9. **Tax benefits:** Almost 95% of the foundations said that they provide exemptions under 80G and 35 AC under the Income Tax Act 1961 towards donations to their organizations. 70% of them said that their promoter company avails exemptions allowed under the two sections. However, only one company stated tax benefit as one of the key drivers to set up a company foundation. (Figure 12 & 13)

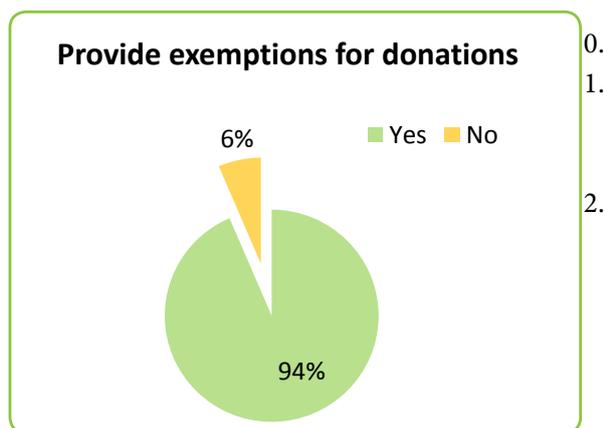


Figure 12

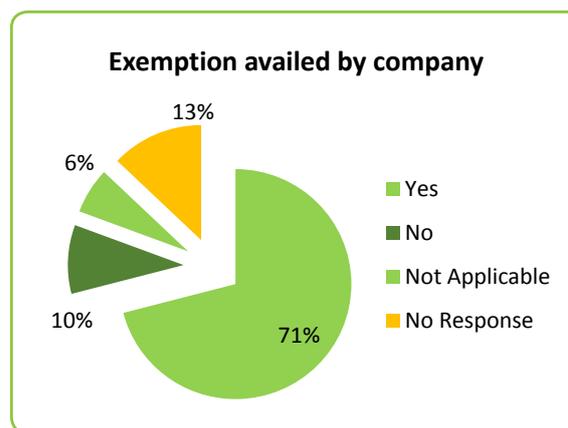


Figure 13

## Voices

*“If we keep philanthropy at one end of the continuum and strategy on the other, most companies are moving towards strategy. The strategy, sustainability element has been borrowed from Western, Scandinavian, Nordic business models. Although these are good and they are way ahead of us in terms of sustainability, the same logic cannot be extended to India. The needs of the country are quite different. We should not trivialise everything that is done in the name of philanthropy.”*

*Foundation established by a cement company*

*“When they (community) know you run a society, it becomes a two-way process. They perceive us (the company) as people serious in the social development sector. It’s not that we want to show intent and they want to perceive our intent. When they interact with us, they see that this business means what it does and it is serious about what it does. ”*

*Foundation established by an energy company*

*“There was a need for a different approach to mainstream them (underdeveloped sections of the society) and create value to them. It could have been done through the banking sector but that would have taken time. So we chose the foundation route. It could have been through a department too but a foundation gives a sense of independence and dedication in doing what we want to do. ”*

*Foundation established by a finance company*

*“If there is a CSR department within the company, I see a fundamental inconsistency there. Whatever said and done, the other two bottom-lines (social and environmental) are subservient to the business bottom-line. There must be a tension and interplay. That’s where foundations come in. ”*

*Foundation established by an infrastructure company*

*“Our CSR approach is different. In case of B2C companies, they need branding. Some of the companies are utilizing their CSR budgets for branding purpose.”*

*Foundation established by a chemicals company*

***“Why should we treat this as a part time job? This is as professional as any business activity. Would you give an atomic plant to a volunteer to run? Similarly, development work has to be done by a professional who understands the subject.”***

***Foundation established by a diversified company***

**GOVERNANCE STRUCTURE**

The quality of governance as expressed by a Board speaks volumes about an organisation. The composition of the board not only provides information about the ownership of the organisation, it can also be a measure of its independence and autonomy. Further, the expertise of the board members can also be indicative of the direction in which the organisation is headed.

In case of the foundations who participated in this study, while the number of board members/trustees in each foundation varied widely, the majority of foundations had 5-14 members (Figure 14). The board composition was found to be highly skewed with very few females, vis-a-vis males (Figure 15). Seven foundations had no female members on their board/trustees/governing body, while 17 foundations had very few female members in comparison to the number of males. In case of three foundations, the number of women was almost equal to men: for eg. four men and three women. Only in case of one foundation the number of men and women were equal. In that case, however, there were only two board members/trustees.

There was large variance in the number of persons employed by the foundations.. Two foundations stated that they do not have any employees on their rolls. One foundation has employees from the company fully committed to the foundation’s work and in case of the other, volunteers from the group companies carried out the organisation’s activities. One foundation mentioned having between 500-1000 employees and one had more than 1000 employees on their rolls. (Figure 16)

Irrespective of the implementation mechanisms adopted by foundations (discussed later in the report), all foundations had worked with NGOs at some point or the other. And most of the foundations had an opinion about the governance structures in NGOs and how they fared against the structures existing in foundations. Following are some key points that emerged during discussions with the foundations on this subject.

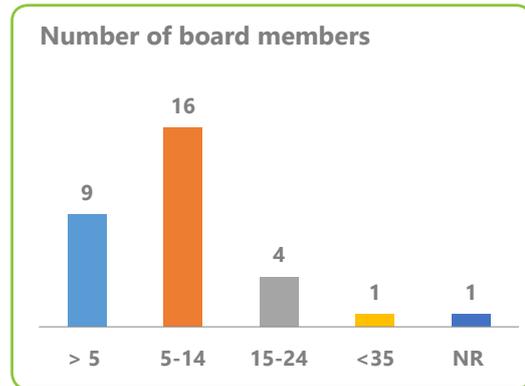


Figure 14

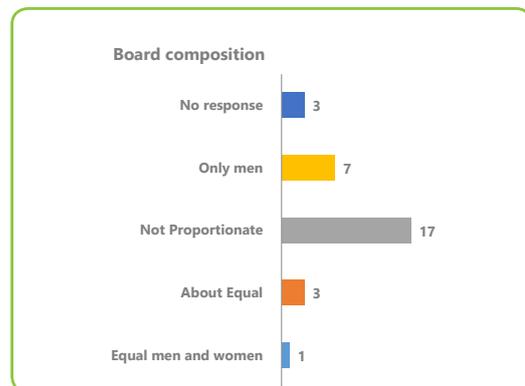


Figure 15

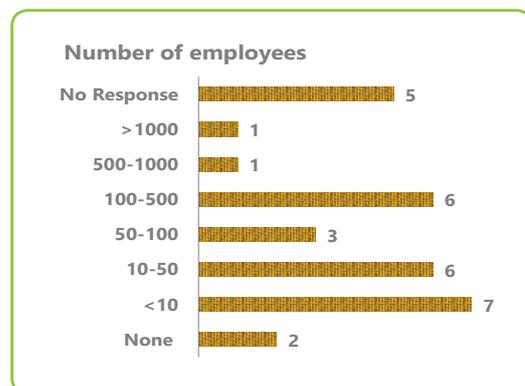


Figure 16

**Governance structure stronger in case of Corporate foundations:** Majority of the foundations were of the opinion that the governance structures in foundations were stronger vis-à-vis NGOs. This, they said, was primarily because most foundations have governance structures resembling their parent company's in place. Since businesses are meant to run profitably, following formal procedures, the same are replicated in their foundations too. NGOs, on the other hand, do not follow strict reporting cycles. As opposed to the board of foundations meeting every quarter or every six months, most of the NGOs only have yearly board meetings.

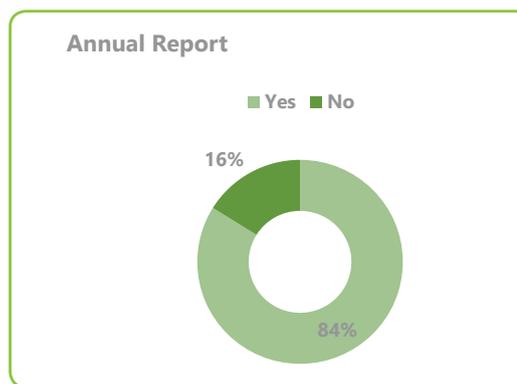


Figure 17

**Monitoring better at foundations:** Replication of control and monitoring mechanisms help foundations perform better at governance. Many foundations raised accounts and documentation as problem areas for NGOs, because of which many of the latter have come under government scrutiny. Since companies have to regularly conduct internal and external audit, the foundations by virtue of having similar structures in place are also able to keep their books in order.

**NGOs are frequently personality driven:** According to a few foundations, many NGOs are single person driven, which means the board and the governing body members usually comply by this person's vision and ideas. In such cases the governance structures simply become an extension of the CEO's influence rather than objectively assess the organisation's performance and ask difficult questions.

**Challenges on both sides:** One foundation said that though governance in NGOs is not as strong as in case of foundations, NGOs have a better understanding of key issues and ground realities. According to them, a foundation may have robust structures but they usually are oblivious to the ground realities. There could also be other issues such as the governance of foundations comprising only or dominated by family members, which is the case with many foundations established by family owned businesses. So challenges exist both sides and it is not fair to have a negative view of governance of NGOs.

**Process vs. outcome orientation:** The challenge of maintaining strong structures along with an ear to the ground can also be attributed to the difference in orientation of foundations and NGOs, said a couple of foundations. While corporate foundations are seen as result-oriented, NGOs are process oriented. This itself makes a huge difference in how each of them is governed.

**Challenges of recruiting the right people:** According to one foundation, the challenge that most NGOs face is the lack of right people who can be on the board or on their rolls. While corporate foundations are able to attract big names, by virtue of their clout and reputation, NGOs are unable to attract the right kind of people, unless they are renowned.

### Difference in Governance among Trusts, Societies and Section 25 Companies

While discussing governance structures, some foundations said that Section 25 companies are better governed than Trusts and Societies. Firstly, the structure of the foundation then becomes similar to the company since both trace their incorporation to the Companies Act. Further, the governance in case of Section 25 companies is more robust because of the statutory provisions that govern the entity. A degree of scrutiny by external agencies propels such organizations to keep their house in order.

## Voices

*“Because the foundation is backed by bank, the governance structure is strong. The entire model is based on the way a bank runs. The same has been replicated here and it has been successful. In the 8 years since establishment, we haven’t had any errors. We have actually reached out to a large number of people; we work with almost 100 NGOs.”*

■ Foundation established by a finance company

*“NGOs can have good governance practices but they can’t have four layers of audit or have a quality control department or have internal audit structures. They work within these limitations and that’s their reality. Some of the NGOs are coming up with good models of governance, with whatever funds they have, while some NGOs are in the learning stage. “*

■ Foundation established by a family-owned company

*“The NGO sector is not as formal as the corporate. The governance of the NGOs is usually single-person driven. We have worked in various places and we haven’t come across a single NGO which isn’t single person driven.”*

■ Foundation established by a cement company

*“I am from the Ngo space and I say this with a lot of sadness that the governance, outcome orientation etc. of NGOs are very poor.”*

■ Foundation established by a family owned company

*“There are robust systems in both NGOs and corporate foundations. It depends on the board of the organisation. It is different from one NGO to another.”*

■ Foundation established by a mining company

*“There are extremes and shades of grey. Some foundations have independent directors and therefore have strong governance systems and then there are boards, which only have family members. On the other hand, you may find an NGO that is seen as a one-man show but fully participatory and structured in its functioning.”*

■ Foundation established by an energy company

*“There is a whole lot of good intent and good people with a lot of passion who want to enable change. In case of NGOs, there is, however, a predominant exercising of a process orientation. There’s a particular direction in which an organization sets the agenda and takes responsibility for what has happened in that agenda. What companies do is actually provide or facilitate into thinking in terms of impacts or outcomes. A company provides a focus to the foundation - what is to be done is decided by the foundation. It might be short sighted in some cases but if the company has a visionary leadership, the focus would be long term. Each organisation – company or NGO – has a different mandate. The company is given a mandate by its shareholders. The NGO has to create a mandate, working out of a public corpus. Governance therefore should be responsive to the whole mandate. One can’t select which is better or worse because the worlds are different.”*

■ Foundation established by an FMCG company

## INTERNATIONAL FUNDS AND INTERNATIONAL PRESENCE

More than half of the foundations were registered under the Foreign Contribution Regulation Act entitling them to receive funds from outside India. Even organizations that do not take money from any multi-lateral agency were found to have the registration. This could be because many of these foundations' parent companies are MNCs. (Figure 18) For e.g. one foundation was established in India by an Indian company, which was subsequently taken over by an MNC. They were unable to receive funds from their parent company, post the take-over because the funds fell in the 'foreign funds' category. They had to file for an FCRA registration so as to continue receiving funds.

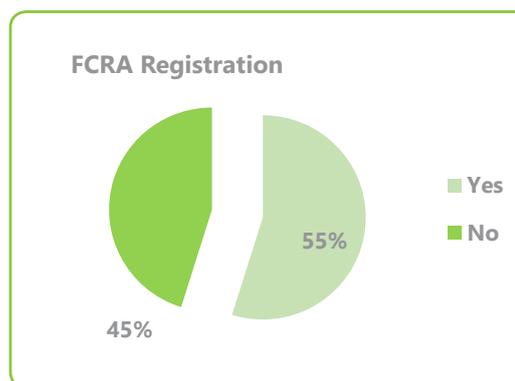


Figure 18

Among the 45% who do not have the registration, three stated that they have applied for it. These and other foundations said that the FCRA registration procedures are extremely cumbersome and the government should try minimizing the formalities required for obtaining and renewing the registration.

While most of the foundations are entitled to receive funds from abroad, except for one, none of the foundations have operations or activities abroad, despite the fact that most of the parent companies have offices and operations abroad. The one foundation that mentioned foreign operations has not ventured too far: apart from India, they have activities in Nepal only. At a time when Indian companies are going global, their associated foundations should also be ideally operational abroad, doing developmental work or carrying out impact mitigation exercises wherever necessary.

## RELATIONSHIP BETWEEN The FOUNDATION AND THE PARENT COMPANY

A few of the questions in the questionnaire and a few interaction points in the interviews focused on the dynamics of the company-foundation relationship. These helped in understanding the role the company played in its foundation's activities and vice versa, much beyond the financial aspects.

- **Financials**

The study was not keen on knowing the amount of funds that the foundations received. Instead, the idea was to see whether foundations would be forthcoming with sharing what is largely seen as sensitive information. More than two-thirds of respondents provided the information in the questionnaire. (Figure 19 & 20)

Barring a few foundations, the rest were forthcoming with information on how much of the total funds of the foundation come from the company as well. In case of nine foundations, the company was the only source of funds. In case of five foundation, company was the majority contributor. One foundation stated that since the foundation did not have a promoter company, the question was not applicable to them. On the other hand, 11 foundations said that they were the only vehicle through which the company's CSR activities were undertaken. However, same number of company chose not to respond to this question.

