

CSR a tool of Stakeholders engagement: A case study of Infosys

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ABSTRACT

After CSR reporting has become mandatory for certain companies, reports of nearly all listed companies have a section for CSR. But, engagement of those to which it materially affects i.e. its stakeholders is ignored. CSR is gaining importance because companies are viewing it as a tool of strategic value creation. In view of this, efforts have been made to analyse steps taken by Infosys to communicate and engage their stakeholders to strengthen relationship of trust. For this purpose, Annual Report of Infosys for the year 2017-18 was thoroughly studied.

Keywords - Corporate Social Responsibility, Sustainability and Stakeholders

I INTRODUCTION

CSR is a way of integrating business operations with social, environmental and economic issues along with addressing expectations of stakeholders at the same time. CSR is a self regulating model that makes a business accountable to itself, its stakeholders and public at large. Business in today's world does not operate in vacuum. It is influenced by external stakeholders. They want a business to integrate social, environmental and economic issues being faced by society along with working on key operations of business. CSR report is used to inform stakeholders about the ways in which company is addressing to CSR concerns and incorporating them into strategic decision making process of company. Stakeholders engagement is also important as it lets business know about evolving expectations of stakeholders which is in turn imperative for success of a business. Companies can improve stakeholders engagement by giving its stakeholders say in decisions that affect them, by seeking inputs from them, by scheduling periodic touch base sessions, by having open mind towards opinion of stakeholders and by addressing their issues as and when they arise.

Companies Act 2013 requires all companies having net worth of INR 500 crore or more; or having turnover of INR 1000 crore or more; or having net Profit of INR 5 crore or more during the financial year to constitute a CSR Committee of the Board with effect from 1st April, 2014.

Company that fulfills any of the above mentioned conditions shall be required to perform following tasks:

- (a) Company shall have to constitute a CSR committee comprising of 3 or more than 3 directors.
- (b) Composition of CSR committee should be clearly disclosed in Board's report.
- (c) The company will have to spend at least 2% of average net profit earned during three preceding financial years in pursuance of CSR Policy

In view of above, paper continues with objective of research and methodology used to achieve the objective. After that findings and discussions obtained after analysing the data collected have been mentioned

II OBJECTIVES

- (a) To examine compliance of Companies Act 2013 by Infosys
- (b) To highlight efforts made by Infosys to strengthen stakeholders engagement.

III METHODOLOGY

For the purpose of research, data was collected from various journals and websites and was analysed. Sustainability report of Infosys for the year 2017-18 was studied thoroughly to know whether the company has fulfilled the conditions mentioned by Companies Act 2013 or not and what steps it has taken to strengthen its stakeholders engagement.

IV FINDING AND DISCUSSIONS

The section gives the results obtained after studying the Annual report of Infosys for the year 2017-18.

For achieving the objective of examining the compliance level of Companies Act 2013 by Infosys, it was seen that whether the company has constituted a CSR committee as required by Companies Act 2013 or not and what is its composition.

- (a) **CSR Committee** - As evident from the Annual Report 2017-18 for Infosys, the CSR committee during the year 2017-18 comprised of three independent directors and the COO and Whole-time Director. The committee was constituted with an aim to focus on social and environmental responsibilities to fulfill the needs and expectations of the communities along with maximising profits.

Composition of CSR committee as disclosed by the Annual Report is as follows:

- (i) Kiran Mazumdar-Shaw, Chairperson
- (ii) U.B. Pravin Rao
- (iii) Roopa Kudva
- (iv) Dr. Punita Kumar-Sinha

In all the CSR Committee called for 4 meeting throughout the year and its attendance details have been clearly disclosed in Annual Report.

(b) Prescribed expenditure on CSR Policy - An amount of Rs. 385.05 Crores was spent by Infosys on pursuance of CSR policy. Average net profit of the Company for the last three

financial years was 15513 Crores. As per Companies Act 2013, Infosys had to spend 2% of 15,513 crores as prescribed CSR expenditure i.e. 310.25 Crores. However, the company has spent 312 Crores in pursuance of CSR policy.

(c) Steps taken to communicate with stakeholders

- For Infosys, Stakeholders means its clients, employees, investors, suppliers, governments and regulatory bodies and local communities. To maintain healthy relationships with stakeholders, a stakeholders relationship committee of the board assists the company. The company communicates with its stakeholders in many ways.

Stakeholders	Mode of communication
Clients	Request for brochures, proposals, website, Social Media, Customer satisfaction survey, annual customer leadership meets
Employees	Pulse survey, Grievance redressal board, Bulletin boards, sustainability portal, CSR Clubs
Investors	Analyst meet, Sustainability Report, Annual General Meeting with Stakeholders, Social Media, financial Reports, Press releases
Supplies	Suppliers meet, Sustainability report, Financial reports,
Community	Site visits, Sustainability report on website, Press release, social media, Fellowships, white papers
Government and Regulatory bodies	Engaging with government and global forum, Policy advocacy, Partnership with industry bodies and associations

V CONCLUSION

After analysing Annual Report for the year 2017-18 of Infosys, it can be concluded that Infosys is completely complying with CSR disclosure that has been made mandatory by Companies Act 2013. It has constituted CSR committee for looking after matters

related to CSR. The company has made full disclosure of composition of CSR committee. It has also spent 2% average net profit during previous three years in compliance of CSR Policy. Moreover, Infosys has clearly mentioned the ways in which it communicates with its stakeholders.

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