

A Review of Corporate Social Responsibility in India

Panchali Singh

(Department of Business Management, Dr. Shakuntala Misra National Rehabilitation University, Mohaan Road,
Lucknow, Uttar Pradesh, India)

*Email: panchalihimanshu@yahoo.com

Abstract : Indian corporations, like those in other countries, have had a long tradition of being engaged in social activities that have gone beyond meeting a corporation's immediate financial objectives. However, since the late nineties, CSR activities have increasingly come under the lens of both policy makers as well as of corporations' stakeholders as governance issues acquired increasing prominence. Business comes in contact with various groups of society such as owners, employees, customers, government, suppliers etc. The responsibility of business, which includes satisfaction of these parties along with the owner, is called social responsibility of business. According to Steiner "Social Responsibility implies recognition and understanding of the aspirations of society and determination to contribute towards their achievements". Corporate social responsibility is a commitment to improve the well-being of a community. It is not charity but it is a core business strategy of an organization. It is a way which strikes a balance between economic, social and environmental imperatives. Now a day's companies have become more transparent in their balance sheet. They are incorporating their corporate social responsibility initiative in their annual report. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. Companies in India have quite been proactive in taking up CSR initiatives and integrating them in their business processes. It is expected that Civil society, activist groups, Government and corporate sectors should work together to create appropriate means and avenues for the marginalized and bring them to the mainstream. The success of CSR lies in practicing it as a core part of a company's development strategy. This paper analyzes CSR in India.

Keywords: Corporate Social Responsibility, Charity, Social welfare, Efficiency

I. INTRODUCTION

Corporate Social Responsibility (CSR) is a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations and in their interactions with stakeholders on a voluntary basis. The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations of society from organizations at a given point in time (Carroll, 1979).

Profit maximization is the primary aim of a capitalist economy. The mantra of hardcore capitalism is profit, more profit and only profit, but recently a new concept has emerged called co-operational capitalism. This "new" capitalism, though focused on the profit motive, also incorporates the essence of cooperation, accountability, and values in the social context. For the new generation of corporate leaders, profit optimization is more important than only profit maximization. Hence there is a shift in accountability from shareholders to stakeholders (including employees, consumers and affected communities), and a growing realization that long-term business success can be achieved only by companies that recognize that the economy is an "open subsystem of the earth's ecosystem which is finite, non-growing and materially closed."

II. THE KEY DRIVERS FOR CSR

Some of the drivers pushing business towards CSR include:

a) Direct Economic value/Brand Reputation: Although the prime goal of a company is to generate profits, companies can at the same time contribute to social and environmental objectives by integrating CSR as a strategic investment into their business strategy as they become increasingly aware that Corporate Social Responsibility can be of direct economic value. They can increase their reputation with the public and government by adopting CSR.

b) Laws and Regulations: Another driver of CSR is the role of independent mediators, particularly the government, in ensuring that corporations are prevented from harming the broader social well, including people and environment. Governments should set the agenda for social responsibility by way of laws and regulations that will allow a business to conduct them responsibly.

c) Competitive Labour Markets: Employees are increasingly looking beyond pay-checks & benefits and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

d) **Philanthropy:** It is the historical driver which means sense of ethics or welfare. After the Second World War, a variety of national and international regulations arose through bodies such as International Labour Organisation (ILO) emphasizing the need for an active social policy for transnational companies.

e) **Ethical Consumerism:** The rise in popularity of ethical consumerism over the last two decades can be linked to the rise of CSR. As global population increases, so does the pressure on limited natural resources required to meet rising consumer demand. There is evidence that the ethical conduct of companies exert a growing influence on the purchasing decisions of consumers.

f) **Globalization and Market forces:** Corporations have to face many challenges i.e. government regulations and tariffs, environmental restrictions etc. that can cost organisations very much. Organisations can sustain a competitive advantage by using their social contributions.

g) **Social Awareness and Education:** Corporate stakeholders are exerting pressure on corporations to behave responsibly. Non-governmental organizations are also taking an increasing role, leveraging the power of the media and the internet to increase their scrutiny and collective activism around corporate behaviour.

h) **Supplier Relations:** As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers to ensure that other companies policies or practices do not tarnish their reputation.