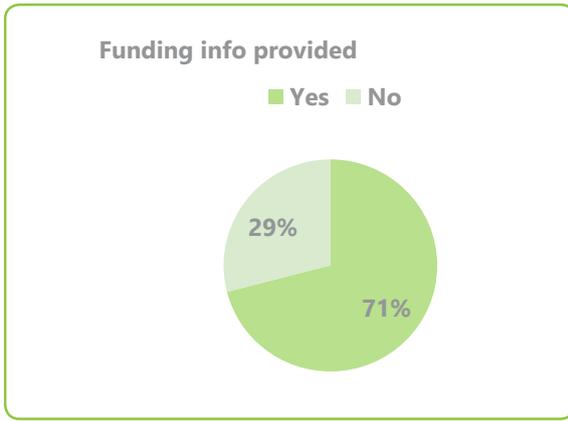


Figure 19

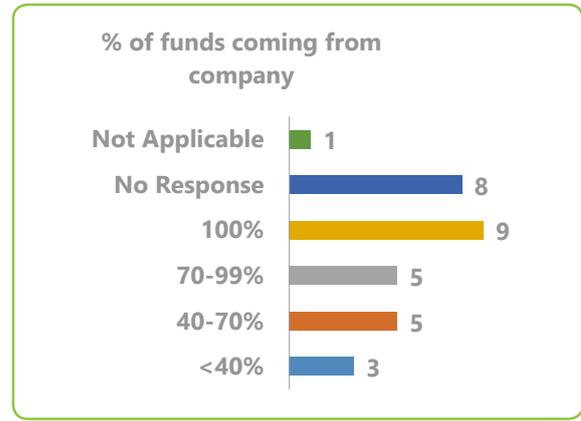


Figure 20

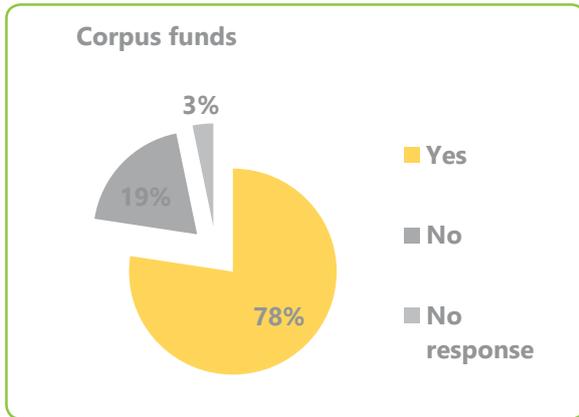


Figure 21

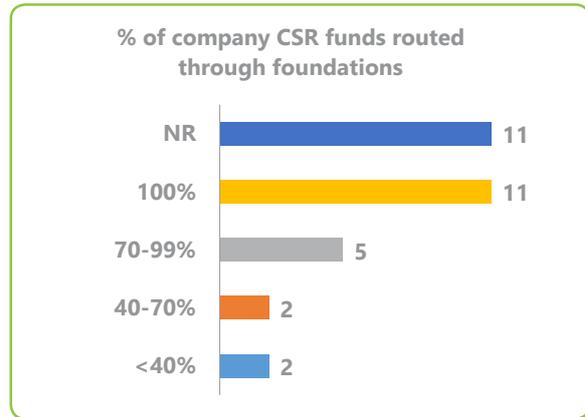


Figure 22

• **Beyond Financials**

Looking at the subject from the strategic CSR lens, foundations would be expected to be an extension of the company’s activities and therefore, work within the same sector. However, the reality in India is quite different, with CSR being focused more on development than strategy. This was evident from the responses as well, with more than 70% of the foundations saying they do not work in the same sector as their promoter company. Only 16% answered in affirmative. It is to be noted here that the question pertained to the sector of activity and the geographical area. Many of the foundations were engaged in activities around the company’s plant locations. (Figure 23)

The reason behind this influence is not limited to the company being the primary or majority source of financial resources. Nearly 80% of the foundations stated that over and above funds, the company provided other resources as well such as office space (either within the head office premises or the rent taken care of), staff (as full time employees, volunteers and technical expertise), transport, equipments et cetera. (Figure 24)

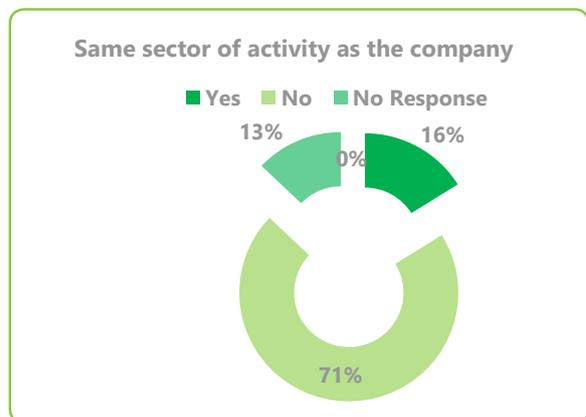


Figure 23

Further, companies, according to the foundations had

a very influential role to play in determining the focus areas and policies of the foundations. Only a handful of respondents said that the company had no influence in the foundation’s planning and project decisions. (Figure 25)

At the same time, however, only a few foundations had pay structures similar to their company’s for their employees. Only six foundations said that the salary structure was similar to that of the company employees’. (Figure 26)

In terms of employee engagement of the company in the foundation’s activities, the most engaged were seen to be from the board and director levels (Figure 27). Mid-level employees came close, most likely because many companies have structured pay-roll giving programmes, a good chunk of which may go to the foundations. Since mid-level employees are usually fairly large in numbers and with higher disposable income vis-à-vis lower level employees, their collective contribution is usually quite high. Many foundations said that they do have employee engagement programmes but none of them provided a monetary value to it..

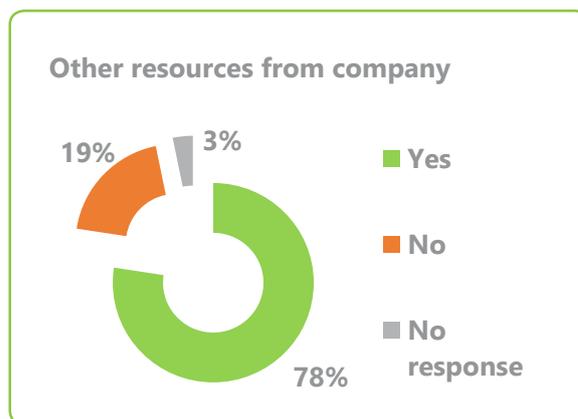


Figure 24

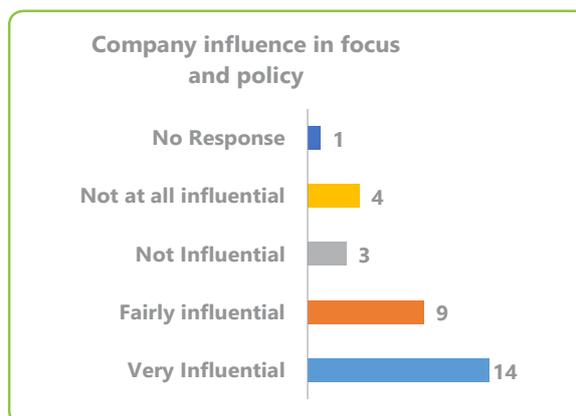
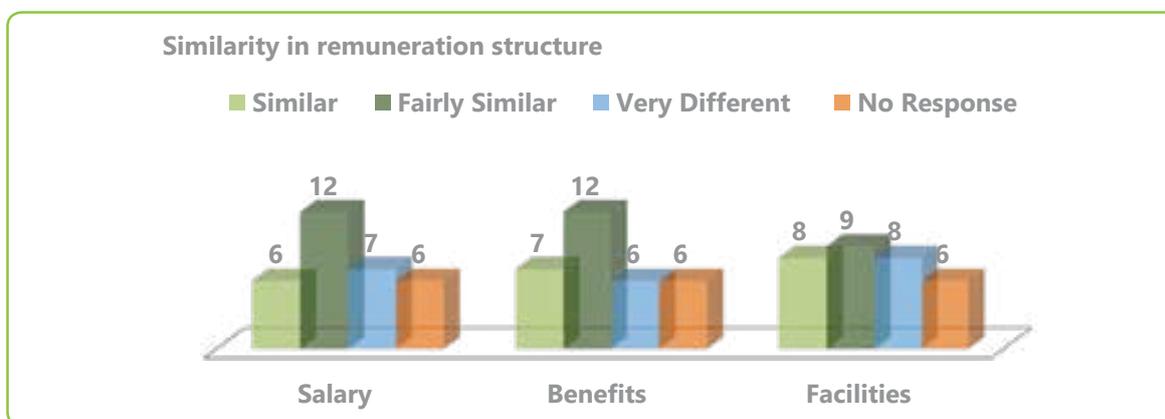


Figure 25



Over and above the points discussed above, a lot more nuances of company-foundation relationship came up during interviews with the foundations. Following are some of the key aspects that came up during the interactions.

**Foundation work completely driven by company:** As discussed above, a large number of companies said that their activities are completely driven by the company – either what the promoter or board wants, or in the geographical areas of operation. So even though the majority of foundations were not engaged in the same sector of activity, they were active in the same geographical locations. This lends further credence to the idea that CSR is much more developmental and philanthropic in nature than strategic.

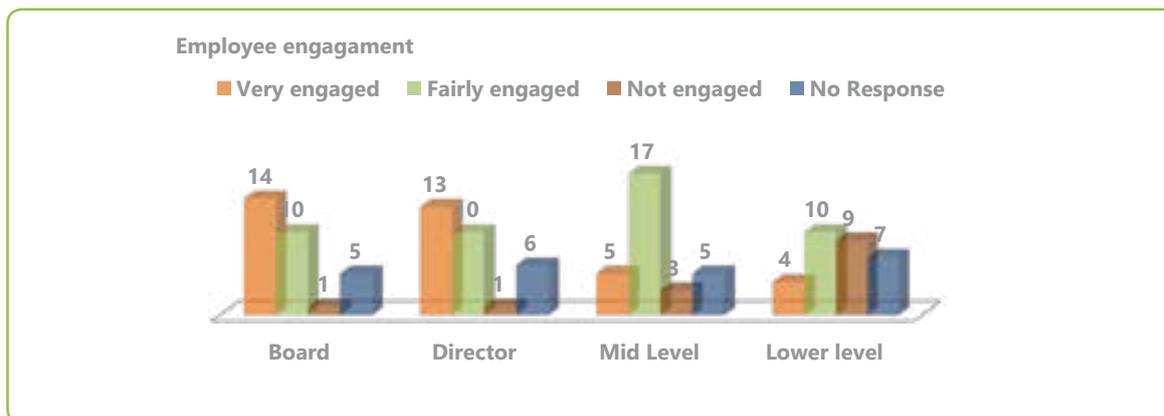


Figure 27

**No impact:** Only a few foundations said that there was no impact of the company's activities on the foundation. These were either trusts that were established long back and over the course of decades had established an identity distinct to its promoter company or those which belonged to companies that do not have or claimed to not have a direct impact on the community – for example, service sector companies.

**Company lends credibility:** Most of the foundations were of the opinion that the foundation's association with the company lends credibility to the organisation activities. This assertion was mostly in terms of the partnerships that the organizations were able to establish with other agencies, specially government. Essentially, the company tag helped 'open a lot of doors'.

**Mitigating negative impacts of the company:** A few foundations, especially those associated with companies that have impacts on the community – infrastructure, mining, manufacturing – were honest in admitting that more than developmental or philanthropy work, the rationale of the foundation was to mitigate the inevitable negative impacts of the company on the community. The foundations activities were necessary to obtain and constantly renewing the company's 'license to operate'.

**Eyes, ears, and at times, the face of the company:** Where the company has a direct impact on the community, the foundation becomes the eyes and ears of the company. It's the foundation that keeps track of the needs and issues of the community and, depending on the level of independence, is able to raise these issues with the company. In that sense, it also represents the company in front of the community. In such scenarios, the engagement of the foundation with the community stretches beyond developmental work, into being an extension of the company.

**Employee engagement helps build employee loyalty to company:** Employee engagement opportunities benefit both the foundation as well as the company. The foundations benefits through employee volunteering and if the company has a payroll-giving programme, funds from which are routed to the foundation. On the other side, companies are able to sensitise their employees, show its socially responsible side, create opportunities for employees to be part of interesting activities and in turn, build pride and loyalty towards the company.

**Foundation sensitizes company to societal concerns and trends:** Further to the point discussed above, in return to the foundations acting as the representative of the companies on the ground, it is the foundation that sensitizes the company and makes it socially conscious and aware, stated a few foundations. Company, by nature of its focus on business and profits, is at times unable to see the social angle to business. The

foundation then becomes the conscience.

## Voices

*“We wear different hats. We have contributed to the company’s brand image and at the same time, we have been able to identify needs, in terms of the market. Example: We have told the company to pack insulin in smaller vials for want of cold storage facilities in rural areas. However, the company so far has not been able to do something about it.”*

*Foundation established by a healthcare company*

*“People may want more of what the foundation gives. Once you are in the society, it becomes cyclical. For instance, when we conduct public hearings as part of statutory requirements relating to environmental clearances and approval from the community on certain parameters, we have had people demanding mobile health vans, boundary walls for schools et cetera. The good part, however, is that they look at us as someone who is working for them.”*

*Foundation established by an energy Company*

*“The whole idea of a foundation is to sensitize the social conscience of the company.”*

*Foundation established by a finance company*

*“We have to clarify that we are the social arm of the company and not the company. For example, if land was acquired some years back by the company, we have to make the community understand that the rate was decided by the government and the company paid accordingly. And we cannot do anything if the community comes to us 20 years later saying the land value has gone up and why doesn’t the company compensate the balance.”*

*Foundation established by a mining company*

*“There have been negative impacts of the company on the community, for example displacement. But as a foundation, the company has mostly impacted positively”*

*Foundation established by a family owned company*

*“This leads to the next question that whether the foundation is looking at the whole space in entirety or not. The foundation is just one vehicle for the company. The larger sustainability agenda is enshrined in the company’s sustainability agenda. That’s the umbrella thought which addresses all sustainability and developmental issues of the company.”*

*Foundation established by an FMCG company*

## GEOGRAPHICAL PRESENCE OF FOUNDATIONS AND RATIONALE

As discussed above, the geographical presence in many of the foundations was primarily determined by their company’s activities. As a result, many foundations had presence at several locations across the country. At the same time, however, many foundations were either not limited by their company’s geographical presence or even if it was the case, were able to venture beyond with the help of the funds and expertise they had. This is evident from the finding that most of the respondents identified themselves as an

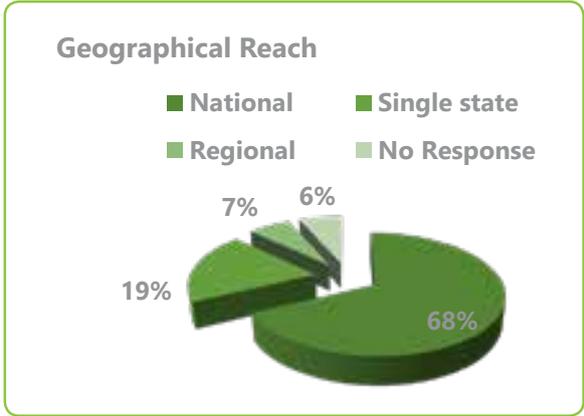


Figure 28

organisation with a national reach (we defined national as more than five states, across regions) (Figure 28). One of the ‘national’ foundations was an insurance company with activities spread across India and another stated that they conduct medical camps in rural areas across the country. Those who said they were regional were active only in two states. The foundations, which said, were active only one state was active only in Karnataka.

