

Who Quoted These?

1

"Man needs his difficulties because they are necessary to enjoy success"

2

"The only thing, worse than being blind, is having sight but no vision."

3

"As we look ahead into the next century, leaders will be those who empower others."

4

"I can do things you cannot, you can do things I cannot; together we can do GREAT THINGS."

5

"Change only takes place through action, not through meditation and prayer alone."

6

"My motto in life is that nothing is impossible, no target unachievable - one just has to try harder and harder."

7

"It always seems impossible until it's done."

8

"One Child, one teacher, one pen and one book can change the world."

9

"I don't believe in taking right decisions. I take decisions and then make them right."

The first two correct entries will win a free CAP's FAQ book on Trust Law/Income Tax/FCRA. All you have to do, is tell us who made these famous statements.

Scan a copy and email it to connect@capindia.in

Congratulations
to our last issue's winners -

Volkart Foundation (Bhavna),
BSSK - Pune (Mildred),
Blue Ribbon Movement,
Q-Med (Vasumati),
Udavam Karangal - Chennai

Quarter 2 - July - September, 2015



"BE THE CHANGE
YOU WANT TO SEE
IN THE WORLD"

Mahatma Gandhi

*Dedicating this issue on leadership
to the Mahatma*



CENTRE FOR
ADVANCEMENT
OF PHILANTHROPY

THE A-Z OF LEADERSHIP

- A**lways lead by example
- B**alance their days & lives
- C**ommunicate in a timely and effective manner
- D**are to take risks
- E**mpower and enlighten others
- F**ind alternate solutions
- G**ive you guidance to succeed
- H**elp you to undertake and complete tasks
- I**nspire by being a role model
- J**ust never give up
- K**eep teams bonded
- L**ink and network
- M**otivate and mentor to ensure positive results
- N**uture talents and abilities
- O**pen their minds to continuously learn
- P**ut organisation before self
- Q**uest to make learning fun
- R**ecognize and rectify problems.
- S**hare goals and assign roles
- T**ake responsibility for actions
- U**nderstand mistakes are a part of learning
- V**alue input from everyone in the team
- W**elcome different perspectives
- X**cel at what they do
- Y**earn to connect, not correct
- Z**est and zeal to make a difference



PHILANTHROPY

Newsletter Quarter 2 - July - September



CENTRE FOR
ADVANCEMENT
OF PHILANTHROPY

ABOUT US

Since its inception in 1986, Centre for Advancement of Philanthropy (CAP) has helped philanthropic organisations comply with the complex web of legal issues governing charitable giving in India.

WHO WE SERVE

- CAP's Services Extend To
- non-profit organisations
 - social entrepreneurs
 - NGO support organisations
 - family/community/corporate foundations
 - corporate social responsibility (CSR) units
 - grant making organisations
 - chartered accountants and lawyers

OUR AREAS OF SUPPORT

Legal Advisory
CAP specializes in all legal matters for non-profits and corporate social initiatives. CAP assists with Trusts/Societies Act, Income Tax Act, FCRA, Labour Law, Service Tax, VAT, Legal Aspects of CSR and a host of allied laws and good management & compliance practices.

Capacity Building
CAP training and consultancy advice on the core challenges of compliance – legal, financial, good board governance and human resource management.

Corporate Support
CAP also assists companies with their corporate foundation advisory and helps companies stay legally CSR compliant.

Research and Publications
CAP has published resource books that have become sector references on fund-raising, good board governance. CAP also publishes a quarterly newsmagazine that enables its readers to be up-to-date with pertinent news and legal updates in the sector.

To know more about our work –
www.capindia.in

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NEWSMAGAZINE CHIEF EDITOR – Noshir Dadrawala

ASSISTANT EDITOR – Meher Gandevia-Billimoria

DESIGNERS – Krishna-Geeta

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Leadership means different things to different individuals and institutions. There are as many definitions of this term as there are defining authors. **However, the delightful part is the fact that the voluntary and nonprofit sector has and continues to redefine models of leadership with far greater creativity, innovation and, if one may add, 'integrity' than other sectors of society.** In fact, leadership in the third sector (civil society) often challenges the first (government) and second (business) sector on issues of accountability, transparency and delivery systems. We are therefore proud and happy to make 'leadership' our theme in this issue of 'Philanthropy'. It's a celebration of the diversity of thoughts, ideas and aspirations of this sector. Interestingly, going through our archives we found a decade old article on "A roadmap to leadership" and the missive: "be obsessed with effects for people!"

On matters of routine, the Ministry of Home Affairs (MHA) has still not made the FCRA renewal form go online. No one is still sure whether it should be Form FC 5 or the new (proposed) Form FC 3 that NGOs should fill.

Reports of CSR performances are starting to trickle in. Considering it's still the first year, some companies have claimed that they have spent not just two, but three per cent of their profits on CSR activities. These claims and reports will require deeper scrutiny. In any case, it's good to see that CSR is slowly but surely becoming an integral part of Indian society and corporate culture. We shall look out for innovative and dynamic leadership in this space too over the years to come

Nawshir Dadrawala -CEO, Centre for Advancement of Philanthropy.



CAP Archives

From our Archives (CAP Newsletter March-April 2006)

A Roadmap to Leadership

Means should not be mistaken with the ends, and that a mission should answer such simple questions as: 'What is this organization for? How will the world be different as a result of our being in business?' However, mission can be a waste of time if, after meticulous mission-writing sessions, the end product is just shelved away, never to be consulted again.

Board and staff need as much freedom as possible to perform their respective functions. It is up to the board to create 'the future', it is the responsibility of the staff to 'mind the shop', and that the chief executive's job involves interpreting the policy set by the board.

It is perhaps for this reason that the most important task of a board is considered to be the choice of CEO. However, establishing an effective relationship between board and CEO is more important, for even good CEOs are rendered ineffective because of a poor relationship.

Organizations exist for people, but, in the usual routine the organization's existence takes precedence. So the board members need to "be obsessed with effects for people!"

Meet Nawshir Mirza and Tina Vajpeyi

Nawshir Mirza has joined the CAP board only recently. Tina Vajpeyi is the finance consultant at CAP. They both have an accounting and finance background. Here we get to know them a little better.



Nawshir Mirza

Tina Vajpeyi

What hobbies do you pursue and how do you spend your leisure time?

N: History, particularly the pre independence period interests me and I love reading. I am also interested in the history of my community, the Parsis, and have recently been getting to understand our religion. Fitness is important and every evening sees me for at least an hour at Talwalkars in Breach Candy. My family and I travel a lot to out-of-the-way places; and recently we spent about two weeks driving down Nagaland.

T: I have a farm at Karjat and over the last ten years I have been gardening and planting to make a little green oasis for myself. I also enjoy swimming and try to keep fit. I love to travel and explore new places and I have driven to Aurangabad and Goa and have even done the Lavassa Ladies Car Tally twice. There are beautiful places just outside Mumbai which we do not appreciate enough.

Through your working years what has been a favorite city for you and why?

N: I have worked only in two cities – Calcutta and Mumbai. In general I dislike cities as they are too noisy and crowded both cities were unique in their own ways and I have neither a preference nor a dislike for either. But if I look at the various cities that my work took me to, I have always loved La Ville Lumiere, Paris. I think it is the most beautiful city in the World but for its liveability and cultural range, I would choose London anytime.

T: I started my career in London and it was very vibrant and exciting as a student and in my early years. I have also lived and worked in Hong Kong which was a very dynamic and safe place to live. I especially enjoyed my work there since my clients were all expat women running small businesses for whom I did accounting and tax work.

Any interesting or challenging work situation you encountered?

N: I used to work for a large accounting firm all my life. Once our principal client in Mumbai told us that they were so annoyed with our service that they would kick us out. Ultimately, the reason was poor communication. My experience has been that almost every work (and life) related problem stems from this one sole cause: either a fear of communicating problems to those affected till it is too late and poor communication skills.