III. EVOLUTION OF CSR

Corporate Social Responsibility (CSR) evolved from its early beginnings in the 1950's. CSR as a concept found its feet more in Europe than in the US. United Nations played a significant role in universal acceptance of the idea of CSR. The topic of corporate responsibility has been captioned under many names, including strategic philanthropy, corporate conscience, corporate citizenship, social performance, sustainable responsible business. According to Dr Ratnam the concept of CSR had different meanings depending on the stakeholder and that depending on the specific situation. Forms of CSR differ according to the country or region. The term "corporate social responsibility" came into common use in the late 1960s and early 1970s as a result of an influential book by R. Edward Freeman- **Strategic management: a stakeholder approach in 1984.** Corporate social responsibility is the procedure of assessing an organization's impact on society and evaluating their responsibilities. Corporate social responsibility is a form of corporate self regulation integrated into a business model. Corporate social responsibility is sustainable – involving activities that an organization can uphold without negatively affecting the business goals.

IV INDIA AND CSR

CSR is not new to India. Development of CSR can be traced back in different phases which are as follows:

The **first phase** of CSR was predominantly determined by culture, religion, family tradition and industrialization. Business operations and CSR engagement were based mainly on corporate self-regulation. Being the oldest form of CSR, charity and philanthropy still influence CSR practices, especially in community development. In the pre-industrial period up to the 1850s, merchants committed themselves for the religious reasons, sharing their wealth, for instance, by building temples. Moreover, "the business community occupied a significant place in ancient India and the merchants provided relief in times of crisis such as famine or epidemics by opening go-downs of food and treasure chests" (Arora, 2004). Under colonial rule, Western type of industrialization reached India and changed CSR from the 1850s onwards. The pioneers of industrialization in the 19th century in India were a few families such as the Tata, Birla, Bajaj, Lalbhai, Sarabhai, Godrej, Shriram, Singhanian, Modi, Mahindra and Annamali, who were strongly devoted to philanthropically motivated CSR (Mohan, 2001).

The **second phase** of Indian CSR (1914-1960) was dominated by country's struggle for independence and influenced fundamentally by Gandhi's theory of trusteeship, which aimed to consolidate and amplify social development. During this period, Indian businesses actively engaged in the reform process. Not only the companies saw the country's economic development as a protest against colonial rule; but also they participated in its institutional and social development (India Partnership Forum 2002).

The paradigm of the "mixed economy", with the emergence of PSUs and ample legislation on labour and environment standards, affected the **third phase** of Indian CSR (1960-1980). This phase was also characterized by shift from corporate self-regulation to strict legal and public regulation of business activities. In this scenario, the public sector was seen as the prime mover of development. The 1960s was described as an "era of command and control", because strict legal regulations determined the activities of the private sector. The introduction of a regime of high taxes, quota and license system imposed tight restrictions on the private sector and indirectly triggered corporate malpractices. As a result, corporate governance, labour and environmental issues rose on the political agenda and quickly became the subject of legislation. Furthermore, state authorities established PSUs with the intention of guaranteeing the appropriate distribution of wealth to the needy (Arora, 2004).

In the **fourth phase** (1980 until the present) Indian companies and stakeholders began abandoning traditional philanthropic engagement and to some extent integrated CSR into a coherent and sustainable business strategy, partly adopting the multi-stakeholder approach. In the 1990s, the Indian government initiated reforms to liberalize and deregulate the Indian economy by tackling the shortcomings

of the “mixed economy” and tried to integrate India into the global market. Consequently, controls and licence system were partly abolished, and the Indian economy experienced a pronounced boom, which has persisted until today (Arora & Puranik, 2004). At present, Indian companies are now expected to discharge their stakeholders’ responsibilities and societal obligations, along with their shareholders’ wealth maximization goal. In India as in the rest of the world there is a growing realization that business which fails in a society cannot succeed. An ideal CSR has both ethical and philosophical dimensions, particularly in India where there exists a wide gap between sections of people in terms of income and standards as well as socio-economic status. Nowadays, India has been named among the top ten Asian countries paying increasing importance towards Corporate Social Responsibility (CSR) disclosure norms. Besides the public sector companies, it is the private sector companies that played dominant role in CSR activities.