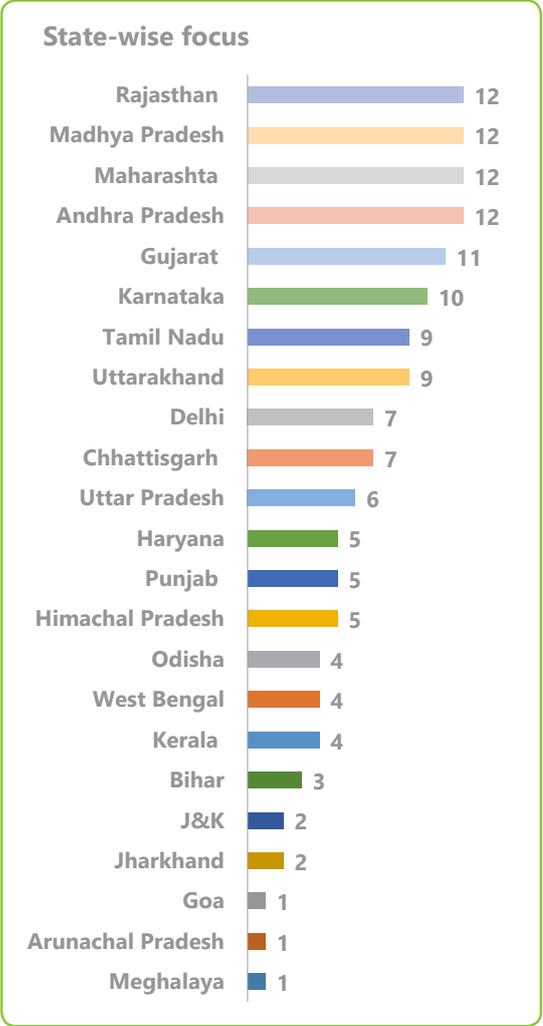


Figure 29

States of Rajasthan, Madhya Pradesh, Maharashtra and Andhra Pradesh saw the highest concentration of foundations with 12 foundations active in each of them. Only one foundation was active in two states of the North-East region with the remaining virtually untouched by the foundations under study. Same was the case with Goa. Jammu and Kashmir had just two foundations working in the state It is to be noted that the states with some of the lowest indicators on socio-economic development – such as Bihar, Uttar Pradesh, West Bengal, Odisha – had very few foundations active there.

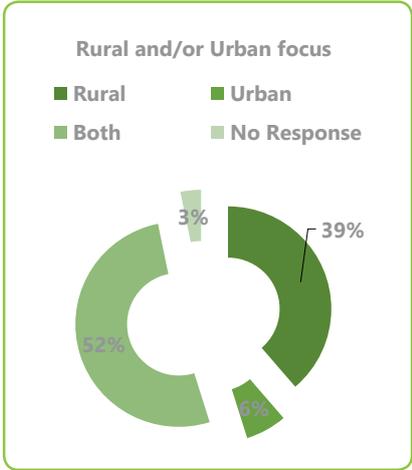


Figure 30

The majority of foundations stated that they work in both rural and urban areas. Only 3% of foundations said they work only in rural areas, while 39% said they work only in rural areas. It is interesting to note that 64% of these foundations focus on marginalized section while selecting their target group for development programmes. (Figure 30)

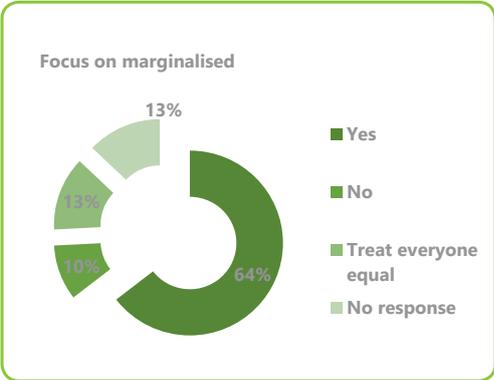


Figure 31

Similar to the mapping of thematic priorities for the entire sample of foundations, the priorities for the respondent

foundations have been mapped on the basis of Millennium Development Goals, the National Voluntary Guidelines and the themes prescribed under the CSR rules and other government initiatives.

Themes under CSR Rules and other Government Initiatives	Foundations that stated alignment
Eradicating hunger poverty	17
Promotion of education	27
Promoting gender equality, empowering women	18
Ensuring environmental sustainability	14
Promoting culture and heritage	7
Measure to benefit armed forces, war widows and their dependent	1
Training to promote Sports	6
Slum area development	5
Contribution to technology incubator within central govt. approved academic institution	1
Rural development project	16
PM's fund	4
Swachh Bharat (Clean India drive by Prime Minister, 2014)	6
Clean Ganga Fund (to clean the river Ganga)	2

National voluntary guidelines Principles	Foundations that stated alignment
Businesses should conduct and govern themselves with ethics, transparency and accountability.	14
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	12
Businesses should promote wellbeing of all employees.	12
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	18

Businesses should respect and promote human rights.	14
Businesses should respect, protect, and make efforts to restore the environment.	15
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	13
Businesses should support inclusive growth and equitable development.	18
Businesses should engage with and provide value to their customers and consumers in a responsible manner.	11
Foundations that mentioned companies' name while stating alignment	2

Millennium Development Goals	Foundations that stated alignment
1) Eradicating extreme hunger and poverty	15
2) Achieve universal primary education	19
3) Promoting gender equality and empower women	16
4) Reduce child mortality	13
5) Improve maternal health	12
6) Combat HIV/AIDS, Malaria and other diseases	10
7) Ensure Environmental Sustainability	16
8) Develop a global partnership for development	6

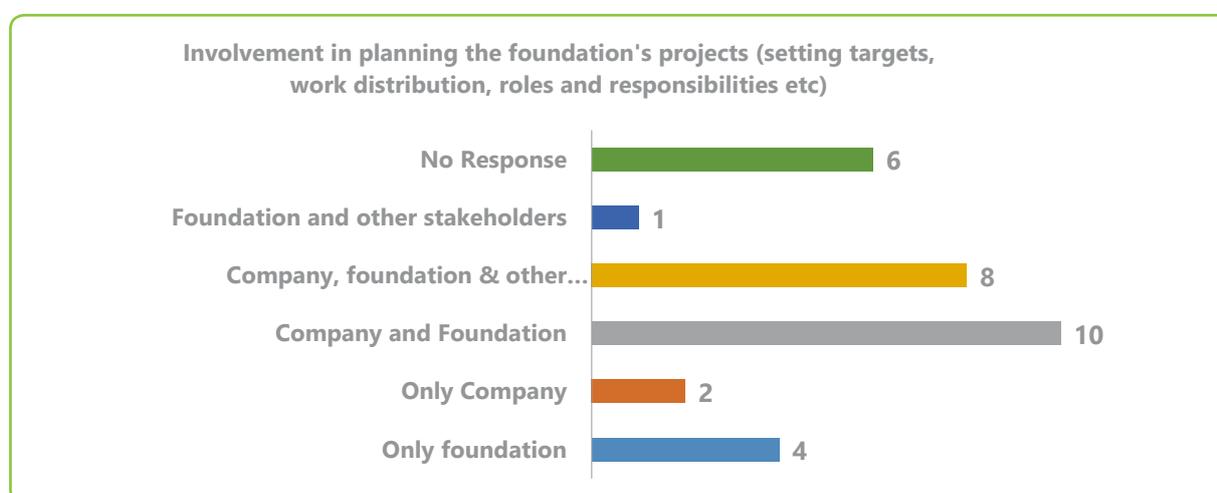


Figure 32

In most cases, the company and the foundations were both involved in planning the project details of the foundation. In a few cases, other stakeholders such as academicians, NGOs, community representatives were also involved. One foundation claimed complete independence and said that only the foundation and the other stakeholders were involved in planning, without a role for the company. On the other hand, two foundations stated that the company planned the programmes and the foundation simply executed them. (Figure 32)

## MONITORING AND EVALUATION

As discussed above, the foundations when talking about governance stated that being a corporate foundation allows for better control and monitoring. The same, however, was not established through the responses to questions on monitoring and evaluation of the foundations' activities.



Figure 33

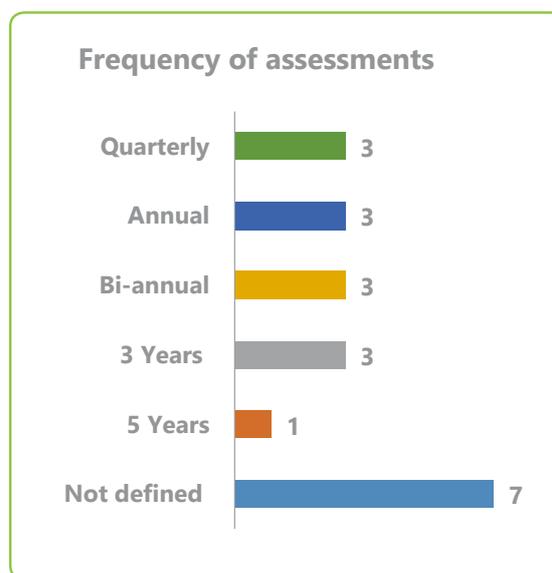
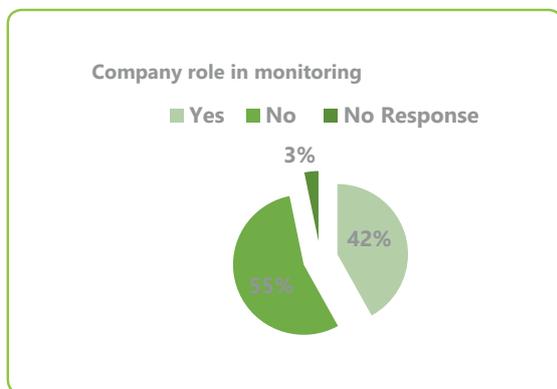


Figure 34



More than half of the respondent foundations said that they do not engage any external agency in evaluating the impact of foundations' activities. They said that the same happened internally through established processes, either specially created for the foundation or borrowed from the company. Those who did engage

external agencies, the frequency of these evaluations varied from foundation to foundation. Most of them stated that the engagement of external agencies was based on the need. Further, the majority of foundations said that the company had no role to play in monitoring and evaluation of their programmes and projects. (Figure 33, 34 & 35)

## VARIOUS MODELS FOR FOUNDATIONS TO IMPLEMENT

As an organisation established to work on social development – either as the company's CSR mandate or its development mandate – a corporate foundation is another CSO. However, owing to the corporate tag it is markedly different from other CSOs. While executing the mandate it is set up with, they often face the question on whether they should directly implement the activities or should they engage NGOs and play

Figure 32

the role of grant making organization or a mix of both (Figure 36). Most respondent foundations stated that they both implement projects and work with NGOs. Eleven foundations said that they implement their activities directly, without engaging NGOs to do so, while only two foundations said that they only work through NGOs and don't implement directly.

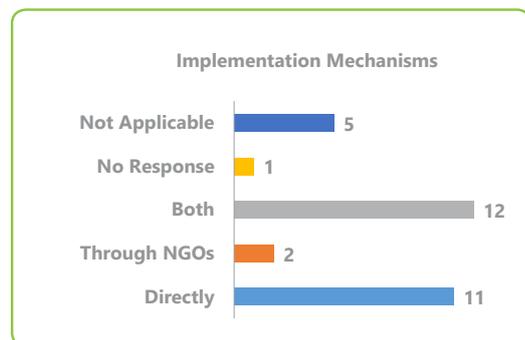


Figure 36

The subject made for great interactions with the foundations. They not only offered their views on the implementation mechanisms of foundations but companies in general. Further, they also offered suggestions on which would be the best model to adopt for companies that are new to CSR in India. Following are some of the key points that were raised during the interactions:

- **Implementing directly vs engaging NGOs**

**Undivided attention direct implementation:** Undertaking implementation without engaging other agencies means that the foundation can focus completely on the work to be done, better management and control rather than managing multiple relationships. This especially holds true for large foundations that are working in various locations. If these wish to collaborate with NGOs, it'll mean managing a large number of NGOs and the associated hassles with it. The effort and time that will be spent on managing, according to many foundations, can be better used if the implementation is direct. One of the important aspects mentioned in support of implementing directly was strengthened connect with community.

**Poor governance models of NGOs:** Many foundations said that working with NGOs is difficult given many don't have proper systems in place. Since foundations are subjected to scrutiny by their companies, any incongruities – mostly financial irregularities - arising from engaging with NGOs becomes an issue. One foundation said that many NGOs are emotional driven and hence, are unable to perform in a professional manner. Another said that some grassroots NGOs have ulterior agendas, which create trouble for companies, rather than helping them. So they prefer playing safe and implementing directly

**Depends on the scale:** A few foundations said that engaging NGOs should be dependent on the scale one is hoping for. A small foundation with limited funds from its promoter company will be able to achieve higher impacts and outcomes if it engages specialized NGOs, while themselves taking care of monitoring.

**Overhead costs:** If a foundation wishes to reach a wider audience, engaging with an established NGO is the best way. Such NGOs would have a better governance structure and also a proven track record. However, these NGOs come with high overhead costs, which are seen as deterrents for partnerships.

**Due diligence required:** It is not fair to paint the entire NGO space with the same brush. There are good and bad NGOs. If foundation does not wish to implement directly, because of whatever constraints, it should put in place a thorough due diligence process and chose the best partner. If an NGO is doing credible work, why not engage with them? Why re-invent the wheel? Why not invest in and improve them?

- **Company implementation options – foundation vs. department vs. NGOs**

**Backing of the entire company system:** Foundations are the best way to implement company CSR/

development mandate because it not only gets funds from the company but also have the backing of the entire company system. So they can use the company's IT team to sort out IT issues in the foundation; get the employees to volunteer at programmes; get the company audit team to audit the foundation's activities etc.

**Foundations have more clout:** Compared to NGOs and an internal department, foundations have a better clout and the potential to establish relations with the government and larger society. As one respondent said, people may not listen to an internal CSR person but they will listen to a foundation.

**Foundations good for 'brownie' points:** Few foundations were of the opinion that if a company is spending its resources on CSR/developmental activities, they should also get the brownie points for doing so. Working with NGOs would not allow that.

**Strength of businesses is not creating social change:** One foundation said that the strength of the business is to make profit and not necessarily create a positive social impact. Therefore, a department within the company, whether working with NGOs or directly, would not have the wherewithal or dedication to create a change.

**Foundations are at times waste of time, effort and funds:** One respondent offered a completely contrarian view saying that many a times foundations are a waste of effort, time and money. NGOs are much better at handling social issues and a foundation will take a lot of time to reach that stage. NGOs have proven capacity and have a community connect so it doesn't make sense to create a parallel structure.