T: I have had a few and I believe they all become good learning experiences. I once had to rework a whole budget and re-input actual finance data since I found that the person who had done the original report whilst I was away on leave had not extrapolated data from the correct line items. This taught me that the budget trail has to have a chart or working which is very clear in terms of matching budget heads to the actual ledger items, especially when the grant has fixed descriptions and formats that may not match those of the organisation.

What has been a challenging experience with respect to your NGO advisory/volunteer work?

N: There is one common theme in all the NGOs that I have worked with – a shortage of money. Many of them would love to not taint their hands with the stuff but it is the stuff that makes even the NGO world go round. Most NGOs have not developed the skills for arranging sustained funding.

T: I would agree with you on this and I also feel that sometimes the fundraising teams which work in isolation of the finance and administration teams of the NGO may not be able to articulate sufficiently how funds are spent or allocated and there should be an overall picture of the budgets of various departments which is sometimes not clear.

Should NGOs apply now or still wait a bit more for FCRA Renewal?



As the 31st October 2015 deadline approaches, NGOs in India are losing sleep over whether to apply for FCRA renewal now by downloading the current Form FC 5 from MHA's website, fill the details and post it to MHA or wait some more for the proposed new Form FC 3 in the proposed new FCRR 2015 go live! MHA has been maintaining silence, adding to everyone's anxiety. Unfortunately MHA has neither made the existing Form FC 5 nor the proposed new Form FC 3 go live online.

There are plans to have a brand new form and application should be made online only.

We, at CAP have started to advise NGOs to send hard copy of Form FC 5 if it makes them feel less uneasy. However, we keep telling them to be prepared that their envelope may remain unopened at MHA and that they may be required to apply online sooner or later. However, sending Form FC 5 by post now will mean no harm. At best, some may sleep better!

Please follow the CAP Blog for updates: <http://capnewsviews.blogspot.in>

CSR Performance Data

It's still too early in the day to arrive at any definite conclusion regarding CSR performance of Corporate India. However, reports are starting to come in and as a few companies have announced their annual report for the financial year 2014-15, Bombay Stock Exchange (BSE) has been among the first few to analyze them and find a few points that can present an overview of CSR spending and CSR compliances among these companies. An analysis of CSR reports of BSE-listed 100 companies presents that 27% companies have spent more than prescribed CSR spend and 64% companies have spent less than the prescribed CSR. Only 1 Banking & Finance sector company could spend the prescribed CSR amount. VIP Industries (which manufactures suitcases that many of us use) emerges the top performer by spending almost double of the prescribed CSR spend.

According to BSE's analysis of these 100 listed companies:

- Nearly one-fourth (27%) of the companies spent more than the prescribed CSR spend and about two-third (64%) of the companies spent less than the prescribed CSR spend.
- 2% of the companies spent zero amount from their prescribed CSR spend and 9% the companies spent exactly same as the prescribed CSR amount.
- 39% of the companies spent more than 50% of the prescribed CSR spend but missed the target of the prescribed CSR spend.

Of course these are just figures yet and deeper analysis of this data will be essential.



Rejection of 10(23) does not affect 12AA Registration!



Varanasi Catholic Education Society's registration under section 12AA was cancelled on the ground that its Section 10(23C) application has been rejected. The Order of the Commissioner income tax while cancelling section 12AA registration stated that the activities of the Society are not entirely charitable in nature and that the same was not in accordance with the aim and objects of the Society. However no material for arriving at this conclusion was made available in the order.

The Society appealed to Tribunal against the cancellation of registration under section 12AA and the Income tax Tribunal decided against the Commissioner's order and set it aside. Later, Income Tax authorities appealed to the High Court against the Tribunal Order. High Court agreed with the Tribunal's order and rejected tax authorities' appeal.

Reasoning by High Court

The High Court reasoned that some activities being undertaken and which were not solely for charitable purpose may not be a ground for cancelling 12AA registration, although it may be a ground for rejection for the registration under Section 10(23C). **It observed that the Commissioner has not recorded any reason if the charitable activities being undertaken by the Society are not genuine or if the Society's activities are not in accordance with its objects.** The Order stated that the Commissioner had solely relied on the order of the Chief Commissioner of Income Tax passed under Section 10(23C)(vi) of the Act while cancelling exemption under S.12AA.

To keep in touch with the latest news related to legal compliance, stay connected to CAP through our blog on our website or through the Facebook page.

Getting to know you contd. from page 3

How has your experience helped you guide NGO work through the boards you have been on?

N: Sadly, corporate boards are focussed on aggrandisement and are very masculine in their values and purposes – "mine is the biggest" is what drives them. NGO boards are driven by giving and sharing and that is why they have far more women on them. Women understand caring and nurturing far better. So, NGO boards have strengthened my ability to make heard in corporate boardrooms the voices of those stakeholders who do not have a representative legally installed at the directors' table.

T: I haven't been on a board but I have been on the corporate side in terms of my initial years as an auditor. I feel I am able to see practical issues quite well due to my hands on NGO experience compared to the statutory perspective of preparing accounts and tax returns.



Applicability of Service Tax to NGOs/NPOs

By Noshir H. Dadrawala

Several NGOs/NPOs continue to live under the myth that because they are tax exempt under 12AA or 10(23C) they would also be exempt automatically under Service Tax.

It is important for all NGOs/NPOs to know and understand that while Income Tax Act is a Direct Tax, Service Tax is an indirect tax.

If an NGO/NPO offers a service that is not listed in the 'Negative List', such as, for example, 'consulting

Earlier, NGOs engaged in "advancement of any other object of general public utility" were exempt up to a certain limit of taxable services in addition to the blanket exemption of Rs. 10 Lakhs. However vide Notification No.33/2012-ST dated 20/06/2012 the special exemption given to this category of NGOs has also been withdrawn, meaning thereby there is no special exemption for NGOs engaged in "advancement of any other object of general public utility" though, to repeat, they can avail the basic service tax exemption of Rs. 10 Lakhs.

SERVICE TAX



service', service tax would apply if consideration from such service exceeds ten lakhs of rupees in any financial year. The current service tax rate is 14%.

It is critical to note that the Service Tax law has taken a narrow definition of the term 'charitable purpose' which is different from the definition of charitable purpose under section 2(15) of Income Tax Act 1961.

Service tax exemption has been provided to only those NGOs which are registered under section 12AA of the Income Tax Act, 1961 and carrying on one or more of the following charitable activities:

- (1) NGO engaged in public health by way of:
 - (a) care or counseling of (i) terminally ill persons or persons with severe physical or mental disability, (ii) persons afflicted with HIV or AIDS, or (iii) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 - (b) public awareness of preventive health, family planning or prevention of HIV infection;
- (2) NGO engaged in advancement of religion;
- (3) NGO engaged in advancement of educational programmes or skill development relating to:
 - (a) abandoned, orphaned or homeless children;
 - (b) physically or mentally abused and traumatized persons;
 - (c) prisoners; or
 - (d) persons over the age of 65 years residing in a rural area;
- (4) NGO engaged in preservation of environment including watershed, forests and wildlife.

The term 'Service' means:

- any activity
- for consideration
- carried out by a person for another
- and includes a declared service.

Therefore, an activity for consideration carried out by a person for another person can be included as service and it may also include a declared service. In other words, any service provided for a fee or when something is received in return would be considered as a service. All services except those provided in the negative list would be considered as taxable services.

The Service Tax Act has made all services taxable except those services which are specifically exempted. Under current law, almost all services rendered by NGOs on commercial basis or on consultancy contract are taxable under Service Tax.

Only some NGOs (not all) registered under Section 12AA of Income Tax Act, 1961 are totally exempted from Service Tax.



Therefore, in light of the above definition, Service Tax is applicable to:


- a) NGOs which are not registered u/s. 12AA of the Income Tax Act, 1961.