The first formal attempt by the Government of India to put the CSR issue on the table was in the issuance of Corporate Social Responsibility Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs (MCA, 2009). Prior to this, the importance of CSR was discussed in the context of corporate governance reforms, such as in the Report of the Task Force on Corporate Excellence by the Ministry of Corporate Affairs (MCA, 2000). While the report made a business case for CSR as well as highlighted the social benefits stemming from it, the discussion was recommendatory in nature and there were little actionable points. It is in the Voluntary Guidelines of 2009 that the core elements of a CSR policy was spelt out that included care for all stakeholders, ethical functioning, respect for workers’ rights and welfare, respect for human rights, respect for the environment and activities to promote social and inclusive development.

The Guidelines specifically drew a distinction between philanthropy and CSR activities, and highlighted the voluntary nature of CSR activities that go beyond any statutory or legal obligation. The Guidelines of 2009 were followed in 2011 by the National Voluntary Social, Environmental & Economic Responsibilities of Business, also issued by the MCA (MCA, 2011). These guidelines were reportedly based on the inputs received from ‘vital stakeholders’ across the country and laid down nine principles for businesses to function in a responsible manner to promote inclusive economic growth at the national level. These nine principles are-

PRINCIPLE 1

Businesses should conduct and govern themselves with ethics, transparency and accountability

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

PRINCIPLE 3

Businesses should promote the well-being of all employees

PRINCIPLE 4

Businesses should respect the interests of, and be responsive to all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

PRINCIPLE 5

Businesses should respect and promote human rights.

PRINCIPLE 6

Businesses should respect, protect, and make efforts to restore the environment.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

As in the case of the 2009 Guidelines, the 2011 Guidelines were voluntary in scope wherein corporate were urged to adopt all the nine principles, and to report their adherence to the guidelines based on an ‘apply-or-explain’ principle. Interestingly, while one of the implementation strategies suggested in the 2009 Guidelines was to earmark “specific amount related to profits after tax, cost of planned CSR activities, or any other suitable parameter,” no such suggestion was included in the 2011 Guidelines. The transition from a voluntary CSR regime to a regulated regime came when the Securities Exchange Board of India (SEBI) required the top listed 100 companies, as part of Clause 55 of the Listing Agreement, to mandatorily disclose their CSR activities in the Business Responsibility Reports (BR Reports) accompanying the Annual Reports. This, SEBI opined was in the larger interest of public disclosure and represented a move towards integrating social responsibility with corporate governance. The most ambitious attempt at mandated CSR activities for companies came with the enactment of Section 135 of the Companies Act 2013 (MCA, 2013). As stated in the introduction, Section 135 made CSR spending as well as reporting mandatory for the very first time in India and brought the CSR activities of Indian corporate under the purview of corporate law. Specifically, the provisions under Section 135 requires companies with net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more (i) to appoint a CSR Committee of at least 3 directors (one independent director), and (ii) under the guidance of the CSR Committee, spend in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. While the quantum of CSR spending along with reporting has been mandatorily set under Section

135, there is some inbuilt flexibility in the law in terms of a company's choice of its CSR activities. Instead of rigidly defining the boundaries of CSR, the act broadly specifies in Annexure VII of the Act, the scope of social responsibility in terms of a list of activities that the corporate can potentially undertake, leaving the choice of activities to its discretion. So far as compliance to Section 135 is concerned, the law adopts a comply-or-explain approach, with no explicit penalties for non-compliance. Subsequent to the passage of the Act, the Ministry of Corporate Affairs notified the Rules with respect to CSR on February 27, 2014.

Apart from listing out specific activities on which the companies are free to spend the amount earmarked under their CSR Policy. The Rules guard against self-serving expenditure by companies by specifying that CSR activities that benefit only the employees of the company and their families shall not be considered as CSR spending under the provisions. However, companies may build CSR capacities of their own employees through reputed institutions with the proviso that such expenditure cannot exceed five percent of the total CSR expenditure made by the company in that financial year. The Rules framed under Section 135 of the Act, came into force from April 1, 2014. With the enactment of Section 135 of the Companies Act, 2013, India became the first country to include provisions on CSR in Company Law and make CSR expenditure mandatory for corporate based on pre-specified criteria. As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders.