## Voices

*"Though I am a proponent of foundations, companies should focus on functional response, rather than structural response. Essentially, the activities or the agenda of a company's CSR/sustainability mandate should address business interests and long-term interests of the society. Once that kind of functional formulation is in place, deployment structures can evolve. Primarily, functionality has to start."*

*Foundation established a diversified company*

*"Our business is based on mining. And that requires large tract of land. The area is large. We need to do this in a structured manner. If you are doing a lot of work at many locations, you would have to manage many NGOs. We also were looking for funding from the government, which meant we had to show a separate identity."*

*Foundation established a cement company*

*"As private citizens we have a lot of clout in the country, which a small NGO may not have. We have been able to build strong relationships with communities and government much better than NGOs."*

*Foundation established a healthcare company*

*"Working with the community is like preparing your daughter for marriage. You invest in them and you let go. CSR cannot run on voluntary commitment. It is a full time activity. When working with NGOs we become policemen. We are unable to enable because we spend time in monitoring."*

*Foundation established a private company*

*“Establishing foundation and related systems will mean wasting time. We have to do now! Best way is that companies use the management skills and NGOs use their expertise. It will avoid duplication. Its companies that are doing something destructive for the community that don’t wish to associate with CSOs.”*

*Foundation established a chemicals company*

*“Outsourcing it is not a great idea because the companies don’t get the brownie points for doing something good.”*

*Foundation established family-owned company*

*“I think they are different routes to the same objective. I don’t have preference for one or another.”*

*Foundation established a cement company*

*“The foundation as a vehicle or department within the company or collaborating with outside agencies is not material in my view. The materiality comes from the focus and the impacts that are desired. If the company thinks that the necessary impacts can be achieved through a department, or partners or another mechanism, so be it. It’s the through process which is more important.”*

*Foundation established by an FMCG company*

## PARTNERSHIPS WITH OTHER COMPANIES AND FOUNDATIONS

A majority of participating foundations stated that they do not collaborate with other company or company foundations on any activity (Figure 37). Though 45% of the foundations said they do. The nature of partnership is both financial and non-financial in nature. Financial would entail one foundation taking funds from another to undertake a specific activity and non-financial would entail a partnership that focuses on exchange of ideas and expertise without any financial implications.

Key points that emerged during the interactions with foundations on the subject are as follows:

**Competition mode:** Most companies through their foundations or otherwise are unable to not let the competition spirit enter the social development space. As a result, they end up competing with other foundations or companies instead of collaborating.

**Engrossed in own activities:** Many foundations are engrossed in carrying their own activities and haven’t yet felt the need to collaborate with other companies or foundations. There are also foundations that have thought about collaboration, are open to the idea but have not done anything about it. Some of them said that there’s a lack of a platform or space where such collaborations can be conceived.

**Not easy to partner:** It is the biggest challenge to bring together foundations of other companies in harmony and work together. Everybody’s got their agenda. This is particularly relevant for foundations within the same industry. To get other companies on board for capital and investment intensive projects like environment, watershed management etc is very difficult. There is duplication of efforts in many areas yet collectivization is not taking place.



Figure 37

**Attempts are afoot:** Few foundations stated that they have been trying to collaborate with other companies and foundations and there's likelihood of partnerships in the future. One foundation stated that the process is slow because other agencies have doubts about the intent and the need for collaboration.

## ENGAGEMENT WITH GOVERNMENT: PARTNERSHIPS & POLICIES

Government partnerships emerged as one of the key discussion points throughout the interactions. Be it the new CSR rules, foundations' partnerships with government or the general outlook towards government's policies towards NGOs and the development sector in general. These have been detailed in this section.

- **Partnerships**

The majority of respondent companies said that they partner with governments as part of their activities. These partnerships mostly comprise leveraging government schemes and services and working towards better delivery to the community. A few were financial partnerships where the government and the foundation together put in resources to a common project or programme. (Figure 38 &39)

The nature of such partnership was discussed in detail during the interactions with the foundation. The key points that emerged during these discussions are as follows:

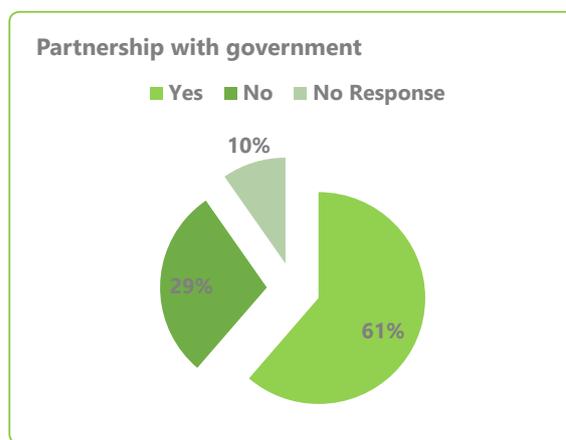


Figure 38

**Cost sharing is the best option:** Working with governments should be strictly on the basis of sharing costs. For e.g. the foundation and the relevant government department together putting in money into a common pool meant for a certain project. Many foundations said that taking money from the government is a bad idea. It takes a lot of time to get the funds. Like one respondent said, there might not be default but there definitely will be a delay.

**Need scale? Work with government:** If an organisation wants to stick to few villages then engaging with government should be need based. But if one needs to go beyond this small periphery, the government system allows scale and better impact.

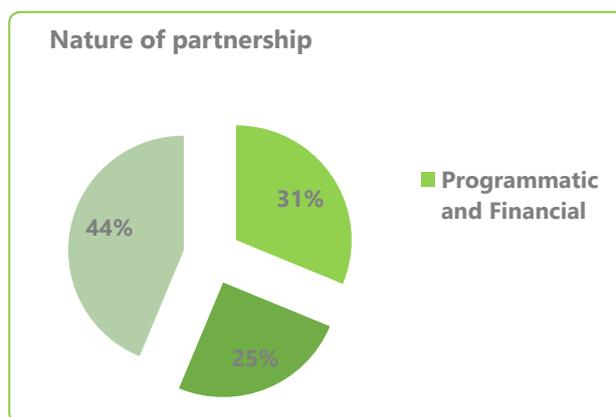


Figure 39

**Long drawn processes:** Working with the government entails long drawn processes. One foundation said that despite the processes, ultimately it is rewarding to work with the government. Another, on the other hand, said that the 'scale' argument is a cliché. The partnerships that this foundation was able to achieve with the government were through personal relations since the official channel takes a lot of time.

**Inefficiencies:** Delays, red-tapism, bureaucracy all were common terms used by those foundations, which said it was a bad idea to work with the government. The time spent in establishing relations with the government could be put to better use, according to them. Most of them had worked with the government previously and now had consciously chosen not to do so in the future.

**Inflexibility:** In financial partnerships with government, most projects are large-scale projects. Even for mid-sized NGOs, working on such partnerships does not allow focusing on other projects and themes, therefore leading to inflexibility.

- **Take on government policies towards NGOs and foundations**

Most of the foundations stated having no issues with the current state of policies for the development sector (except for the new CSR Rules, which is discussed in the next section). Only the following two issues came up during discussions:

**FCRA:** Many foundations were of the opinion that getting and renewing an FCRA registration was bothersome and time consuming. They wished the process were easier so that the organisation's administration staff is not bogged down by getting the paper work in order for the registration processes.

**Current scrutiny of NGOs:** This subject did not come up as a point of discussion in all interviews. But wherever it did, the foundations agreed that scrutiny was good for the sector. Some said this scrutiny process will push NGOs to strengthen their structures and put 'their house in order'. One foundation lauded the government for 'finally waking up to the issue', saying the tightening of the screws was necessary.

## Voices

*“Working with government is just good sense. You can't do anything without them”*

*Foundation established by a healthcare company*

*“Working with government is a necessary evil. You have to deal with corruption, red-tapism, bureaucracy, funds not realized on time, inflexibility etc. At the same time, the funds at their disposal are massive. The money we have is very miniscule. If you can leverage their resources and their reach, you can create impact. Working ourselves, we will limit ourselves to a handful of villages. Working with the government means you can go across into the block, district and beyond.”*

*Foundation established by a mining company*

*“Our view is that as long as you are not taking money from the government, your life is easy. We have been asked by government agencies to take up schools and manage them. I don't want my students to attend some government function or a speech on government holidays. But we are more than happy to play a facilitating role.”*

*Foundation established by a family-owned company*

## TAKE ON SECTION 135, COMPANIES ACT 2013

No two discussions on the new CSR rules with the foundations were the same. Only a couple of foundations denounced the legislation is troublesome. Other treaded cautiously, asking now that the legislation is here, what could be the possible fallout and what all could be done so to make the mandatory spending by companies effective and impactful. We have tried to capture a few voices:

### Voices

*“Activities undertaken in the normal course of business shall not be included in CSR spend’, but our dilemma that many of activities have strong business connect and at the same time empower communities in a huge way. Unfortunately, we are not accounting those activities, which are in true sense perfect examples of CSR. On bringing the discussion to the concerned organization in Delhi, things do not get clarified. Though they say that the activities mentioned [in Schedule VII] should be interpreted liberally, we all are confused and need consensus and substantial response.”*

*“My worry is that we have to report on 2%. Before this, we never thought whether it was or 2-3-5 %. Now I have to give separate reports for each of the group companies. That will be a big challenge. People do ask that if it the new rules would be a deterrent because I was probably spending more before the Act. That may happen to a few companies.*

*Right now, efforts are on by IICA and other organizations on what the Companies Act says. I constantly get requests for contribution to state and district funds. The knowledge on what is allowed and what is not should reach people. MSMEs, District officials and State Governments need to know.”*

*“You need control over your focus areas and activities but the new law has made this very difficult because of the prescribed themes.”*

*CSR operating guidelines and mentoring should be made available. I feel that is lacking. The thematic areas identified are broad and fairly good, where we need to perform better, that I agree with. We are going to get a mixed bag of opportunities and activities and here an organisation like IICA should be far more proactive in providing support.”*

*“The CSR bill is a good thing. Companies will be looking at their investments anew. It’s going to force companies to organise their CSR spending. I just wish somebody demystified them. Consultants are charging an arm and a leg for just writing a policy.*

*There’s a lot of potential in this. Put out workable ideas. Companies new to this are finding it very intimidating. We don’t want to reinvent the wheel.*

*Also, the problem is how we escape corruption. There’s a lot of money.”*

*“I really like the fact that the act allows liberal interpretation of the law. The clarity on CSR will come through on the ground activity and not writing it down. In the next few years, it will automatically be integrated with the company activities.”*

*“What will happen to the small scale NGOs, who have the rights based approach? The Right to information, education, movements didn’t happen in one day. A lot of work and advocacy has gone into it. Companies are not going to invest in such NGOs. What you will see is service providers approaching profitable companies and offering to implement their CSR programmes, with 10 or whatever percentage as the service charge. Why many big companies are able to implement their project our foundation is because there’s an institution in place. The current money should be spent on establishing institutions so that the money is invested wisely.”*

## THE CHANGING FUNDING LANDSCAPE

With funds from foreign aid agencies rapidly drying up, for a lot of NGOs, corporate funding would be the next best option to pursue. As it is there is much excitement and anxiety on how this large pool of money from all the companies will be spent. NGOs that had not been looking at corporate partnerships in the past are now preparing themselves to engage with companies. This scenario was discussed during the interviews with foundations. Following are some of the key points that were raised:

**Foreign funding was not big money anyway:** A couple of foundations said that the money brought in by foreign agencies formed a miniscule portion of total pool of funds that goes to NGOs for development work. So, foreign funds drying up would not matter much. Further, there is a large pool of funds that has opened up, civil society organizations should work towards that.

**NGOs would have to align themselves with corporate needs:** In order for NGOs to establish long term successful relationships with companies, who will now be a big source of funding, they would have to cater to the needs and requirements of the companies. This will include reducing overheads, getting the accounts book in order, defining impacts and outcomes thoroughly, ensuring documentation et cetera.

**NGOs should generate a corpus:** Foreign funded projects were usually long term projects, which allowed a certain sense of stability for NGOs. However, with the funds drying up, it was suggested that NGOs create and maintain a corpus, while engaging with companies on short and long term projects. This will drastically reduce dependency, allow innovation and help NGOs negotiate with companies better.

**Large NGOs will benefit more than the small ones:** Some foundations said that the beneficiaries of the CSR rules would mostly be large NGOs. Usually large NGOs have proper structures in place vis-à-vis small ones. Further, large NGOs have a name and thus are deemed trustworthy. This may lead to more and more companies gravitating towards the established NGOs to undertake their CSR activities. This will not happen in case of companies that have foundations.

## KEY OPPORTUNITIES AND CHALLENGES

Foundations were asked to list what they saw as key challenges and opportunities of being a corporate foundation. These have been discussed below:

- **Key Opportunities**

**Funds are not a problem like in NGOs:** Unlike NGOs, who have to constantly keep an eye out for funding to keep their programmes running, corporate foundations find themselves a little more relaxed as there is

assured source of funding from the company. There maybe cuts in the budget, owing to losses or any other reason, but the possibility of funding being stopped is low. This also allows for a sense of sustainability, which in turn allows corporate foundations to experiment and scale-up.

**Support from company:** Most foundations established by companies do not need to worry about creating appropriate structures and systems since they can easily borrow them from the company. The IT, finance, HR, admin teams take care of issues that other NGOs need dedicated personnel for. In many cases, the company provides office space and equipments as well, making it easy for the foundations to keep their overheads minimum.

**Funding dedicated to activities:** Since most of the overhead costs – office space, salaries to support staff et cetera – are taken care of by the company, the entire funding can be dedicated to the projects and programmes of the foundation.

**Focus on innovation, sustainability and scaling up:** Since there are extra funds at disposal to spend on activities, foundations, if they want, foundations can focus on innovation and scaling up. Because of the stability of funding, they can experiment, without the fear of failure or a fund crunch.

**Getting additional funds easier:** Owing to the credibility that comes with being an organisation established by a company, foundations are able to establish partnerships with external agencies – especially government and multilateral agencies. As mentioned above, the company tag helps ‘open a lot of doors’.

**Benefits to business:** The activities of foundations help build goodwill around the company’s image. They are seen as socially responsible by the larger public. On the ground, foundation’s activities help build trust among the community. In cases where the activities of the business has led to discontent in the community – displacement, pollution and other issues – the foundation is able to be the bridge between the two. Because of the foundations’ presence on the ground, the community is better able to raise issues they have with the company, without meeting the company officials who at times are not seen as accessible.

**Ability to create, attract and retain talent:** Manpower is often said to be the biggest challenge in the development sector. In most development-centric organizations, the attrition rate is seen as high. The credibility associated with foundations helps in attracting talent, which means the organisation is equipped with a better set of skills. Secondly, since foundations have more funds than an average NGO – because of reasons discussed above – they are able to pay more to their employees, which leads to better retention of talent within the organisation.

- **Key Challenges**

**Consistently high expectations from the community:** Most foundations said that once a foundation starts working with a community, the expectations keep increasing. This is especially so in case of companies which have had a negative impact on the community. The community, according to them, keeps increasing its demands citing the impact the company has had on the community.