- b) NGOs which are engaged in relief to poor, preventive health, informal education programs, etc.
- c) NGOs which are engaged in "advancement of any other purpose of public utility".

Some of the services covered in the Negative list include:

- a) Services by way of:
 - i) Pre-school education and education up to higher secondary school or equivalent;
 - ii) Education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;
 - iii) Education as a part of an approved vocational education course (Hence, non-formal education is not covered under the exempt category of Service Tax and therefore any collection from non formal, program would be subject to service tax.)
- b) Services by way of renting of residential dwelling for use as residence; (i.e. if the NGO is renting out properties for non-residential purpose then this rent income would become service subject to Service Tax.)

Noshir Dadrawala, is one of India's leading legal expert on advisory for charity organisations in areas of Trust Law, Income-tax, FCRA, Labour Law, service Tax & VAT. To know more about our service offerings contact - connect@capindia.in



MILESTONES

In 2004, The Maharashtra Law Commission recommended that the State Government should have the power to appoint its own officers in trusts having annual income of above Rs. 5 Lakhs. CAP along with the Tata Trusts and others took the lead in meeting the Law Minister and others and quashing this proposal.

Weighted Deductions Under Section 35 (1) (ii) Of Income Tax Act Vigilance And Care That Donors Must Exercise

By: CAP Intern Tanay Gandhi



Studying At: The West Bengal National University of Juridical Sciences (WBNUJS)

At CAP: For 4 weeks

Assisted With: Researched Legal Compliance relating to labour laws, additional compliance applicable to NGOs working with environment causes & the applicability of tax deduction u/s 35(1)(ii). He also used his passion for photography to capture some images for our website.

"This internship allowed me to go out and see the sector for myself, how it works, the good, the bad, everything. Had I been bogged down into pure legal research, my understanding of the law would have grown (which it did even with the current internship setup), but I would have missed out on understanding the ground realities of how the sector functions. I think for someone like me, who eventually seeks to work in this sector, that is more important than purely knowing law alone."

Under the provisions of Section 35 of the Income Tax Act, certain institutions involved in scientific research which have been given prior approval, enjoy a special tax status. Donors making any donations to them under specific directions that such funds be used for scientific research are eligible for a weighted deduction of the donated amount from their taxable income. **The Act therefore encourages donation and grant-making to institutions involved in scientific research, as a desirable social objective.** It is with this in mind that the framers of the Act have allowed for a weighted deduction in such instances. However, there are stringent requirements, often not only from the IT Dept., that institutions wanting such

approval must meet. In light of the complicated approval process as well as the complex procedures involved in renewal, it becomes very important for donors and those making grants, who seek this weighted deduction to know and understand if the organisation they are funding has the required approval or not.

It is quite clear that an organisation that has approval for weighted deductions under Section 35 (1) (ii) will attract more donations, corporate grants, and general funding than one that does not. **This may lead to organisations not being entirely honest with their status vis-a-vis Section 35 (1) (ii).** It therefore is vital that those individuals or organisations making the grants, or the donations, be fully aware of the law regarding the weighted deductions and engage in diligent checks of the donee organisation to know if they have approval under the relevant provision of law.

The first thing to look for while making a grant or donation to any such organisation that claims to have approval from the IT Dept. is whether that particular organisation involved in scientific research is an organisation recognised by the Department of Scientific and Industrial Research, The SIRO (Scientific and Industrial Research Organisation) certification that is granted by the DSIR is given to organisations after careful analysis and assessment.

The DSIR is comprehensive in its assessment of organisations and it is made sure that the organisation is truly involved in innovative or useful scientific research. Thus, it helps potential grant-makers or donors to know whether the organisation they are funding is involved in genuine, quality research work. With regard to weighted deductions, the SIRO certification is a mandatory pre-requisite for any organisation attempting to gain approval under Section 35 (1) (ii). Therefore the SIRO certification is a useful first-step for donors and grant-makers, to know whether they can avail of the benefits of the weighted deduction by donating to the concerned organisation. **If there is no SIRO certification, the question of approval for weighted deductions does not even arise. SIRO certifications are given for three-year periods and renewals must be before the expiry of the running period.**

Once the SIRO certification of an organisation is verified, the donor can move ahead and check the organisation's recognition as an institution involved in scientific research under the IT Dept. and its approval for weighted deductions. **This is a little tricky. When an organisation approaches the IT Dept. for approval, it is in effect approaching the Dept. to be approved as a scientific institution under Section 35.** This application goes through the local authority to the Ministry, where approval is either granted or rejected. Once an organisation has such approval, donors and grant-makers to it are entitled to weighted deductions. These deductions happen at the local authority level, thus it is important for the organisation also to have been certified by the local authority as one in which weighted deductions are available for donations or grants.


The tricky part is that while at the Ministry level approval as a scientific institution involved in scientific research is given for a period of three years, the certification for weighted deduction from the local authority is given only for periods of a year. Thus, donors and grant-makers must be careful and vigilant that the organisation they are funding is not only an approved scientific institution but has also received certification from the local authority for weighted deduction.

Another aspect that must be noted by donors and grant-makers is that the IT Rules prescribe a period of up to 6 months for Dept. to either grant or refuse

approval under Section 35 (1) (ii). However, in actual practice, it is almost unheard of for the Dept. to give its final verdict on an application before completion of 6 months from the date of submission of application. It is therefore advised that a delay in receiving approval from the Dept. is not necessarily due to the organisation not being suitable for such, but rather due to the Dept. wilfully and often unnecessarily stretching the process to 6 months.


The special provisions for weighted deductions under the IT Act are designed to encourage scientific research by increasing funding in that regard from outsiders. To that end, it is a useful provision of general public importance. However, the stringent norms to gain the certification required under the provisions of the law make it rather complicated a process. **At the end of the day, it is up to the donors and grant-makers, who in the end will benefit from the weighted deduction,** to ensure that the organisations they are supporting have the approvals from the IT Dept. and all other certifications that are pre-requisites for that.

Editor's Comments: The concept of weighted tax deduction is quite unique and while it's a major incentive for donors there are several fraudulent operators who mislead donors. This article by our intern Tanay is not just an eye opener for potential donors but provides due-diligence steps that should be taken by the donor as also kept ready by the donee organisations.



Did you know?

In September 1988 the Central Board of Direct Taxes decided to bring in a draconian new Section 80F. Mr. R. R. Chari and Mr. Banshi Mehta, Chairman of the taxation committee of the Indian Merchant's chamber lobbied vigorously against its implementation and succeeded.



CSR & FCRA: An Australian Perspective

By: CAP Intern Madison Nixon



to a large extent, viewed as a limb of governmental duties with the provision of many services in health and education funded, sustained and subsidized by tax income.

CSR:

Mandatory CSR has created sweeping changes across India, emphasising social justice and responsibility. However this is not without the challenges and costs of establishing and maintaining focused and meaningful units rather than just minimalistic compliance. **This, combined with the influence of corporate voices within government, has deterred similar movements within Australia, despite pushes from our non-profit sector and international bodies such as the United Nations.**



In place of mandatory contributions, Australia maintains a voluntary process of sustainability reporting on the economic, social and environmental performance and impacts of companies and organizations annually. Transparency, in this way, encourages greater compliance with sustainable practice and boasts the benefit of increased brand popularity particularly with ethical investors. This is furthered by corporate codes of conduct which encourage CSR awareness and initiatives as imperative for good governance. Despite this, however, only 24% of Australia's largest companies undertake such processes. It seems unlikely with the influence wielded by such groups that Australia will catch up with India in terms of legislating upon this matter to ensure ethical and sustainable practice for the future.

Studying At: University of Western Sydney & a legal cadet for Coleman Greig Lawyers in Sydney.