V CSR ACTIVITIES

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocational skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;

- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- vii. Employment enhancing vocational skills
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;
- x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects, etc
- xiv. Slum area development.

Explanation — For the purposes of this item, the term slum area 'shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force. The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society. Contribution towards C.M relief fund shall be a part of CSR activities above 2% of Net profit other than the activities mentioned above. Further Ministry of Corporate Affairs vide Notification dated 24.10.2014 increased the scope of contribution made towards Corporate Social Responsibility In item (i), after the words "and sanitation", the words **"including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation"** shall be inserted;

In item (vi), after the words "and water", the words **"including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga"** shall be inserted.

Specific CSR activities under different areas include- A Education:

- i) Support to Technical /Vocational Institutions for their self-development.
- ii) Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- iii) Adult literacy amongst those belonging to BPL.
- iv) Awareness Programmes on girl education.
- v) Counseling of parents

- vi) Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- vii) Spreading legal awareness amongst people and disadvantaged sections of the society about their rights & remedies available.
- viii) Promotion of Professional Education by setting up educational Institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc.
- ix) Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education.

B Water Supply including Drinking Water:

- i) Installation/Repair of Hand Pumps/Tube Wells.
- ii) Digging/Renovation of Wells.
- iii) Gainful utilization of waste water from under -ground Mines for Cultivation or any other purpose.
- iv) Development/construction of Water Tank/Ponds.
- v) Rain water-harvesting scheme.
- vi) Formation of a Task Force of Volunteers to educate people regarding
- vii) Proper use of drinking water.
- viii) Empowerment to the villagers for maintenance of the above facilities for availability of water.

C. Health Care organizing, health awareness Camps on

- i) AIDS TB and Leprosy
- ii) Social evils like alcohol, smoking, drug abuse etc.
- iii) Child and Mother care
- iv) Diet and Nutrition.
- v) Blood donation camps.
- vi) Diabetics detection & Hypertension Camps
- vii) Family Welfare.
- viii) Senior Citizen Health Care Wellness Clinics.
- ix) Fully equipped Mobile Medical Vans.
- x) Tele medicine
- xi) To supplement the different programme of Local/State Authorities.
- xii) Along with De addiction centers

D. Environment

- i) Organizing sensitizing programmes on Environment Management
- ii) Pollution Control.
- iii) Green belt Development
- iv) A forestation, Social Forestry, Check Dams, Park.
- v) Restoration of mined out lands.
- vi) Development of jobs related to agro product i.e., Dairy/Poultry/farming and others.
- vii) Plantation of saplings producing fruit.
- viii) Animal care.

E. Social Empowerment

- i) Self /Gainful Employment Opportunities – Training of Rural Youth for Self Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.

- ii) To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources.
- iii) Training may be provided by agricultural experts for above farming.
- iv) Organizing training programmes for women on tailoring Embroidery designs
- v) Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other
- vi) Vocational Courses.
- vii) Care for senior citizens.
- viii) Adoption/construction of Hostels (specially those for SC/ST & girls)
- ix) Village Electricity/Solar Light
- x) To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.
- xi) Pawan Chakki as alternative for providing electricity in villages, etc.

F Sports and Culture

- i) Promotion of Sports and Cultural Activities for participation in State and National level.
- ii) Promotion/Development of sports activities in nearby villages by conducting Tournaments like Football, Kabaddi and Khokho, Cricket etc.
- iii) Providing sports materials for Football, Volleyball, Hockey sticks etc. to the young and talented villagers.
- iv) Promotion of State level teams.
- v) Sponsorship of State Sports events in Bihar.
- vi) Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- vii) Possibility of providing facilities for physically handicapped persons may be explored.
- viii) Medias for preparing of documentary films.
- ix) Guide-lines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.
- x) Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-
 - 1) Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Government Authorities/Block Development Office/Sub-Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayat , Pradhan/Mukhiya/MLA/MP/ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.
 - 2) Helping State Government in promotion of sports by providing them proper training facilities, grounds, construction of fields,etc.
 - 3) While sanctioning financial assistance/donation/sponsorship for State/ National/International events, Company could send its

representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for corporate image building.