**Collaboration with same sector foundation or company:** It is difficult for foundations to establish relationships with foundations in the same sector because of competition between the parent companies. Foundations established by companies in other sectors at times question the intent as to why a foundation – which already has a sustainable source of funding – wishes to collaborate with another.

**Less independence:** Company foundations have to abide by the mandate set for them by their companies and find little room to go beyond that. NGOs on the other hand receive funds on the basis of their expertise and are only answerable to their boards, which allow them the freedom to explore in their area of activity.

**Scrutiny from the company:** Owing to the strict structures and mechanisms, company foundations are subject to the same level of scrutiny that a business enterprise is. While this kind of scrutiny helps businesses achieve their goals, the same cannot be said so for the foundations. Businesses have quantifiable and measurable goals but the goal of a foundation – social change – is not measurable. So the procedures that apply to businesses – establishing KPIs, targets et cetera – do not apply to foundations. As a result, foundations are unable to defend and justify their work and its impact on the beneficiaries to the company.

**Perception that corporate foundations are flush with funds:** Many NGOs tend to think that company foundations are flush with funds. Consequently, those who seek to partner with foundations keep their budgets high in the proposal. This makes it difficult for foundations to objectively judge the capacity and efficiency of potential partners. They face similar issues in seeking collaborations and partnerships with other foundations as well.

**Perceived as company at times:** Despite being established by companies, foundations constantly seek to create a separate identity with the community or beneficiaries. However, the demarcation is not very simple. Many a time they are perceived as the company. In turn, foundations are at times expected by the company to be their representatives on the ground. In times of a conflict between the company and the community, the foundation finds itself at the receiving of both parties.

## Voices

*“Challenge is that sometimes you are taken as company but we have to work around. The community thinks that the foundation will be able to give jobs. Then we have to clarify that we can be a mediator but not a recruiter. When a company does work through an NGO, i.e. a separate identity, the expectations are not that high; they are seen as service providers. In case of foundations, however, there is an inbuilt set of expectations. And then there are the vested interests - political leaders, local strongmen – that sometimes raise unrealistic and unexpected demands.”*

*Foundation established by a diversified company*

*“When it is company promoted organisation, funds from outside are limited. People are reluctant to give money saying that we get enough from our company. Until you establish your credentials, people look at you with suspicion probably people look at you with suspicion to start with.”*

*Foundation established by a diversified company*

*“Ours is a good brand. We are able to engage with governments and PSUs easily. Sometimes when we approach other organizations, they assume we don't need money because we are a corporate foundation. It requires a lot of clarification they come around.”*

*Foundation established by a healthcare company*

*“It is great that we as a foundation are able to very specifically focus on communities and reach out to them, not just as the mandate. But somewhere in your heart you feel the need to compensate. And it feels great to be able to do that. You won’t be able to give back what you took but here is a sincere effort! Also, if the foundation has influence within the company then you manage to keep the social agenda alive.*

*Foundation established by family owned company*

*“I always ask and wonder why do companies ask so many questions? Auditors want to know the outcomes to the money invested? I am compelled to show them but everything can’t be measured.*

*Most intended results couldn’t be quantified- for example, behavior change. And results take time. Plus, the results may not match the initial estimates because of the multiple variables involved. ”*

*Foundation established by a mining company*

*“The challenge is to continuously expand, always be effective and efficient and keep an eye on the cost at the same time. People who come from a development background have to reach the expectations articulated by the business entity. ”*

*“I think opportunities are that you know the business because you are working alongside. You know exactly what is happening in the business. If the company is progressive enough then CSR will come to include the supply chain, employees, in addition to your community investment programme. As you understand all the sides of a business, you can think about integrating sustainability initiatives within supply chain. This is just one of the opportunities. ”*

*Foundation established by an energy company*

*“We have the backing of the brand, which is very critical as it unlocks a whole lot of energy. Whether it brings in the credibility of what the company is associated with or be it the focus on execution, being a corporate foundation actually enables various things to happen. At the positioning level also, moving beyond individual projects, at the thought level, the association with an established and successful company helps a lot. ”*

*Foundation established by an FMCG company*

## SUGGESTIONS FOR NEW COMPANIES ON CSR DELIVERY MODELS

Summing up the discussions, the study team asked the foundations to suggest what they think should be the way forward for companies that are new to the CSR space in India. While all foundations found their models appropriate in their own right, not all of them suggested establishing a foundation as the best model. Figure 39

**Based on size and funds:** Most of the foundations said that companies should consider the size of their company or group and the funds and resources it will receive regularly from the company before deciding on which model to adopt. Say, if a company is small in size and consequently, the funds are not sufficient enough to support a foundation, it should consider partnering with external agencies. A couple of foundations suggested Rs. 5 crores as the minimum yearly budget for companies to establish a foundation.

**Have own foundation:** 22% of the foundations suggested that it is best for companies to open their own foundation. Foundations, according to them, is the most efficient way to utilize money for development purposes, even it is run by just one person, as the remaining resources can be borrowed from the company.

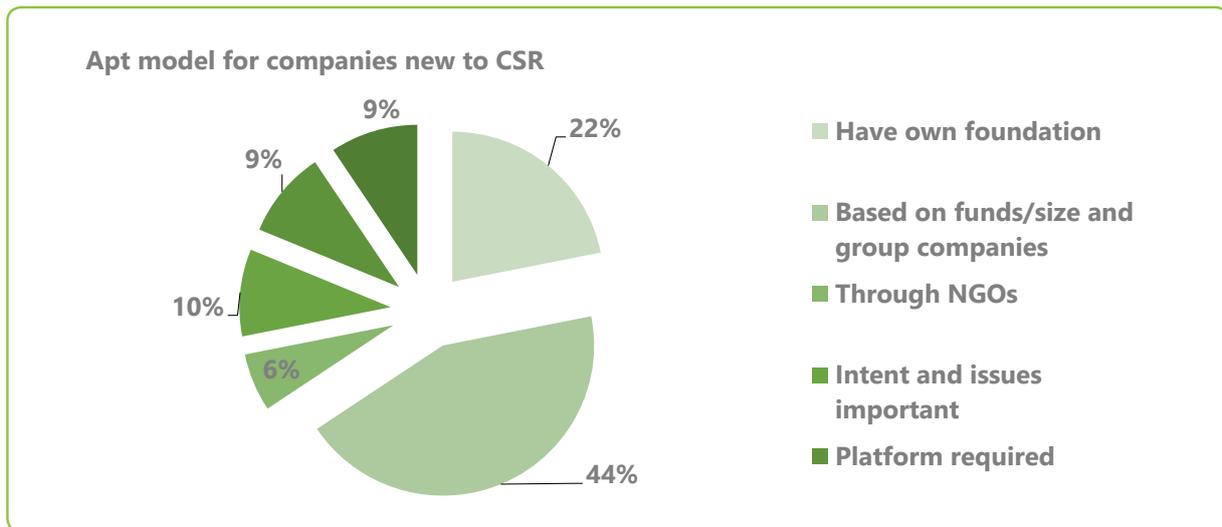


Figure 40

**Through NGOs:** Only a few foundations suggested that is best to collaborate with NGOs. Primarily, they cited two advantages: a) companies with their management skills and NGOs with their connect with the community will be better able to create impact as opposed to a foundation working alone and b) this way, grassroots NGOs, which have good intent and potential for creating impact will be able to survive at a time when funding for them from other sources is drying up.

**Intent and issues important:** Some foundations were of the opinion that the models of delivery and partnership is immaterial. What is material is the company's intent to focus on issues of critical importance and its drive to create positive social change.

**Platform required:** A few foundations mentioned that in order to assist companies new to CSR a platform should be created wherein they can look at the best practices and themselves decide on the issues to work on and the mode of delivery. They said that these companies should have access to a body of knowledge so as to build context for their decision.

## Voices

*"Foundation is the best way possible. You have more control over the foundation and you can design the systems and processes and choose to work where you are. It gives you more independence."*

*Foundation established by a finance company*

*"If a company has large resources to spend, then they should have their own setup and undertake activities partly through NGOs and partly directly. Near plant sites, they should work directly so that they can develop the company and foundation identity with the community and generate goodwill."*

*Foundation established by a diversified company*

*"They are so many organizations who are doing a job. There's a huge possibility to scale up. So new companies can identify good organizations – NGOs, foundations- and support them. At the same time, they should also start developing their own system. I would suggest go for a balanced approach."*

*Foundation established by a healthcare company*

***“I think only big industry houses can support foundations. I am not sure if small or medium companies could go for it. Affordability is not the issue – it is the administrative hassles.”***

***Foundation established by a chemicals company***

***“They should establish a foundation if the organisation is big enough to sustainably support the foundation. Else, it is best to look at the best practices and just replicate it.***

***Foundation established by a diversified company***

## RECOMMENDATIONS AND CONCLUSION

As indicated in the introduction, this study is an important and timely one for several reasons, notably, that it focuses on not-for-profit entities (Foundations, Societies, Trusts, etc) established by Indian Companies, and their alignment with CSR provisions of the recently amended Companies Act. During the process of conceptualisation of the research study, all partners were in agreement about the need to examine CFs in more detail, given the clear trend of Companies to establish such captive delivery systems for their CSR, and the likelihood that this would be furthered by the recent CSR legislation.

An important point to highlight at this juncture is the **challenge of obtaining information relevant to the research**. As we have already noted, whilst the recent requirement from SEBI of listed companies to report on their social and environmental impact and performance has led to the availability of useful information, the quality of the information is, in many instances, poor, and accessing information beyond the minimum required by such compliance, a challenge.

Despite the above, it seems clear that CF's will continue to be the preferred choice of Indian Companies as a model of delivering on their CSR, and that CFs will grow to represent an increasingly influential aspect of the civil society landscape in India, competing for funds and other resources with NGOs/CSOs not established by business. Whilst this in itself raises several important issues for further debate and discussion, it is pertinent to distinguish between CFs engaged in a mode that is dominantly philanthropic, from those, which perform a primarily strategic or tactical role for the Company that has established it, and to note that the trend is increasingly towards the latter.

This trend is amplified upon a cursory examination of CF's from different industry sectors. For instance, those industry sectors within manufacturing that are located in rural areas are more likely to deploy their CFs with a 'social license to operate' paradigm, than a purely charitable or philanthropic one. It is therefore suggested that **future research examine select industry sectors within the broad classification of Manufacturing and Services for a comparative analysis of the CF's within specific industry sectors and geographies**.

It is significant that many respondents who were interviewed pointed to the **relative lack of partnerships between CFs within or beyond an industry sector**. The explanation for this tendency was dominated by the imperatives of branding and captive geographies and communities, even though several CF's stated that they were keen to see more collaboration between CFs. Such collaborative effort by CFs makes eminent sense, in projects and programmes that seek to mitigate a negative social or environmental impact by an industry sector, or to expand the scope of their positive impact. In both instances, it is the vital sharing of 'best practice' amongst companies and their foundations.

Whilst it was beyond the scope of the present research to address, it is pertinent to note that Indian MNCs, just as their Western/Global counterparts have experienced earlier, will sooner, rather than later, have to confront the reality of their global operations from the perspective of a global CSR strategy. How Indian companies design CFs with a global strategy and operations, remains to be seen, but we flag it off here for attention. It is apparent that as CF's are increasingly professionalizing their human resources, the role of Academic Institutions that supply the skills and ongoing training to CF staff will come under increased focus. It will be interesting to observe the circumstances under which they, or CFs themselves, will take some

**lead in creating a forum of CFs, and whether CSR practitioners will establish for themselves, a forum to further their professional field and interests.** Such a platform may help in facilitating partnerships and sharing of best practices among CFs and also help engage them better with other agencies such as CSOs, governments, multi-lateral agencies et cetera.

In India, as we have noted, just as there is a definite trend towards increased attention to the governance of the social and environmental impacts of business, and the transparency of its reporting and disclosure protocols, there are substantial drivers for non-business promoted NGOs/CSOs, to demonstrate their own commitment to the same principles of good governance and transparency. **The present research found support for the notion that CFs were aware of the wider challenges of credibility and that good governance and transparency were high on the agenda.** Whilst there may be several issues that distinguish and even separate CFs from non-Business NGOs/CSOs, this at least could be an agenda on which collaborative work could be effective. In conclusion, we hope that the present study generates further interest amongst key stakeholders to invest in further enquiry and research into some of the themes and issues identified in this report.



# ANNEXURES

## ANNEXURE- I

### ABOUT THE PARTNER ORGANISATIONS

#### **Prakruthi, [www.prakruthi.org](http://www.prakruthi.org)**

**Prakruthi** is an international not-for-profit organization established in 1991, which supports the poor and the marginalized farmers and labours in various hard to reach sectors such as tea, coffee, sugarcane, cotton and garments. It also provides education and develops skills (computer, personality development, language, art and culture) of the children from vulnerable communities.

#### **The Indian Institute of Corporate Affairs (IICA)**

It was registered as a society established in 2008, it is an autonomous institute, works under the aegis of the Ministry of Corporate Affairs to deliver opportunities for research, education, and advocacy. It is also a think tank that curates a repository of data and knowledge for policy makers, regulators as well as other stakeholders working in the domain of corporate affairs. IICA also supports Ministry of Corporate Affairs (MCA) initiatives on all matters relating to Corporate Affairs. IICA propels knowledge and training through its network of schools and centres. It has six departments and six hubs of excellence carrying this vision forward.

#### **Change Alliance, [www.changealliance.in](http://www.changealliance.in)**

Change Alliance is a wholly owned Indian subsidiary of Christian Aid UK, established in April 2014. It is looking to forge alliances, bridge the social and economic gap and make growth inclusive and sustainable. Change Alliance provides market-leading development services and training, high quality technical and advisory consultancy, and capacity building to the development and private sectors and to government. It is committed to working in partnership as a catalyst for change. CA is connected with more than 300 partners, institutions, organisations and communities in most parts of India who can help us deliver all types of development programmes.

#### **Praxis, [www.praxisindia.org](http://www.praxisindia.org)**

Praxis - Institute for Participatory Practices is a development support organisation specializing in participatory methods that aim to enable poor and marginalized sections of society to have an active and influential say in equitable and sustainable development. It believes that for development to be sustainable, the process must be truly participatory. Praxis devises practices to enhance the participation of the community in all its endeavours while at the same time acknowledging that 'participation' is not a technical or a mechanical process that can be realised through the application of a set of static and universal tools and techniques. Praxis works towards participatory democracy through social inclusion, public accountability and good governance. Our primary focus is the democratisation of development processes. It work includes research, capacity building, advocacy and communication.

#### **Charities Aid Foundation (CAF) India, [www.cafindia.org](http://www.cafindia.org)**

It is a not-for-profit organization established in 1998 working to make giving more effective and NGOs more successful. CAF India, with its dedicated team of experts, brings development sector knowledge and

experience to take 'Giving' further. It uses its knowledge and expertise to work with over 50 companies, 32000 individual donors, providing effective giving to more than 300 validated NGOs across 22 states in India. The wide range of 'giving' solutions includes delivering on partners' CSR commitments, grant management, CSR strategy development, program management, payroll giving, individual giving, capacity building, disaster support, employee engagement, volunteering and communication advocacy, tailored to meet the business objectives. CAF India is committed to promote and support strategic giving for a more equitable and sustainable society.