At CAP: For 4 weeks

Assisted With: Visited NGOs to create a legal audit checklist for education-based non-profits; assisted with running a workshop on internal and external communication within the sector; researched Corporate Social Responsibility and Foreign Contribution Regulation Act within India as compared to Australia

Being able to see their everyday life of the girls in the orphanage at Seva Sadan really solidified the change which NGOs can have on individual lives. In particular speaking with the retired matron, a lady who had spent so many years caring for the girls and had now taken on the role of grandma for the hundred girls living there currently was particularly moving. Indeed I have met so many influential people creating real change, this is endlessly inspiring and has really shaped my perspective of India positively.

Two of the core legislative changes which have recently shaped the non-profit sector and CAP's work are mandatory CSR and the FCRA. **It is interesting to note that Australia, despite our shared political and legal systems, houses an entirely divergent perspective on both these issues.**

The Context:

The Australian non-profit sector is dwarfed by India's standard, containing just over 40,000 organizations country-wide compared to over 3.3 million in India. This is due to both the stark difference in population and also the fact that within Australia, social welfare is,

Test of Being 'charitable' Has To Be Based On Definition Of 'charitable purpose'!



In a decision by Income Tax Appellate Tribunal (ITAT), Mumbai it has been held that a Trust whose objects include 'international welfare' is a charitable entity and cannot be denied S.12A registration.

DIT (E) who rejected the application for S.12A registration of the Trust in its order had contended that Critical Art & Media Practice's (CAMP) objects include charitable as well as non charitable activities, such as hosting of artists-in-residence programmes for international artists and raising funds for organizing trips, seminars and conferences within and outside the country. Considering S.11 applies only for income to be applied for charitable purposes within India, DIT took the view that CAMP cannot be given tax exemption status.

CAMP filed an appeal before ITAT (Mumbai) against the Order. **The Tribunal divided the issue into two parts, one for examination of charitable activity and second applicability of tax exemption (S.11) on the same. ITAT after examining the case, held that while it is true that the objects of the trust are such that it may apply some of its income outside India, however the test of an entity being charitable has to be based on definition of 'charitable purpose' under S. 2(15).** It stated that this definition nowhere states that any activity undertaken by a Trust outside India is not a charitable activity. Thus even if an entity applies its income on welfare activities outside India, its charitable purpose needs to be seen in light of definition given under S.2(15).

It further stated that in case the Trust applies its income on objects which are outside India and if not authorized by CBDT that expenditure would not fall within the definition of application of income under Section 11 and would need to be dealt accordingly.

[Citation : ITA No.736/M/2013 2 M/s. Critical Art and Media Practices vs DIT(E) dt 15 Mar 2015]

Overseas Outlook contd. from page 10

FCRA:

The non-profit sector in India plays a comprehensive role in the provision of basic human rights services such as relief of poverty, health and education. This therefore draws many philanthropic international organizations and individuals to donate to worthy causes with the country receiving over \$2 billion annually. An influx of funding, as well as India's historical suspicion of foreign influence, has led to the strict imposition of the FCRA.

Perspectives within the Australian sector starkly contrast against this with religious, cultural and recreational organizations accounting for over half of all non-profits. Due to the Australian government's role in maintaining structures for social welfare, the country receives little external funding for key human rights issues. Indeed over a third of the funding for the non-profit sector is provided by the government, whilst a third comes from sale of goods/services and the rest made mostly through

domestic donations. Due to this context Australia houses very few regulations on the receipt of foreign funds into the non-profit sector. Indeed where foreign funding plays such an objectively small role, restrictions such as those imposed by the FCRA would have little impact.

Editor's Comments - Madison has made an important comment while comparing CSR in India with the trend in Australia. It's not "mandatory" under law in Australia and yet it maintains "a voluntary process of sustainability reporting on the economic, social and environmental performance and impacts of companies and organizations annually." This is the true global essence of CSR and not the 2% arithmetic that India has reduced CSR to!

LEADERSHIP – Yesterday & Today

By Meher Gandevia-Billimoria

How do you define and implement leadership? Is leadership associated with seniority or one's position in the hierarchy of the organisation? Let us hear thoughts from various voices from the social sector.

We asked one doctor, an educationist and a CSR Head, who have ties with the social sector. What the essentials of a good leader are and the one that inspires them.

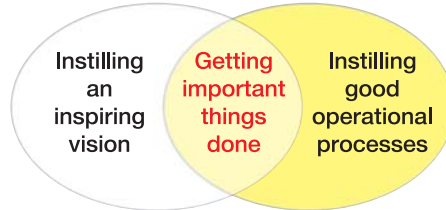
Dr. Vispi Jokhi is an orthopaedic doctor and **Trustee of Ahura Support** – a non-profit support group for the disabled. According to him, "A good leader is a visionary innovator capable of taking calculated risks and staying the course in case of failure. A great communicator, listener, team builder, ready to give credit for success to the team and take blame for failures on himself. One can be a dreamer and out-of-the-box thinker but practical and with sound domain knowledge of the industry."

The person who inspires Vispi - "Without a shadow of a doubt, **Mahatma Gandhi**. A classic Karmayogi, capable of loftiest idealism combined with the shrewdness of a skilled negotiator. He was imbued and immersed in his visionary ideas and yet detached. He would never compromise on the means adopted in his work, even for the loftiest of goals. Above all he practiced what he preached."

Diana Marfatia has been associated with **various leadership roles within the education sector** for over 20 years. Currently, Headmistress of a leading International School of Mumbai, she also has been a mentor of an educational cum leadership development programme called the Holiday Programme for Youth (HPY). Her five essentials of a leader - "one who manages to: align the team in line with the task at hand, synchronises the team harmony to be able to create a harmonious 'symphony', defines the purpose and sets appropriate goals, helps to energise the group to undertake the activities to achieve the goals and achieve success, allows others to lead, without losing control and continuously learns".

Foram Nagori, from Taj Hotels, Resorts & Palaces works for **social responsibility strategy, deployment & monitoring & United Nations Global Compact/triple bottom line reporting – among various other CSR-linked expertise**. She feels, "Genuineness, ability to inspire people, collaborate with multiple stakeholders/experts & catalyze innovation." Undoubtedly she is inspired by, "Abdul Kalam - for his connectedness with motivating the masses & driving policy/strategy with equal flair!"

LEADERSHIP VS MANAGEMENT



Manager and leader are two completely different roles, although we often use the terms interchangeably. **An ongoing debate relates to the correlation between leadership and management. Does a manager have to be a great leader? Does a leader need to have good management skills?**

Diana says it is distinct, "A **MANAGER** is a person who through his work experience learned the process of doing things according to the ethos of his institution. A manager is just that person who will make the engine move and keep the company/institution going. He may not need to be compassionate or may not need to have emotional intelligence, which are vital ingredients of being a good leader. A **LEADER** on the other hand is the one who irrespective of his position, influences inspires and builds people up to perform that are aligned to his and the team's goals. Difficult-to-achieve as these goals may be, he stays in the front line and leads by example – guiding, provide logistical & emotional support to ensure team success."

She highlights, "A manager does not often make a great leader but a good leader needs to have good management skills and much more."

Vispi feels "Actually this debate about leadership and management is more about nature vs. nurture. While there is an element of natural leader, this alone cannot compensate for trained managerial skills. So effectively, both are essential in almost equal measure."

Foram echoes similarly, "Leadership and management are both like two intersecting venn diagrams. Some components do overlap but obviously they are not the same! **For some situations you need management, for some others leadership and for most – both management & leadership."**

Thus it would be fair to conclude - Leadership and management must go hand in hand be and complementary. Any effort to separate the two is likely to cause more problems than it resolves.

What 7 skills according to you are essential in any leader?