4) As per the Government policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by Company. i.e. their Registration, PAN No. etc. to establish their authenticity.

- xi) Generate self-employment.
- xii) Infrastructure Support – construction, repair, extension etc. of:-
 - i. Auditorium,
 - ii. Educational Institutions
 - iii. Rural Dispensaries initiated by reputed NGOs.
 - iv. Mobile Crèches.
 - v. Bridges, Culverts & Roads,
 - vi. Check Dam
 - vii. Shopping Complex to facilitate business/self employment for local people
 - viii. Community Centre,
 - ix. Sulabh Souchalaya,
 - x. Yatri Shed in Bus Stand,
 - xi. Burning Ghat/Crematorium
 - xii. Development of Park
 - xiii. Play ground/Sports complex/Good Coaches.
 - xiv. Old Age Home.

VI. FEW CORPORATE INITIATIVES RELATED TO CSR

Organizations like Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited, focus holistic development in the villages they have adopted. They provide better medical and sanitation facilities, build schools and houses, and help the villagers become self-reliant by teaching them vocational and business skills.

Reliance Industries initiated a project named as “Project-Drishti” to bring back the eyesight of visually challenged Indians from the economically weaker sections of the society. This project has brightened up the lives of over 5000 people so far.

GlaxoSmithKline Pharmaceuticals’ CSR programs primarily focus on health and healthy living. They work in tribal villages where they provide medical check-ups and treatment, health camps and health awareness programs.

SAP India, in partnership with Hope Foundation (an NGO that works for the betterment of India’s poor and the needy) throughout India, has been working on initiatives for short and long-term rehabilitation of the tsunami victims.

As part of its Corporate Service Corps (CSC) programme, IBM has joined hands with the Tribal Development Department of Gujarat for a development project aimed at upliftment of tribal in the Sasan area of Gir forest.

The financial services sector is going green in a steady manner. Efforts by companies such as HSBC India, Max New York Life and Standard Chartered Bank have ensured

that the green movement has kept its momentum by asking their customers to shift to e-statements and e- receipts.

The Tata Steel Rural Development Society aims to improve agricultural productivity and raise farmers’ standard of living.

Oil & Natural Gas Corporation offers community-based health care services in rural areas through 30 Mobile Medicare Units (MMUs). The ONGC-Eastern Swamp Deer Conservation Project works to protect the rare species of Easter Swamp Deer at the Kaziranga National Park in Assam. Infosys: The Infosys Science Foundation, set up in 2009, gives away the annual Infosys Prize to honour outstanding achievements in the fields of science and engineering. The company supports causes in health care, culture and rural development.

VII. THE GEOGRAPHIC REACH

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state of Bihar herein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

VIII. ANNUAL SPENDS/ALLOCATION OF FUNDS

1 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

2 The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

3 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

IX. CHALLENGES TO CSR

The Times survey pointed few of the following challenges for CSR -

- Lack of community participation in CSR activities
- Need to build local capacities
- Issues of transparency
- Non-availability of well organised non-governmental organisations
- Visibility factor
- Narrow perception towards CSR initiatives

- Non-availability of clear CSR guidelines
- Lack of consensus on implementing CSR issues

X. CONCLUSIONS

Corporate Social Responsibility is gaining position and corporate houses are realizing that 'what is good for workers - their community, health, and environment is also good for the business'. Corporate Social Responsibility is not new to Indian corporate like the Tata Group, the Aditya Birla Group, Infosys and Indian Oil Corporations, etc., a few have been involved in serving the community for social good in their operations for decades long before CSR become a popular cause.

In spite of having such life size successful examples, CSR in India is in a very nascent stage. There is much to learn about building world-class CSR programmes in the Indian context. According to Carlos Ghosn, Chairman and CEO of Renault, It is our responsibility, and it is in our own interest, to become involved in the social and societal lives of the countries where we do business.

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