#### **National Foundation of India, [www.nfi.org.in](http://www.nfi.org.in)**

NFI is independent Indian grant making foundation with a core mandate to strengthen philanthropy in India. NFI was founded in 1992 by a group of eminent individuals including Shri MS Swaminathan, Mr Ratan Tata, late Shri C. Subramaniam and late Dr. Kamla Chowdhury among others. In the last 20 years, NFI has supported over 200 NGOs in 14 states of India. Its annual fellowships have supported over 400 individual change makers in the areas of development journalism and community leadership.

## ANNEXURE-II

### QUESTIONNAIRES RECEIVED AND INTERVIEWS WITH HEADS/CEOs- PRIMARY DATA

Corporate Foundations	Questionnaire received	Interviews conducted
Adani foundation	√	√
Ambuja Cement	√	√
AMM Foundation		√
Axis Foundation	√	√
Bharti Foundation	√	√
Biocon Foundation	√	√
Bosch Foundation	√	√
Cairn Enterprise Center	√	√
XXX (Cement sector)		√
Dena Rural Development Foundation	√	
Deepak Foundation	√	√

Dr. Reddy's Foundation	√	√
GMR Varalakshmi Foundation	√	√
Hindustan Unilever Foundation	√	√
IDFC Foundation	√	√
JSL Foundation	√	√
Jubilant Bhartia Foundation	√	√
K.C. Mahindra Foundation	√	√
K.K. Birla Memorial Society (Chambal Fertilizer)		√
Kotak Bank Foundation	√	√
LIC Golden Jubilee Foundation	√	
Lupin Human Welfare and Research Foundation	√	
Max India Foundation	√	√
Piramal Foundation	√	√
Pragnya Priya Foundation (Rain Group)	√	
Rolta Foundation	√	
SHARDA Foundation (Arvind Mills)	√	√
SRF Foundation	√	√
Srinivas Service Trust (TVS)	√	√
Surya Foundation (Surya Roshini)	√	√
Suzlon Foundation	√	√
Tech Mahindra Foundation	√	√
TSRDS, TCS, TSFIF (Tata Steel)		√

Vijaya Rural Development Foundation	√	√
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## ANNEXURE-III

### CORPORATE FOUNDATIONS WITH WEB-LINK

Foundation	Website- separate (Y/N) Link	A page in company website (Y/N)
Indian Oil Foundation		<a href="https://www.iocl.com/Aboutus/IndianOilFoundation.aspx">https://www.iocl.com/Aboutus/IndianOilFoundation.aspx</a>
AMM foundation	<a href="http://www.ammfoundation.org/AU_HistoricalBackground.html">http://www.ammfoundation.org/AU_HistoricalBackground.html</a>	
TSRDS (Tata Steel Rural Development Society),		<a href="http://www.tatagrowthshop.com/sustainability/healthcare.htm">http://www.tatagrowthshop.com/sustainability/healthcare.htm</a>
Tata Steel Family Initiative Foundation (TSFIF)		<a href="http://www.tatagrowthshop.com/sustainability/healthcare.htm">http://www.tatagrowthshop.com/sustainability/healthcare.htm</a>
Tribal Culture Society (TCS)		<a href="http://www.tatagrowthshop.com/sustainability/healthcare.htm">http://www.tatagrowthshop.com/sustainability/healthcare.htm</a>
Tata Steel Skill Development Society (TSSDS)		
Essar foundation	no website	<a href="http://www.essar.com/section_level1.aspx?cont_id=NqNJVibuBLs=">http://www.essar.com/section_level1.aspx?cont_id=NqNJVibuBLs=</a>
Aditya Birla Center for Community foundation and rural development	no website	<a href="http://www.adityabirla.com/Media/press-reports/Aditya-Birla-Centre">http://www.adityabirla.com/Media/press-reports/Aditya-Birla-Centre</a>
Bharti Foundation	<a href="http://www.bhartifoundation.org/home">http://www.bhartifoundation.org/home</a>	Yes
NTPC foundation		<a href="http://www.ntpc.co.in/corporate-citizenship/corporate-social-responsibility/ntpc-foundation">http://www.ntpc.co.in/corporate-citizenship/corporate-social-responsibility/ntpc-foundation</a>
ICICI foundation	yes, <a href="http://www.icicifoundation.org/contact_us">http://www.icicifoundation.org/contact_us</a>	Yes
Dinesh Shahra Foundation	<a href="http://dineshshahra.com/">http://dineshshahra.com/</a>	-
Mahadeo Shukrat Trust		<a href="http://www.ruchisoya.com/csr.htm">http://www.ruchisoya.com/csr.htm</a>
K.C Mahindra Education trust		<a href="http://www.mahindra.com/How-We-Help/Foundations/K.C.-Mahindra-Education-Trust">http://www.mahindra.com/How-We-Help/Foundations/K.C.-Mahindra-Education-Trust</a>

Mahindra Education society	No	<a href="http://www.mahindra.com/How-We-Help/Foundations/Mahindra-Foundation">http://www.mahindra.com/How-We-Help/Foundations/Mahindra-Foundation</a>
Mahindra Foundation	No	<a href="http://www.mahindra.com/How-We-Help/Foundations/Mahindra-Foundation">http://www.mahindra.com/How-We-Help/Foundations/Mahindra-Foundation</a>
KK Birla Memorial Society	No	<a href="http://chambalfertilisers.com/index.php?option=com_content&amp;view=article&amp;id=126&amp;Itemid=279">http://chambalfertilisers.com/index.php?option=com_content&amp;view=article&amp;id=126&amp;Itemid=279</a>
Adani Foundation	<a href="http://www.adanifoundation.org/overview/m-2">http://www.adanifoundation.org/overview/m-2</a>	Yes
Infosys foundation		
JSW Foundation		
Wipro Cares	N	Y - <a href="http://www.wipro.org/community/wipro-cares.html">http://www.wipro.org/community/wipro-cares.html</a>
Axis bank Foundation	<a href="http://www.axisbankfoundation.org/">http://www.axisbankfoundation.org/</a>	link in company website
Tata Power Community Development Trust	<a href="http://www.tpcdt.org/">http://www.tpcdt.org/</a>	
Mannat Foundation	yes, <a href="http://www.mannatfoundationtrust.com/Branches.aspx">http://www.mannatfoundationtrust.com/Branches.aspx</a>	
HCL Technologies foundation	No	No
Union Bank social foundation	N	Y - <a href="http://www.unionbankofindia.co.in/social_foundation.aspx">http://www.unionbankofindia.co.in/social_foundation.aspx</a>
Hindustan Unilever foundation	No	<a href="http://www.hul.co.in/aboutus/foundation-2014/aboutunileverfoundation/">http://www.hul.co.in/aboutus/foundation-2014/aboutunileverfoundation/</a>
Raman Kant Munjal Foundation	No website	
Sakthi IOB Chidambaram Chettiyar Memorial Trust		<a href="http://www.iob.in/RuralCommitment.aspx">http://www.iob.in/RuralCommitment.aspx</a>
Jankidevi Bajaj Gram Vikas Sanstha,	<a href="http://www.jamnalalbajajfoundation.org/the_foundation/beyond_profits/jankidevi-bajaj-gram-vikas-sanstha">http://www.jamnalalbajajfoundation.org/the_foundation/beyond_profits/jankidevi-bajaj-gram-vikas-sanstha</a>	
Fuji Guruji Memorial Trust	<a href="http://www.bajajfinserv.in/trusteeship.aspx">http://www.bajajfinserv.in/trusteeship.aspx</a>	
Jamnalal Bajaj Foundation (JBF)	<a href="http://www.jamnalalbajajfoundation.org/">http://www.jamnalalbajajfoundation.org/</a>	
Jamnalal Bajaj Seva Trust	<a href="http://www.jamnalalbajajtrust.com/">http://www.jamnalalbajajtrust.com/</a>	
Kamalnayan Bajaj Charitable Trust		

Suzlon Foundation	<a href="http://www.suzlonfoundation.org/">http://www.suzlonfoundation.org/</a>	
Jai Prakash Sewa Sansthan	no website	<a href="http://www.jalindia.com/crdp.html">http://www.jalindia.com/crdp.html</a>
CorpKiran -	no website	<a href="http://www.corpbank.com/corp-kiran">http://www.corpbank.com/corp-kiran</a>
Kotak education foundation	No	<a href="http://www.kotak.com/corporate-responsibility.html">http://www.kotak.com/corporate-responsibility.html</a>
Andhra bank rural development trust	no website	<a href="http://andhrabank.in/english/AgriRsetis.aspx">http://andhrabank.in/english/AgriRsetis.aspx</a>
Asian Paints Charitable Trust (Doubt)	no website	
Dr. Reddy's Foundation	Yes, <a href="http://drreddysfoundation.org/">http://drreddysfoundation.org/</a>	
Apollo Tyres foundation	no website	<a href="http://www.apollotyres.com/en-in/responsibility_overview">http://www.apollotyres.com/en-in/responsibility_overview</a>
Jindal Stainless foundation	no website	<a href="http://www.dasra.org/pdf/Access_to_Finance/Jindal_Stainless_Foundation.pdf">http://www.dasra.org/pdf/Access_to_Finance/Jindal_Stainless_Foundation.pdf</a>
GMR Varalakshmi foundation	no website	<a href="http://www.gmrgroup.in/foundation.aspx">http://www.gmrgroup.in/foundation.aspx</a>
MRF pace foundation	<a href="http://www.mrftyres.com/pacefoundation/">http://www.mrftyres.com/pacefoundation/</a>	
United Bank Socio Economic Development Foundation	N	Y - <a href="http://www.unionbankofindia.co.in/social_foundation.aspx">http://www.unionbankofindia.co.in/social_foundation.aspx</a>
Pragnya Priya Foundation	<a href="http://www.pragnyapriya.org/">http://www.pragnyapriya.org/</a>	
Yes foundation	Y - <a href="http://yesfoundation.in/">http://yesfoundation.in/</a>	N
Max India Foundation	<a href="http://www.maxindiafoundation.org/aboutus.html">http://www.maxindiafoundation.org/aboutus.html</a>	
Shree Renuka Sugars Development Foundation	<a href="http://renukasugarsfoundation.com/">http://renukasugarsfoundation.com/</a>	
Vijaya Rural Development Foundation	Y - <a href="http://www.vijayfoundation.in/index.html">http://www.vijayfoundation.in/index.html</a>	N
Lupin Human Welfare & Research Foundation	Yes, <a href="http://www.lupinfoundation.in/">http://www.lupinfoundation.in/</a>	
Oil India Rural Development society - check		<a href="http://www.oil-india.com/CSR.aspx">http://www.oil-india.com/CSR.aspx</a>
Kanahiya Lal Dayawanti Punj Foundation	No	<a href="http://www.punjllloydgroup.com/cr/">http://www.punjllloydgroup.com/cr/</a>

Craftsmen Training Institute		<a href="http://www.punjilloydgroup.com/cr/education/craftsmen-training-institute">http://www.punjilloydgroup.com/cr/education/craftsmen-training-institute</a>
Hinduja Foundation	It has UK and USA branch as well	<a href="http://www.hindujagroup.com/hinduja-foundation/hf.html">http://www.hindujagroup.com/hinduja-foundation/hf.html</a>
DENA RURAL DEVELOPMENT FOUNDATION	no website	-
Lanco Foundation	No	<a href="http://www.lancogroup.com/DynTestform.aspx?pageid=57">http://www.lancogroup.com/DynTestform.aspx?pageid=57</a>
Ranbaxy Science Foundation	No website	<a href="http://www.sunpharma.com/responsibility/csr/ranbaxy-science-foundation">http://www.sunpharma.com/responsibility/csr/ranbaxy-science-foundation</a>
Cipla Foundation	<a href="http://www.ciplafoundation.co.za/">http://www.ciplafoundation.co.za/</a>	-
Cipla Public Charitable Trust	no website	
Cipla Cancer and Aids foundation	no website	
Gulabchand Foundation	seems an individual foundation not of company	
DLF foundation	no website	<a href="http://www.dlf.in/dlf/wcm/connect/dlf-corporate/home/foundation+overview">http://www.dlf.in/dlf/wcm/connect/dlf-corporate/home/foundation+overview</a>
Ambuja Cements Foundation	<a href="http://www.ambujacementfoundation.org/about_acf/about_acf.html">http://www.ambujacementfoundation.org/about_acf/about_acf.html</a>	
Kamalnayan Jamnalal Bajaj Foundation, (KJBF)	no website	<a href="http://www.bajajauto.com/jamnalal_bajaj_seva_trust.asp">http://www.bajajauto.com/jamnalal_bajaj_seva_trust.asp</a>
LIC Golden Jubilee Foundation	No	<a href="http://www.licindia.in/GJF_home.htm">http://www.licindia.in/GJF_home.htm</a>
Bosch india Foundation	<a href="http://www.boschindia.com/content/language1/html/17764.htm">http://www.boschindia.com/content/language1/html/17764.htm</a>	
IDFC foundation		
QRG foundation / Havells Foundation	No	<a href="http://www.havells.com/Csr-Initiatives.aspx">http://www.havells.com/Csr-Initiatives.aspx</a>
Srinivasan Services Trust.	<a href="http://www.tvssst.org/">http://www.tvssst.org/</a>	
Pirojsha Godrej Foundation	no website	No link, <a href="http://www.slideshare.net/PriyankaJadhav/godrej-csr">http://www.slideshare.net/PriyankaJadhav/godrej-csr</a>
Soonabhai Pirojshah Godrej Foundation		No link, <a href="http://www.slideshare.net/PriyankaJadhav/godrej-csr">http://www.slideshare.net/PriyankaJadhav/godrej-csr</a>
Godrej Memorial Trust	no website	<a href="http://www.godrejcp.com/godrej-trusts.aspx">http://www.godrejcp.com/godrej-trusts.aspx</a>