Dr. Vispi Jokhi

Innovator, Thinker, Integrity and Honesty, Communicator, Team Builder, Strong Emotional quotient, Knowledge of his trade

Diana Marfatia

Inspires and motivates others, displays high integrity and honesty solves problems and analyzes issues, communicates effectively, builds relationships, displays a strategic and long term perspective, develops others



Foram Nagori

"Genuineness, ability to inspire people, collaborate with multiple stakeholders/experts & catalyze innovation."

LEADERSHIP STYLES & ESSENTIAL TRAITS

Different types of leadership styles exist in work environments. Advantages and disadvantages exist within each leadership style. The culture and goals of an organization determine which leadership style fits the firm best. Here are some -

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his direction. This leadership style deters the production of employees needing supervision.

The **autocratic leadership style** allows managers to make decisions alone without the input of others. This leadership style benefits employees who work without close supervision. Creative employees who thrive in-group functions dislike this leadership style.

Also known as the democratic leadership style, **participative leadership** values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. This style may boost employee morale because employees contribute to the decision-making process. This style meets challenges when decisions need to be taken within a short period.

Managers using the **transactional leadership** style generally implement the 'carrot & stick' method, providing rewards and reprimands. Those rewarded with performance based increments of promotions generally feel enthralled but those who do not make the mark begin to feel insecure and get restless, sometimes destructively

The **transformational leadership** style leaders focus on the big picture within the organization and delegate smaller tasks to the team to accomplish goals. This style depends on high levels of communication from management to meet goals.

Whatever the style, all leaders need indispensable leadership qualities or skills. Among many there have been some popular ones – **Looking forward, Empowering others, Accomplishment, Decision making, Engaged, Risk-taker.** Having said that it does not matter if you are entry level or senior level; there are certain traits that all leaders share.

Everyone at some point or the other encounters and manages a leadership situation or gets motivated by one.

Vispi cites a sporting one, "I think that the moment which comes to my mind is M.S. Dhoni captain of the world cup winning team in 2011, leading from the front in the finals, walking into a pressure situation and taking the team to a win. At the end his ability to give credit to his team seen on numerous occasions is truly etched in my memory as an example worth emulating."

Diana recollects an incident that made her aware of her leadership potential, "When I was the Principal in a previous school, we happened to be working closely with the then Education Inspector of that zone, a very upright and ethical lady. In addition, she had a clear vision and made us all work hard towards making her vision a reality for the students under our care."



logical and sequential manner. This helped us achieve our goal and complete the task successfully. I was pleasantly surprised to find that my team mates let me take the lead and in fact often voiced that I made a good leader and one that understood the task at hand very clearly and got the work done in a congenial and healthy work environment. This situation has left a lasting impression on my mind, as I too learnt so much from it."

Foram concludes, "As a first recruit in Ladakh Autonomous Hill Development Council support project of TISS & SDTT Trust, I was required to work like a young leader & social entrepreneur to partner with multiple stakeholders there and setup processes for participatory planning & plan for capacity building of the development partners and Government functionaries. This role of catalyst & facilitator is very early years of my career brought out various leadership skills in me"

Leadership is not a one-size-fits-all definition. We all have our own philosophies; some people think leadership means guiding others to complete a particular task, while others believe it means inspiring and empowering other members of your team to deliver their best. While the definitions may vary, the general sentiments remain the same: leaders are people who know how to achieve goals and motivate people along the way.

She wanted a group of Principals to come together and work closely on writing a Manual, which she thought, would benefit all Principals. We team members were leaders in our own right and in a sense all at the same hierarchy. However, as we started working it just so happened that I saw myself leading discussions, making strategies to break the big task in to small achievable parts, and then moving on in a


Many of our members have requested that they be able to interact with other NGOs, have peer discussions and voiced an interest to be able to stay in touch with the sector contacts.



We have now **2 new platforms** that will enable you to get updates on all legal and others sector news + keep in touch with fellow NGO members.

Please join the **CAP Social Sector Networking Group** 

Here you can post relevant information of your NGO, any questions you may have, any assistance you may need - as long as it is related to the sector and within the group rules.

Stay Updated by subscribing to **the CAP Blog**  All legal and sector updates will be posted on our blog. The blog has a tab on the top right - Follow by Email - where you may enter your email id and you will receive updates straight to the email id you enter.

We look forward to your interaction on Facebook and feedback on our blog blogger ICON



Leaders of NGOs Learn with CAP's Workshop

Our Report on the session for Organisation Leaders with our overseas expert Pesh Framjee

Often, 'Good Governance' is a term that most pay lip service to. Many feel that it 'looks good' to mention it in Annual Reports -- "we believe in good governance best practices", little knowing what these "best practices" could be.

Often NPO Boards have 'conflict of interest', but, refuse to disclose it let alone resolve conflict. Also, most often NPOs think 'Risk Management' is what business enterprises should be concerned about, little knowing that NPOs encounter far greater risks be it in terms of human and financial resources or programs and sustainability.

Keeping all these and other factors in mind CAP organised a workshop with an internationally accomplished expert in the field, **Mr. Pesh Framjee**. Pesh is the Partner leading the International Not For Profit Group at Crowe Horwath International a role he previously carried out at Deloitte and Arthur Andersen.

Pesh set the tone of the seminar by stating that being a non-profit is never an excuse for tardy management. Whether the organisation is for-profit or non-profit it must focus on raising adequate resources and managing them effectively. Just as business houses are 'profit driven', NPOs are 'value driven'. However, both need to be financially healthy. He emphasised that continuous learning and improvement is something that all Boards and Management need to consider. The organisations that are succeeding have recognized this and know that they need to be nimble and able to change and adapt.

How do you stay best in class, in governance, risk management and performance measurement were some of the key issues that the 33 participants debated on.

Boards and management of NGOs and other not for profit organisations need to be able to constantly respond to a number of questions:

What is good governance and what are the necessary attributes for boards of the future?

Structures, behaviors and competencies need to be fit for practice and understanding of what successful organisations are doing.

In effect 'good governance' is looking even beyond legal and fiscal compliance to ensure effectiveness.



It's about integrated transparent and accountable systems and processes that permeate across organizational silos.

We often think in terms of financial or legal audits and at times on program performance audits. **However, Pesh brought up the interesting issue of 'Skills Audit' to which a participant pointed out that if they tried recruiting after a skills audit it would take more than a year as the people with the necessary skills often don't have the time, passion or shared vision.** Another participant said, "While we formally may not have that process here in India we do it subconsciously".

Why we are here and where are we going to?

This requires clear understanding of the mandate, mission, vision and values of the organization. It was emphasized that everyone must have a 'buy in' to all these and in the absence of ownership it would fail. Unless there is a 'buy in' by the CEO and staff a 'Board driven' agenda could fail and conversely, without Board 'buy in' and support a CEO driven agenda may not be effective.

There were several other thought provoking issues:

How do we get there? This requires a coherent strategy and operational plan to deliver against objectives.

What might prevent us from getting there? This is the risk management piece. Risk management is not about being risk averse but about understanding the uncertainties that can prevent the organization from achieving its goals.

How do we know we are getting there? This is the performance measurement piece, tying into effective processes and delivering impact.

How do we remain nimble? This requires recognition that change is constant and managing change needs to be understood at all levels

The Art of LEADERSHIP

By Abhishek Thakore

Abhishek is the co-founder of The Blue Ribbon Movement which builds Leadership for a better world. He is passionate about social change, personal growth, travel, art and writing and would love to help your organisation work through their leadership and people challenges.

What is the "state-of-the-art" in the art of leadership? What is the leadership we need for tomorrow's world? To answer this question, we (The Blue Ribbon Movement) convened 'wisdom circles' in 6 cities in India. We invited HR managers, academicians, entrepreneurs, social workers and leadership practitioners to reflect on this question. The answers that emerged from this process became our Leadership Manifesto – a poster that distilled the art of leadership.

Here, we weave together, some of the most timeless artifacts of humanity with some thoughts and ideas that we have catalyzed through our work.



It's a time of challenges!

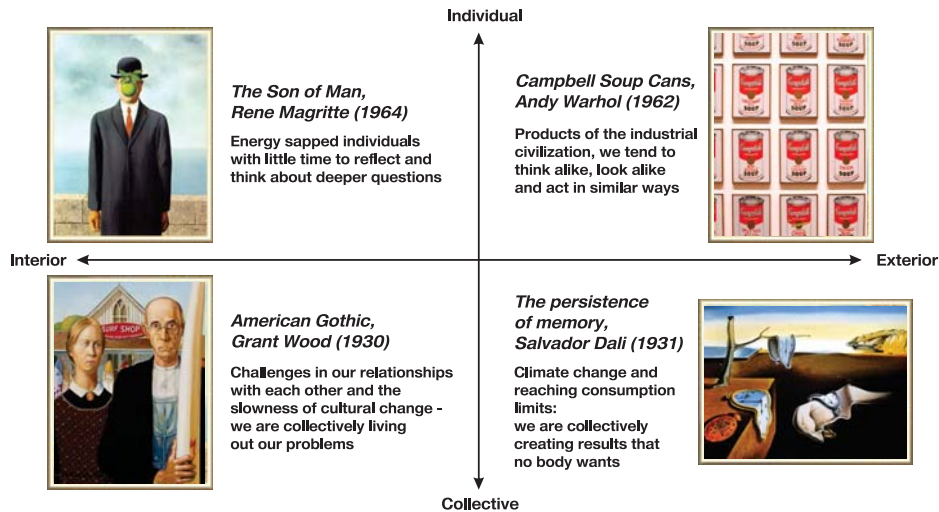
Each of us has a 'citizenship of time' – the times we are born in present unique problems, and from these, the real opportunities to lead are born.

To represent this, I am going to begin with "The Scream" by Munch (1893).

I want to scream!

The way things have been going, I feel an increasing sense of urgency – a feeling that we all need to step up, get together, accelerate the rate at which we learn and contribute...all while being anchored in a very still center. Here is a question: What challenges do you see in your cause that may call for leadership?

Here are some that we see as emerging challenges...



So it is time to look for newer ways of leading – of engaging with this emergent complexity that cannot be fully predicted. What do we need?

We pull out a few insights from the Leadership Manifesto – and from our work with several NGOs. These are organized in 3 distinct journeys:

- The Me Journey: The journey of individual excellence
- The We Journey: The journey of mobilizing others towards a dream
- The Us Journey: The journey of 'holding space' to catalyze change, and to lead for an increasingly larger cause



So here are the practices

1. Understand yourself more deeply (from the Me Journey)

Look at Picasso's Girl Before the Mirror (1932). She reminds us that the way we see ourselves is never fully accurate – and so deeper reflection, 360 degree feedbacks, constant learning and purifying our intent is central to our work.

Only those anchored in a space of inner peace and stillness can bring it to the world – an internal split will eventually create splits outside too!

@ **Blue Ribbon** : We begin each day with 10 minutes of silence, meditate together for an hour each week and encourage ample reflection to build ourselves

Reflection question: What practice helps you go deeper into yourself every day?

2. Moved by Love (from the We Journey)

This may sound like a cliché, but particularly for the social sector, it is meaning that we are all looking for. There is love for a group of people whom we seek to contribute to.

Anchoring our work in love for each other, for our beneficiaries and for ourselves makes a lot of other things easier!

For inspiration, here is The Kiss by Gustav Klimt (1908)

@ **Blue Ribbon**: We hold the metaphor of being a family – there is complete flexibility in timings, unlimited leaves and no performance 'appraisals'.

Reflection question: How do you bring love into your workplace? How do you make your people look at work as a 'labour of love'?





3. Anchoring in the larger context (from The Us Journey)
M F Hussain's Mother Teresa (1997) reminds us that each of us is a 'soldier in the army of the Lord'.

Some of the most successful social change agents draw their inspiration from a context that is much larger than themselves – seeing themselves as channels through which the work of goodness unfolds.

Timely reminders to ourselves of these are a great way to stay on-course

@ Blue Ribbon: The word 'Movement' in our organization reminds us that we are a part of the larger movement of goodness (of which even CAP and each of you is a part of) – this larger context is a great place to be anchored in!

Reflection Question: How are your connections to other organizations in your space? How well connected are you to the social change Movement as a whole?

4. Time to rethink, time to Relead (from The call of our times)

The painting of MonaLisa by Leonardo Da Vinci (1517) was a land mark event – in a break from painting Gods, this man created a beautiful painting of a woman with an enigmatic smile.

It is time for us to break away from our Zeitgeist – from the culture that tells us that only a few things are possible. It is time to radically innovate, draw strength from our deepest sources and create something!

@ Blue Ribbon: Our part of the puzzle is to make leadership simple and accessible to large number of youth, and leverage their energies for social transformation. That is our 'big idea'.

Reflection Question: What is your part of the puzzle? How do you plan to solve it in a radically new or meaningful way?



5. In Closing: Towards a new world that works for everyone
I close with Van Gogh's Starry Night (1889) – a peaceful world where each of us has enough, where each of us creatively fulfills their destiny and where each one is free to reach their highest potential....to bring the world to that place is our journey....and the path to that is through exercising our leadership....all for the beautiful world that our hearts know is possible!

The closing lines of "Starry Starry Night" go as follows:
Now I think I know
What you tried to say to me
The "How you suffered for your sanity"
The "How you tried to set them free"
They did not listen they're not listening still
Perhaps they never will

We may suffer for our sanity (going beyond ourselves to contribute) and our attempts to set them free (our beneficiaries) may never fully work....We may have something valuable to say, and we may never be heard....

But the journey of our leadership must go on....because the journey itself is a beautiful one, and one that is worth taking

MHA Cancels Greenpeace India's FCRA Registration



Invoking Section 13 of the Foreign Contribution Regulations Act (FCRA) 2010 the Ministry of Home Affairs (MHA) has now cancelled the registration of Greenpeace India.

MHA appears to have told the Delhi High Court that it cancelled the FCRA registration of Greenpeace India as it was continuing to use its FCRA accounts despite suspension of the same.

MHA, in an affidavit filed in court, has claimed that Greenpeace violated FCRA by mixing its foreign and domestic contributions. **The affidavit has been filed in a plea moved by the NGO challenging suspension of its FCRA registration and freezing of its foreign and domestic contribution accounts.**

On May 27, 2015 the court allowed Greenpeace to use two of its accounts for the purpose of receiving and utilizing fresh domestic donations for its day-to-day functioning. Earlier, the Ministry had on April 9,

2015 suspended the NGO's registration under FCRA for 180 days. **Greenpeace India termed the government action as an attempt to "silence campaigns" and said it will not be deterred.**

The cancellation of FCRA license came months after the Home Ministry suspended operations of Greenpeace and blocked foreign funding alleging that the NGO had been involved in activities contrary to country's economic progress like organizing protests against coal mining, anti-government propaganda in India and abroad.

Since last one year, FCRA registration of several thousand NGOs has been cancelled by the government for violating various provisions of FCRA.

In April, government ordered that funds coming from the US-based Ford Foundation should not be released by any bank to any Indian NGO without mandatory permission from the Home Ministry.

Cap Workshop Update contd. from page 15

Participants discussed how to implement risk management that focuses on both value protection and value creation, linking strategy to risk. They also discussed aspects of measuring performance and impact and the importance of useful research on change management and strategy facing NGOs.