Reliance Foundation	<a href="http://www.reliancefoundation.org/">http://www.reliancefoundation.org/</a>	
Fedbank Hormis Memorial Foundation		<a href="http://www.federalbank.co.in/hormis-memorial-foundation">http://www.federalbank.co.in/hormis-memorial-foundation</a>
NCC Foundation,	No	<a href="http://ncclimited.com/CSR.html">http://ncclimited.com/CSR.html</a>
Sirisha Memorial Charitable Trust	No	<a href="http://ncclimited.com/CSR.html">http://ncclimited.com/CSR.html</a>
The Sir Ness Wadia Foundation		<a href="http://www.wadiagroup.com/">http://www.wadiagroup.com/</a>
NALCO foundation	No	<a href="http://www.nalcoindia.com/NALCO_FOUNDATION.pdf">http://www.nalcoindia.com/NALCO_FOUNDATION.pdf</a>
Ramanbhai foundation	No website	<a href="http://theahmedabadblog.com/tag/ramanbhai-foundation">http://theahmedabadblog.com/tag/ramanbhai-foundation</a>
Britannia Nutrition Foundation	<a href="http://www.britannia.co.in/bnf/">http://www.britannia.co.in/bnf/</a>	link in company website
Cairn India Enterprise	no website	<a href="http://www.ilfsets.com/CSRPartners/">http://www.ilfsets.com/CSRPartners/</a>
Pratham Pune Education Foundation		<a href="http://www.kalyanigroup.com/Education.asp">http://www.kalyanigroup.com/Education.asp</a>
SHARDA (Strategic Help Allinace for Relief to Distressed Areas) Trust	<a href="http://www.shardatrust.org/">http://www.shardatrust.org/</a>	
Goodearth education foundation (Eicher group)	no website	<a href="http://www.eicher.in/communityinitiatives-goodearth-foundation.aspx">http://www.eicher.in/communityinitiatives-goodearth-foundation.aspx</a>
RPG foundation (group level)		<a href="http://www.rpggroup.com/corporate_citizenship/rpg_foundation/foundation.aspx">http://www.rpggroup.com/corporate_citizenship/rpg_foundation/foundation.aspx</a>
Mphasis F1 Foundation	No	Yes, <a href="http://csr.mphasis.com/f1-foundation">http://csr.mphasis.com/f1-foundation</a>
Sri Aurobindo Socio Economic and Management Research Institute	no website	<a href="http://www.vardhman.com/about_sr.asp">http://www.vardhman.com/about_sr.asp</a>
Shree Rural Foundation Society		<a href="http://www.shreecement.in/sustainable-development.html">http://www.shreecement.in/sustainable-development.html</a>
ING Vyasya Foundation		
Glenmark Foundation	no website	<a href="http://www.glenmarkpharma.com/UITemplate/HtmlContainer.aspx?res=P_GLN_AB_T_GCRC1">http://www.glenmarkpharma.com/UITemplate/HtmlContainer.aspx?res=P_GLN_AB_T_GCRC1</a>
Indiabulls foundation		
Bhavarlal and Kantabai Jain Multipurpose Foundation	<a href="http://bkjfoundation.org/">http://bkjfoundation.org/</a>	

Gandhi Research Foundation	no website	
Jubilant Bhartia Foundation	yes, <a href="http://www.jubilantbhartiafoundation.com/">http://www.jubilantbhartiafoundation.com/</a>	
Tech Mahindra Foundation	Yes, <a href="http://www.techmahindrafoundation.org/">http://www.techmahindrafoundation.org/</a>	
Avantha Foundation	<a href="http://www.avanthafoundation.org/">http://www.avanthafoundation.org/</a>	
Fortis Foundation	<a href="http://www.fortisfoundation.in/">http://www.fortisfoundation.in/</a>	
Thermax Social Initiative Foundation (TSIF)		<a href="http://www.thermaxindia.com/corporate-social-responsibility.aspx">http://www.thermaxindia.com/corporate-social-responsibility.aspx</a>
ANARDE Foundation	<a href="http://www.anardefoundation.com/">http://www.anardefoundation.com/</a>	
Gokul Foundation	no website	<a href="http://www.gokulgroup.com/AboutUs/GokulFoundation.aspx">http://www.gokulgroup.com/AboutUs/GokulFoundation.aspx</a>
Muthoot M. George Foundation	No	<a href="http://www.muthootgroup.com/responsibility/muthoot-m-george-foundation/">http://www.muthootgroup.com/responsibility/muthoot-m-george-foundation/</a>
Wockhardt Foundation	Y - <a href="http://www.wockhardtoundation.org/">http://www.wockhardtoundation.org/</a>	N
Avashya Foundation	no website	No (its just mentioned)
Narmadanagar Rural Development Society	yes, <a href="http://nardesindia.org/AboutNARDES.asp">http://nardesindia.org/AboutNARDES.asp</a>	
Food for Needy Foundation-	no website	No
Little People's Education society	No	<a href="http://pearlglobal.com/csr-little-people-education-trust.asp?links=csr2">http://pearlglobal.com/csr-little-people-education-trust.asp?links=csr2</a>
Arpan Education,	<a href="http://www.arpaneducation.com/index.html">http://www.arpaneducation.com/index.html</a>	-
Marico Innovation Foundation	Yes, <a href="http://www.maricoinnovationfoundation.org/index.html">http://www.maricoinnovationfoundation.org/index.html</a>	
Piramal Foundation		<a href="http://www.piramal.com/piramal-foundation">http://www.piramal.com/piramal-foundation</a>
J K Trust Gram Vikas Yojana	<a href="http://www.jktrust.org/index.php/">http://www.jktrust.org/index.php/</a>	
Vedanta foundation	Y - <a href="http://www.vedantafoundation.org/">http://www.vedantafoundation.org/</a>	N
Strides Foundation	No website	<a href="http://www.stridesarco.com/corporate-CSR-edu.html">http://www.stridesarco.com/corporate-CSR-edu.html</a>
Apollo Hospitals Educational & Research Foundation	<a href="http://www.aherf.org/contact_us.html">http://www.aherf.org/contact_us.html</a>	link in company website

Apollo Hospitals Charitable Trust,	no website	
Apollo Hospitals Educational Trust,	<a href="http://www.apollohospitalseducation.com/">http://www.apollohospitalseducation.com/</a>	-
Cure Foundation,	<a href="http://curefoundationindia.com/cure_foundation.html">http://curefoundationindia.com/cure_foundation.html</a>	<a href="http://www.apollohealthcity.com/Cancer_site/about.htm">http://www.apollohealthcity.com/Cancer_site/about.htm</a>
Billion Hearts Beating Foundation	<a href="http://billionheartsbeating.com/about-us/">http://billionheartsbeating.com/about-us/</a>	Yes
Krishi Gramin Vikas Kendra (KGVK)	<a href="http://www.kgvk.org/about-us.html">http://www.kgvk.org/about-us.html</a>	
Cummins India Foundation (CIF)	<a href="http://www.cumminsindia.com/CIF/">http://www.cumminsindia.com/CIF/</a>	
Taj Public Service Trust	<a href="http://www.tajpublicservicewelfaretrust.org/">http://www.tajpublicservicewelfaretrust.org/</a>	
SRF Foundation	<a href="http://www.srf-foundation.org/">http://www.srf-foundation.org/</a>	
Ishanya Foundation,	yes, <a href="http://www.ishanyafoundation.org/">http://www.ishanyafoundation.org/</a>	
Deepak Foundation	<a href="http://deepakfoundation.org/">http://deepakfoundation.org/</a>	No
Aban Cares	<a href="http://www.abancares.com/about.html">http://www.abancares.com/about.html</a>	
Dhanuka Dhanuseri Foundation (DDF)	no website	<a href="http://dhunseritea.com/csr/">http://dhunseritea.com/csr/</a>
PAC Ramasamy Raja Education Charity Trust,		<a href="http://www.ritrjpm.ac.in/trust.php">http://www.ritrjpm.ac.in/trust.php</a>
Raja Charity Trust	no website	<a href="http://www.ritrjpm.ac.in/trust.php">http://www.ritrjpm.ac.in/trust.php</a>
Welspun foundation	N	Y - <a href="http://www.welspun.com/content.asp?Submenu=Y&amp;MenuID=4">http://www.welspun.com/content.asp?Submenu=Y&amp;MenuID=4</a>
IFCI Social Foundation		
Rashtriya Gramin Vikas Nidhi (RGVN)		
Krishna Devaraya Educational & cultural association (KECA)- 1975,	<a href="http://www.keca.org.in/index.html">http://www.keca.org.in/index.html</a>	
Rajanna Trust (1999),	No website	<a href="http://www.charity.org.in/view_charity_org.php?lid=12935&amp;name=RAJANNA%20TRUST">http://www.charity.org.in/view_charity_org.php?lid=12935&amp;name=RAJANNA%20TRUST</a>
Mangamma & Gangul Naidu Memorial Trust	No	<a href="http://www.indiamart.com/amara-rajabatteries/aboutus.html">http://www.indiamart.com/amara-rajabatteries/aboutus.html</a>

Mangal Trust (2003)	<a href="http://www.mangalcharitabletrust.org/">http://www.mangalcharitabletrust.org/</a>	
Prem Punita Foundation	<a href="http://prempunita.org/about-us/">http://prempunita.org/about-us/</a>	
Jhunjhunwala Seva Society	no website	<a href="http://www.jhoola.com/aboutus.html">http://www.jhoola.com/aboutus.html</a>
Rolta foundation		<a href="http://www.rolta.com/about-rolta/corporate-social-responsibility/">http://www.rolta.com/about-rolta/corporate-social-responsibility/</a>
The Vasant J. Sheth Memorial Foundation	<a href="http://www.vasantshethfoundation.org/">http://www.vasantshethfoundation.org/</a>	
Prabhat Foundation Trust	<a href="http://www.prabhatedu.org/index.html">http://www.prabhatedu.org/index.html</a>	
Shriram Foundation	<a href="http://www.shriramfoundation.org/">http://www.shriramfoundation.org/</a>	
SREI foundation		<a href="http://www.srei.com/srei-foundation">http://www.srei.com/srei-foundation</a>
Polypex foundation	no website	<a href="http://www.polyplex.com/about-us/csr">http://www.polyplex.com/about-us/csr</a>
Forbes Marshall Foundation	yes, <a href="http://www.forbesmarshall.com/fm_micro/FMFoundation/">http://www.forbesmarshall.com/fm_micro/FMFoundation/</a>	
Unitech Chandra Foundation	N	no info
Bilcare foundation	no website	
MinTree Foundation	<a href="http://www.mindtreefoundation.org/Pages/Home.aspx">http://www.mindtreefoundation.org/Pages/Home.aspx</a>	
Dalmia Foundation	<a href="http://www.dalmiabharatfoundation.org/">http://www.dalmiabharatfoundation.org/</a>	<a href="http://www.dalmiabharat.com/?act=cms-page&amp;cat_id=4&amp;id=19">http://www.dalmiabharat.com/?act=cms-page&amp;cat_id=4&amp;id=19</a>
Surya Foundation	<a href="http://suryafoundation.org.in/">http://suryafoundation.org.in/</a>	
Blue star foundation		<a href="https://www.bluestarindia.com/about/corp-social-responsibility.asp">https://www.bluestarindia.com/about/corp-social-responsibility.asp</a>
Anjaneya Foundation	no website	No
GVK Foundation	No	<a href="http://www.gvk.com/gvkfoundation/csrinitiatives.aspx">http://www.gvk.com/gvkfoundation/csrinitiatives.aspx</a>
Biocon Foundation	<a href="http://www.bioconfoundation.org/bfound-aboutus.asp">http://www.bioconfoundation.org/bfound-aboutus.asp</a>	

## ANNEXURE-IV

### QUESTIONNAIRE

#### GUIDANCE NOTE FOR THE QUESTIONNAIRE

##### Why are we asking these questions?

Your responses to these questions will help the study team:

- Understand the policies and programmes of foundations and trusts established by leading companies in India
- Analyze the unique opportunities and challenges of being an agency established by the corporate sector to focus on social development
- Document established best practices

##### Who is this questionnaire for?

The samples for this study are the top 300 listed companies. The questionnaire is meant for foundations/trusts established by the companies that fall in this list. The questionnaire should ideally be filled up by a senior official of the foundation/trust and signed off by the CEO/Director. This will ensure that the information provided is valid, complete and credible.

##### What kind of questions are we asking, and why?

We understand that the number of questions asked may seem excessive. You may also feel hesitant or cautious about sharing critical or sensitive information with an outside agency. We request you to be as comprehensive as possible in answering the questions in this questionnaire. In case you are not comfortable sharing any information, please state this wherever applicable. Please note that all information provided by the companies will remain confidential. The report will publish only consolidated data. We will highlight good practices only upon receiving approval from the company in question. We have tried to keep the questionnaire as exhaustive as possible so as to ensure a thorough and robust 'first of its kind' study. The questionnaire has been divided into nine sections:

1. **About the Foundation:** This section seeks basic information about the company foundation/trust. The questions focus on basic details of the organisation, its legal and social identity, its status in terms of income tax laws, its employees and its affiliations.
2. **Governance:** This section enquires into the relationship of the foundation with the promoter company and its governance structures.
3. **Financial resources:** This section seeks information on the organisation's financial resources from various sources. This section focuses on the quantum, sources and types of financial resources that the organization secures. The information will help us understand the funding scenario vis-à-vis corporate foundations.
4. **Geographical focus:** This section elucidates information related to locale of operation, reach of

foundation and rationale for the same.

5. **Thematic focus:** This section is to understand the areas where the foundation's activities are focused and whether these activities align with national and international goals and frameworks.
6. **Programme/project planning:** This section examines the process and procedures of programme planning and implementation within the organisation.
7. **Monitoring and evaluation:** This section seeks to understand how the organisation monitors the progress and impact of its activities on its target groups and area of interventions.
8. **Reporting and disclosure:** This section seeks to examine how the organisation engages with its stakeholders and the larger public in terms of disclosing information pertaining to its activities and achievements.
9. **Essay questions:** The first two essay questions focus on the unique benefits and constraints of being a corporate foundation. The third questions asks the organisation to highlight a few of its achievements, which can then be assessed, documented and highlighted as good practices within its sector of activity or beyond.