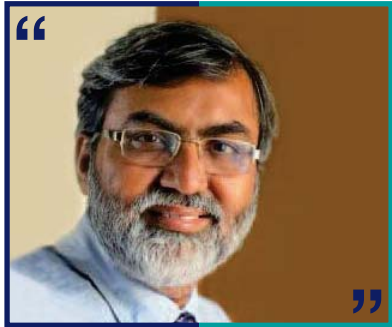
Participants also discussed what leads to successful change, lessons learned, how to go about it and how to recognize when change is needed. Most concluded that change efforts do not deliver up to expectations. Pesh pointed out the difference between successful transformational change and simple tweaking initiatives. He felt that Boards and senior management need to ensure that they can lead and shape change efforts big and small. **The workshop culminated with a group exercise where real experiences were shared with examples on collaborative efforts and how risks were assessed and mitigated or circumstances under where risks far outweighed the potential benefits.**



Are Leaders Born? or Made?

It's a debate as timeless as the age-old controversy about the chicken and the egg. One school of thought proposes leaders are born that way – naturally intelligent, strategic, visionary and charismatic, able to articulate a plan and rally their teams around it. Others believe that leaders are made – needing ongoing experience, training, development and coaching/mentoring. Some of the basics of good leadership can be self-taught, but many useful skills will be acquired through experience developed over time. By watching and analysing, one can develop their own leadership style based on what has proven effective for others.

So then, what “does it take” to be an effective leader; and are leaders “born” or “made?”



Dr Purvish M. Parikh
Member of Board of Studies
Mah. University of Health Sciences

In simple terms, Leadership qualities need to be inborn as well as learned and nurtured. The inherent component refers to the IQ of the person and his/her ability to comprehend problems. The acquired components refer to the educational environment in which the person grows up, the exposure to different situations and the past experience of outcome following the adoption of one of the possible management strategies. This information has to be imbibed, insight developed and then imparted to others in a manner that can be understood by them. **Reputation as a leader also takes time to be developed and, once a tipping point is reached, a positive feedback cycle ensures. Leaders can give, can take or do a mixture of both.** The most successful leaders are those that give - a quality that is rare in today's world.

Dr Purvish M. Parikh, Member of Board of Studies, Maharashtra University of Health Sciences and Director of Precision Oncology, Asian Cancer Institute.



Nissim Pingle,
Senior Manager
EPJCC, AJDC, India

I personally believe it's a misconception that leaders are born, there is no hard evidence to support that it is genetic. Excluding birth defects and trauma, we all have the same faculties to exploit. Hence I reckon it has a lot to do with environmental factors that affect the individual. What I mean by these “factors” is - Practice, feedback, role models, coaching, support and recognition - all external factors that “make” a leader! There may be many great people who are born every day that have the potential to be fantastic leaders but might never grow up in the environment that enables them to realize their potential.

There are also countless instances of individuals being “thrown” into a leadership role- someone who entrusted him/her with an opportunity that was bigger than his or her ability at the time of the opportunity, so s/he took upon him/herself to learn and advance and become a leader. A great example comes from the bible when Moses saw himself as someone not worthy of the task of leading the people out of Egypt but ultimately went on to be recorded in the bible as the greatest leader -Visionary, passionate, persistent, patient. **Leadership can be developed over time. It is essentially about understanding other people and more importantly about understanding yourself.** Just having

the traits is not enough but much “application” is also needed. A tea vendor with humble beginnings, described as “an average student” by teachers, belonging to the OBC category went on to become a Prime Minister not because he was a born leader but by slowly and gradually working his way to the top through hard work and dedication. In conclusion I would say, Leaders are certainly made and on a lighter note- maybe they are born to be made!

Nissim Pingle, Senior Manager, EPJCC, AJDC, India

AJDC helps with life saving work for the needy and the elderly and also involved in community enrichment efforts.

The term “Leader” doesn't mean “Hero”. Hero represents a philosophy – putting life on the line, daring to do something that results in good for others/society/country, etc. A leader may also end up as a hero, but all heroes are not leaders. Throughout history you have two kinds of leaders in armies- those on whom leadership was thrust upon by lineage and those who fiercely fought for it- the Mughal empire in India and the great Maratha warrior king, Shivaji are a contrast. The development sector has what I call ‘cause leaders’- individuals driven passionately by a cause- where the drive may arise from a family event or an external incidence. Such individuals are able to devote an extraordinary amount of time and dedicate themselves to the cause. Generally speaking they tend to have a magnetic ability to command a loyal group of followers and raise funds. Do they make great leaders in the sense of building a great institution, build a sustainable team and excel in operations, as well as they do in advocacy? Not always it seems. That's why the sector seems to need a combination of the roles of ‘cause leader’ and an ‘operational head’. **In a modern organization, where efficiency and goal delivery are the primary driving factors, people who have a history of achievement and are driven by ambition will be thrust into leadership positions.**

Its only then that some among them will become important leaders- ability to see the big canvas without losing the micro detail- like an eagle, clear focused vision. But added to that are clearly the ability to internalize learnings over a period of time from diverse experiences. Inherent self-confidence developed from background, wealth related security, family related emotional security and moorings is the base. On that are mounted experiences; often experiences are shaped in ones mind by the way upbringing has allowed those to be perceived. Does training help? Yes it would if the base is capable enough – not otherwise. So some people who have the right characteristics and the passion may be groom-able and polished. But is passion or sensitivity or basic value systems trainable? I am not at all certain. Managers are trainable, leadership skills can only be polished. At any rate the modern organization, unlike Devsec, is clearly uncomfortable with “leaders”. It wants efficient team persons who can deliver. Not independent visionaries- the story of Steve Jobs is a demonstration!

Nishit Kumar, Head, Communication & Strategic Initiatives, CHILDLINE India Foundation

CHILDLINE is a national, 24x7, free, emergency, phone outreach service (1098) for children in need of care and protection, linking them to long term rehabilitation.



Mary Ellen Matsui
Executive Director
Atma

Mary Ellen Matsui, Executive Director, Atma

Atma empowers grassroots education NGOs to become bigger, better & stronger.



Nishit Kumar
Head Comm. & Strategic Initiatives
CHILDLINE India Foundation

No one is born a leader! You have to learn and practice and develop your skills through experience.

Starting from when I was very young I attended YMCA summer camps. At camp we were given A LOT of leadership responsibilities and I was able to experience my first big leadership failures. My first big failure was directing my canoe group about 10 kms off course towards the wrong island. This was a big and real life failure that I and my whole team had to pay for by not having dinner until very very late at night.

That was my first (hardly last) leadership “wrong turn”. And that time and every time since, it has been about:

- seeing the mistake (self awareness)
- turning the map the right way up (flexibility)
- starting again (resilience) or in that case 10 km behind where we started in the first place.

I have a phrase I say to myself, “burn it to the ground”, only to myself, not out loud, I don't want to sound crazy. Because sometimes you fail - not a little bit but a whole lot, and you have to start all over again. To me **“Burning it to the ground” is what leadership is all about. As a leader you have to be the one to light the match and to lead your team in starting again.**



“ ”

How I Got Here

Shaheen Mistry

To me a great leader is someone who has the ability to fulfill their vision by inspiring and empowering others. It was a privilege and pleasure to work under Shaheen and I think I couldn't have had a better mentor in my first job and introduction to the social sector. Presenting the best teacher and leader I had... says Meher Gandevia-Billimoria

I founded Akanksha & Teach for India (TFI) because... I truly believe that every child deserves an excellent education - an education focused on academic achievement, right values and enough exposure and access to the world.

My one learning with both organisations has been... as Mother Teresa so beautifully says, that we can do no great things - only small things with great love. Every person has a role to play in this larger fight- it only takes one little step forward. Throughout it all, my kids are what kept me going. I couldn't let them down - and that's what kept me on the path.

Challenges along the way... maintaining a balance between scaling the movement quickly and continuing to ensure the highest levels of quality and impact.

Our work has come a long way because... the people I work with have had immense belief and faith, and are passionate about what we do. Our students are always pushing us to become better and reach our vision.

Funding for any organisation... has been challenging but feeling grateful for the tremendous support that we have had from various organizations and people.

Social Impact according to me is... a movement of people doing small things, that will end up really shaking the world.

My thoughts on scaling up... as Teach For India expands to more cities and recruits a large number of Fellows, funding becomes a challenge. While

Teach For America corps members receive their compensation directly from the schools they are placed in, Teach For India Fellows are paid by Teach For India itself. The funding required for Teach For India to place 1000 Fellows in schools across India is over Rs. 50 crores a year.

If I could change one thing about the social sector, it would be... shifting mindsets on the teaching profession. We need the brightest leaders to teach and to really understand the education system. Without this, we cannot change the system.

Leadership in any organisation... is critical to the success of any organization. The leadership team needs to have a strong vision and purpose, and live values every day.

The one person who has inspired me... Mahatma Gandhi. His words, principles & ideals have shaped the way I look at my work.

In my free time I... love to spend time with animals.

Shaheen Mistry founded the Akanksha Foundation and is the founder and CEO of Teach For India. Akanksha educates 5000 children in 15 schools - equipping them with the education, skills and character they need to lead empowered lives. Teach For India educates 30,000 children across 7 cities & is building, in parallel, a force of leaders who will be committed to demonstrating, inspiring and catalysing systemic change - until the day comes when all children across India attain an excellent education.

BOOK REVIEW

Good to Great – Jim Collins Why Some Companies Make the Leap and Others Don't

By: Tina Vajpeyi

You may wonder why review a business book when we cover social issues. To start with social organizations have diversified into various formats both profit and not for profit but that is not the main reason. The lessons to be learnt from Good to Great apply to any organization which wants to be better than just good and one of the main lessons from the research methodically carried out by Jim Collins over 5 years along with his team is this – Good is the enemy of Great. Once you are good at what you do be it as an individual, a company, an educational establishment, a government or a non profit organization, trust or society, then this very facet may hold you back from striving further to be great.

In the book a number of characteristics of companies which have gone from being Good to Great are analyzed and researched and it is in this that the reader can get a number of distinct insights into building a better, more efficient and dynamic organization. After all **in the non profit world our work is endless and we want to reach out to more beneficiaries in the most effective way possible in our common aims of improving society for all.**

I will briefly touch on one chapter which talks about level 5 leadership, a hierarchy of executive capabilities which leads to a level 5 executive who builds enduring greatness through a paradoxical blend of personal humility and professional will. It was found that the good to great companies identified in the book had leaders who had distinguishing traits and these were not what one would expect to find.

Level 5 leaders are ambitious but first and foremost for the company and not themselves.

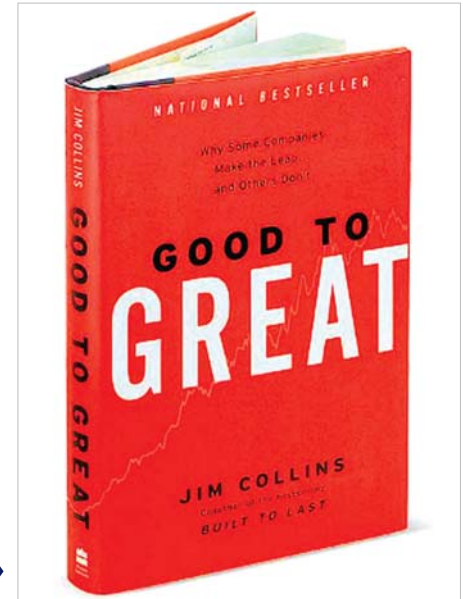
Level 5 leaders set up their successors for even greater success in the next generation whereas Level 4 leaders often set up successors for failure.

Level 5 leaders are fanatically driven they resolve to do whatever it takes and make big and hard decisions to make their company great.

Level 5 leaders attribute success to factors most often other than themselves but they take full responsibility if things don't go right.

Level 5 leaders more often than not exist within the organization and are not recruited from outside directly into leadership roles.

Leaders need to be nurtured through self reflection, mentorship, dealing with various tasks and



experiences and perhaps once one knows what traits to look out for you can develop the next stage of leadership for your organization. Leadership alone does not build great organizations but what those leaders do and how. The how is mapped out in further chapters with many examples from the companies identified of what it took for them to be great. The results are certainly often not what one would expect.

Without giving too much away, pick up the book if you want to read interesting case studies and lessons which can help you engage in new ways of working within your organization.

About Jim Collins is a former faculty member of Stanford Graduate School of Business and co-author of Built to Last a national bestseller for over 5 years with a million copies in print. He is a student of enduring great companies and serves as a teacher to leaders of both corporate and social sectors.

Should you like to review a book or suggest one - connect@capindia.in

To Try or not to Try? Basics for Online Media

By: CAP Intern Alex Betcher

ASK THE EXPERT

Studying At: University of Western Sydney
At CAP: For 4 weeks

Assisted With: Visited NGOs to create a legal audit checklist for education-based non-profits; assisted with running a workshop on internal and external communication within the sector; highlighting the work of 'the NGO working with disability' through a blog.



Through working at CAP, I have learned; that although India may have many problems, it also has no shortage of amazing people willing to dedicate their lives to alleviating these problems. A little bit about the way which the NGO sector operates in India and what is required to successfully operate a charitable organisation in such a difficult context. That I can never again complain about the Australian government bureaucracy.

Online & Social media is quickly taking prevalence as the fastest, easiest and most direct way for an organisation to interact directly with their audience. Social media is a tool that is only as good as the person using it and there is a stark difference between using it and using it well. As with any other form of communication, there are subtle nuances and etiquettes that can be difficult to discern but are essential to not be considered abrasive to the new generation of 'digital natives'. **There are huge benefits available to NGOs who can embrace and properly utilise these powerful new avenues of communication effectively but there are also a number of pitfalls. These are just a few things to keep in mind when utilising social media for your NGO**

What do we keep in mind with regard to our organisation's website?

Your NGO website is at the centre of your internet presence. Online, your website IS your NGO. If you have a tacky or dated website that hasn't been updated for months, it makes your entire organisation look unprofessional and amateurish. Remember, website styles and designs comes and go like any other fashion so you can't get complacent. You don't have to update your website every day but it should always have the most accurate and current information.

How and what content do we post to gain attention?

When it comes to what an NGO should be posting online, there is no right or wrong answer because every NGO is different. What you should focus on is (1) who is my intended audience, (2) what do they want to see and (3) what do I want them to see. Posts should be reasonably brief and facilitate a discussion. Not all posts need to be related solely to your NGO's work but there should usually be a connection. Pictures and quotes can have particular emotional resonance and are memorable. That having been said, don't create sub-par quality posts if you have nothing of value to say.

How regularly should we be posting?

There are a number of factors to take into consideration. Ideally, you want to post to platforms like Facebook or Twitter with enough regularity to keep your NGO brand fresh in the newsfeeds and minds of your followers but not too much. Social media is half conversation and half advertising. Once you've established that you're posting the right content, you have to make sure you're posting enough that people see it but not so much that they get sick of seeing it.

Who ideally should write the content?

Even if you're posting online as an NGO, someone still has to write the content. If someone is uncomfortable creating content for social media, it will always come across awkwardly. This is especially true for blogs. Another thing to consider is whether posts are being written in the official voice of the NGO or in the voice of the person writing the content.



"You see any next generation leadership, you call me."



"We're not asking you to step down, Don, feel free to use the elevator."



YESTERDAY UPON THE STAIR,
I SAW A LEADERSHIP CHALLENGE THAT WASN'T THERE.
IT WASN'T THERE AGAIN TODAY,
OH HOW I WISH HE'D GO AWAY.



"I want you to find a bold and innovative way to do everything exactly the same way it's been done for 25 years."



"I used to lead by example but it was too much work."



Everyone agreed that the morale and team-building session was a roaring success.



"What if we don't change at all ... and something magical just happens?"



"Our company lost 900 million dollars last quarter. Your job is to make this look like the best thing that ever happened to us."