### QUESTIONNAIRE

<b>Name of the respondent</b>	
<b>Designation</b>	
<b>Email</b>	
<b>Contact Number</b>	
<b>1. ID No. (To be filled by Prakruthi) _____ ABOUT THE FOUNDATION</b>	
<b>1.1</b>	<b>Name of the foundation</b>
<b>1.2</b>	<b>Name of the promoter company/group (hereafter referred to as 'company' only)</b>
<b>1.3</b>	<b>Year of incorporation</b>
<b>1.4</b>	<b>Does the foundation have a board/ trustees/ managing committee? If yes, please state the number of members.</b>

	Male	Female	Total
Exe Director / Managing trustee/ MD			
Other members belongs to family/ promoted company/ies			
Independent directors if any (who does not belong to family/ companies)			
1.5	Legal status of registration of the foundation (under which Act)		
1.6	Does the foundation have FCRA registration? If yes, since when? If not, does it plan to get the registration in the future? <input type="checkbox"/> Yes <input type="checkbox"/> No		
1.7	Do you provide exemptions under section 80G and 35AC of the Income Tax Act, 1961? <input type="checkbox"/> 80G <input type="checkbox"/> 35 AC <input type="checkbox"/> Both 80G and 35 AC <input type="checkbox"/> None <input type="checkbox"/> other		
1.8	Has the company availed any such tax exemption in the last three years? Yes <input type="checkbox"/> No		
1.9	Total Funds of Foundation (Average. of last three financial years)		
FY	Donations in INR (Indian)	Grants/ Donations (foreign)	Total
2013-14			
2012-13			
2011-12			
1.10	Number of full time and part time employee's category wise		

Category	Men		Women		Total
	Part-time	Full-time	Part-time	Full-time	
General					
SC					
ST					
Differently-abled					
Other (specify)					
1.11	<b>Does your foundation have a staff union(s)/ association(s)? If yes, please mention its type.</b>				
1.12	Please mention the names of national and international associations that the foundation is part of or affiliated to. (For e.g. CII, FICCI, UNGC etc)				
1.13	Does your foundation work for sector of business of your promoter company (for e.g. Construction sector or mining sector etc. specify how many companies and process)				
1.14	Do you have website (Y/N). If yes, please provide the link. <input type="checkbox"/> Yes <input type="checkbox"/> No				
1.15	Do you publish an annual report? If yes, please attach a copy. (Attach current copy)				
1.16	Name of Chief Executive Officer				
1.17	Phone No.				
1.18	Email Id				
1.19	Address				
<b>2. GOVERNANCE</b>					
2.1	What is the Vision & Mission of the foundation?				
2.2	Briefly describe how your vision and mission supports that of the company (within 100 words)				

2.3	Please state the funds received from the promoter company. (Percentage of total funds, in last 3 Financial Years)				
2.4	Please provide details about any other kind of support from the company (staff, office space, transport, equipment etc.)				
2.5	How influential has the promoter company's activities and interests been in setting the foundation's focus and policy? <input type="checkbox"/> Very influential <input type="checkbox"/> Fairly influential <input type="checkbox"/> Not very influential <input type="checkbox"/> Not at all influential <input type="checkbox"/> Don't know				
2.6	Which of the mentioned stakeholder groups of your company do you work for? (Kindly tick and mention) <input type="checkbox"/> Promoter company <input type="checkbox"/> Suppliers/ vendors <input type="checkbox"/> None of them <input type="checkbox"/> Any other (pls. specify)				
2.7	What is the nature and extent of employee engagement of companies with respect to your foundation's activities?				
Promoter company:					
Level of employees			Level of engagement		
	Very engaged	Fairly engaged	Not very engaged	Not at all engaged	Don't Know
Board level					
Directors level					
Mid- level employees					
Lower level employees					
Other company (only names of company and level of employees engaged)					
2.8	Please share the monetary value of employee engagement last year if such a calculation has been made by the company (in INR).				
2.9	Are the salary structures / facilities / benefits of the foundation's employees similar to those of the promoter company (provide details for example salary structure, nature of job- permanent, temporary, benefits like paid leave, maternity etc.). Kindly tick				
Employees of foundation vs. promoter company		Same	Fairly similar	Very different	
Salary Structure					

Facilities			
Benefits			
<b>3. FINANCIAL RESOURCES</b>			
3.1	Please state the company's CSR budget.		
3.2	What percentage of this budget is routed through this foundation/trust?		
3.3	Total fund available and spent in last three Financial years		
	Financial Year	Funds available	Funds spent
	2011-2012		
	2012-2013		
	2013-2014		
3.4	Do you have corpus funds if yes where are these corpus get used (provide details in both years)? FY- 2012-2013: INR FY- 2013-2014: INR		
3.5	Does the foundation/trust invest in allowable mutual funds, venture capital funds or any other market instrument?		
3.6	Do you borrow from green funds (like HSBC has for NGOs)?		
3.7	Provide detail of foundation's funding/resources in the last financial year (Kindly mention the percentage of the total funds as well as amount in INR from each funder). All percentage adds to 100% in total.		
	<ul style="list-style-type: none"> <li>• AS GRANT INCOME from Promoter Company, Group Companies, Government, Other companies and foundations, INGOs, Foreign funding, Any other sources</li> <li>• AS EARNED INCOME (Services rendered) from Promoter Company, Group Companies, Government, Other companies and foundations, INGOs, Foreign funding, Any other sources</li> <li>• AS BORROWING from Promoter Company, Group Companies, Government, Other companies and foundations, INGOs, Foreign funding, Any other sources</li> <li>• AS DONATION from Promoter Company, Group Companies, Government, Other companies and foundations, INGOs, Foreign funding, Any other sources</li> <li>• E. ANY OTHER SUPPORT (specify) from Promoter Company, Group Companies, Government, Other companies and foundations, INGOs, Foreign funding, Any other sources</li> </ul>		
<b>4. GEOGRAPHICAL FOCUS</b>			

4.1	Briefly describe the rationale for the geography where you are currently working				
4.2	Do you work under the establishment of the promoter company (in a specific radius/periphery of operation of promoter company- specify)				
4.3	Which of these categories would the foundation best fit into? <input type="checkbox"/> International <input type="checkbox"/> National (Operating in more than 5 states, not limited to a particular region) <input type="checkbox"/> State (Operating in just one state) <input type="checkbox"/> Regional (Operating in a particular region)				
4.4	Which state(s) do you work in? Please state the organizational rationale for operating in the state(s)/region				
4.5	Do you work in rural or urban areas? <input type="checkbox"/> Rural <input type="checkbox"/> Urban <input type="checkbox"/> Both				
4.6	If in rural area kindly mention the number of villages/blocks/districts you operate in?				
	No. of States				
	No. of Districts				
	No. of Blocks				
	No. of Village Panchayats				
	No of villages				
4.7	Does the foundation have activities in other countries? (If yes, please mention the country, projects and partnerships)				
<b>5. THEMATIC FOCUS</b>					
5.1	Activities in alignment with Companies Act 2013, Section 135 (CSR), Please use separate sheets if required for any additional information.				
	Themes of initiatives/activities	Tick	Number of Beneficiaries		
			Gen	SC/ST	Total
	Eradicating hunger poverty	<input type="checkbox"/>			
	Promotion of education	<input type="checkbox"/>			
	Promoting gender equality, empowering women	<input type="checkbox"/>			

Ensuring environmental sustainability	<input type="checkbox"/>			
Promoting culture and heritage	<input type="checkbox"/>			
Measure to benefit armed forces, war widows and their dependent	<input type="checkbox"/>			
Training to promote Sports	<input type="checkbox"/>			
Slum area development	<input type="checkbox"/>			
Contribution to technology incubator within central govt. approved academic institution	<input type="checkbox"/>			
Rural development project	<input type="checkbox"/>			
PM's fund	<input type="checkbox"/>			
Swachh Bharat	<input type="checkbox"/>			
Clean Ganga Fund	<input type="checkbox"/>			
5.2	Kindly mention any other activities of the foundation that are not listed in Section 135 of Companies Act 2013.			
5.3	Kindly mention the activities in alignment with National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business (NVGs). Please use separate sheets if required for any additional information			
	NVGs	( ) or (X)	Details of initiatives	
	Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability	<input type="checkbox"/>		
	Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<input type="checkbox"/>		
	Principle 3: Businesses should promote the wellbeing of all employees	<input type="checkbox"/>		
	Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	<input type="checkbox"/>		

	Principle 5: Businesses should respect and promote human rights	<input type="checkbox"/>			
	Principle 6: Businesses should respect, protect, and make efforts to restore the environment	<input type="checkbox"/>			
	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<input type="checkbox"/>			
	Principle 8: Businesses should support inclusive growth and equitable development	<input type="checkbox"/>			
	Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	<input type="checkbox"/>			
5.4	Kindly mention the activities in alignment with Millennium Development Goals (MDGs). Please use separate sheets if required for any additional information				
Goal	MDGs	Tick (√) or (X)	No. of beneficiaries		
			Gen	SC/ST	Total
1	Eradicating extreme hunger and poverty	<input type="checkbox"/>			
2	Achieve universal primary education	<input type="checkbox"/>			
3	Promoting gender equality and empower women	<input type="checkbox"/>			
4	Reduce child mortality	<input type="checkbox"/>			
5	Improve maternal health	<input type="checkbox"/>			
6	Combat HIV/AIDS, Malaria and other diseases	<input type="checkbox"/>			
7	Ensure Environmental Sustainability	<input type="checkbox"/>			
8	Develop a global partnership for development	<input type="checkbox"/>			
5.5	Does the foundation... <input type="checkbox"/> Directly independently implement company's CSR activities <input type="checkbox"/> Fund other NGOs/CSOs <input type="checkbox"/> Both (independently implement and fund)				

5.6	Do you focus/work for any specific target groups (from NVGs Principle-4: disadvantaged, marginalized and vulnerable, kindly mention-women, SC, ST, Children, disabled and other marginalized section)															
5.7	How does the foundation identify its primary beneficiaries?															
<b>6. PROGRAMME/PROJECT PLANNING</b>																
6.1	Please describe briefly the process by which the foundation's projects are planned. (Setting targets, work distribution, roles and responsibilities etc)															
6.2	In this process: Who are involved from the company? Who are involved from foundation? Any other stakeholder groups?															
6.3	Does the foundation partner with other companies or company foundations on projects? (Kindly mention the names) Implementing Partners:Funding Partners:															
6.4	Does the foundation partner with state and central government? (Kindly mention the names)															
6.5	Does the foundation engage with NGOs / research institutions to implement / achieve its targets?															
6.6	What is the mechanism for selection and review of partner/NGOs organisations you work with?															
6.7	Who are the main NGOs whom you have funded in the last financial year, kindly mention the nature of partnership and also amount of funds provided															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Name of NGOs</th> <th style="width: 33%;">Nature of Partnership</th> <th style="width: 33%;">Funds (INR)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Name of NGOs	Nature of Partnership	Funds (INR)												
Name of NGOs	Nature of Partnership	Funds (INR)														
6.8	Please provide a list of key partners you have worked with in the last three years.Implementing PartnersFunding Partners:															
<b>7. MONITORING &amp; EVALUATION</b>																

7.1	Do you engage any external agencies to carry out impact assessment of the foundation's activities? If yes, kindly mention the duration (six monthly, yearly, in three years etc.) and please attach a copy of the latest report.
7.2	What is the frequency of such assessments?
7.3	What is the process of monitoring and reviewing your partners that you work with?
7.4	What is the role of the company in Monitoring & Evaluation?
<b>8. REPORTING &amp; DISCLOSURE</b>	
8.1	Does the foundation have a website? Does the foundation have a webpage/ in the company's website? <input type="checkbox"/> Own website <input type="checkbox"/> Webpage on company's website <input type="checkbox"/> Both <input type="checkbox"/> None
8.2	If the foundation does not have a webpage/link, either standalone or on the company's website, please state the constraints.
8.3	Does the foundation report its activities in its annual report / website / special reporting /GRI/ any other? Where all does the foundation report its company's activities?
8.4	Is annual report releases publically? If yes how do you know the end readership number?
8.5	Please state the reasons for non-disclosure if the foundation does not have its annual report in the public domain.
8.6	Kindly mention the court cases against your foundation, both resolved and pending, in the last five years.
8.7	Is the foundation a part of or a signatory to any international foundation/code of conduct?
8.8	Does the foundation have any quality certification/ certificate of excellence/credibility? If yes, please specify since what. (Kindly specify when it was obtained?)
8.9	Kindly provide details of any national or international awards and recognition received in the last three years.
<b>What are the main benefits and opportunities of being a foundation established and backed by a company? (Please use extra sheets if required)</b>	
<b>Kindly highlight one of the best practices of your foundation (in governance, CSR, environment sustainability, inclusive development, transparency/accountability, social impacts or any other). Please use extra sheets if required</b>	

Any feedback you want to give about the foundation or on this format?

Name of CEO/Head of Foundation:

Email Id:

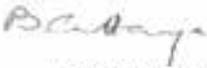
Phone Number:

Signature

ANNXURE- V

## LETTER BY DR. BHASKAR CHATTERJEE, DG, CEO IICA

(Sent along with questionnaire and concept note to foundations)

<i>Dr. Bhaskar Chatterjee</i> Director General & CEO	 सर्वोदय	 Indian Institute of Corporate Affairs <small>Forum of Knowledge, Governance, Transformation</small> Ministry of Corporate Affairs
D.O No. IICA/37-08/2014	Dated: 05/01/2015	
To CEO/Head		
Dear Sir/Madam,		
The Indian Institute of Corporate Affairs (IICA) is an autonomous institute, which works under the aegis of the Ministry of Corporate Affairs to deliver opportunities for research, education, and advocacy. It is also a think tank that curates a repository of data and knowledge for policy makers, regulators as well as other stakeholders working in the domain of corporate affairs.		
IICA has joined hands with Prakruthi (lead agency), Change Alliance, Praxis, Charities Aid Foundation and National Foundation for India to undertake a study "Identity and initiatives of company promoted foundations for development work with special reference to CSR programmes".		
This is a pan-India study of foundations, trusts, societies, Section 8 or Section 25 companies established by the top 300 BSE listed companies of India. The objective of the study is to understand these organisations' legal status, scope of operations and the impact on target communities.		
We hope that the broad outcomes will be that the nature and scope of CSR practices of companies through their foundations are demystified; comprehensive documentation of good practices is undertaken so that these can be adopted or emulated and it would highlight commonalities amongst the CSR practices of companies so as to encourage impactful, collaborative projects amongst companies. A concept note is attached for further information on the study.		
For any queries related to the study and to get the soft copy of the questionnaire please contact Ms. Archana Shukla Mukherjee, COO, Prakruthi at <a href="mailto:archanasukla@prakruthi.org">archanasukla@prakruthi.org</a> . Kindly send the filled up questionnaire latest by 3 February 2015.		
<b>Request your participation and support to undertake this unique, landmark study by completing the attached questionnaire and thereby contributing towards enriching the CSR discourse in the country.</b>		
Thanking you,		Yours sincerely  (Dr. Bhaskar Chatterjee)
Delhi : 2nd Floor, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110 003. Tel. +91-11-24362282, Fax +91-11-24362263 Manesar : P-E,7,B, Sector-5, IMT Manesar, Dist. Gurgaon (Haryana-122051) Tel. +91-0124-2290197 e-mail : <a href="mailto:bhaskarchatterjee@icaa.in">bhaskarchatterjee@icaa.in</a>   Website : <a href="http://www.icaa.in">www.icaa.in</a>		

## ANNEXURE VI

### INTERVIEW GUIDELINE - WITH CEO/HEADS OF CFS

Following are some of the key questions that will be posed to the Foundations' representatives during the face-to-face interviews.

#### **Models and Approach**

1. Key emerging drivers for Companies to establish foundations
2. Views on Companies models of delivering their CSR requirements other than through their own foundations that do not work through foundations
3. Views on the governance models of corporate foundations as compared with non-corporate NGOs. The challenges of credibility to both. How and why?
4. Your suggestions for companies which are embarking on CSR (either new, SMEs or MNCs or doing CSR for the first time in a strategic manner)- whether they should establish their own foundation or implement by partnering with existing foundations, NGOs, agencies (explain with reasons identify benefits and shortcomings of different models.

#### **Challenges, Opportunities and Impacts**

5. Key challenges and opportunities being an organisation promoted by companies (governance, funding, recruiting people, access to funding)
6. The extent of impact of companies' core business activities and products on the foundations' areas of work. (Both geography and programmes)

#### **Funding and Policies**

1. Views on trends on access to and new funding international/domestic/governmental/non governmental
2. Views on government policies for NGOs including

#### **Collaboration/Partnerships**

3. Opinion on other foundations in the same sector of activity? (We can be specific here and ask about the extent to which other Companies in the same Business sector have foundations and the nature of and extent of collaboration between them)
4. Nature and extent of collaborations or key recent/existing partnerships with other organisations (NGOs, govt. Academia, Media)