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## Corporate social responsibility in India (An evaluation of CSR initiatives)

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### Abstract

The journey of corporate social responsibility was started in the form of philanthropy, but with the passage of time due to the growing exploitation of natural resources and disturbances in the environmental system caused by the corporate sector, it has become an obligatory aspect nowadays. Several standards have been prescribed regarding the quality of the product, environmental aspects, use of natural resources, corporate governance, etc, and these all standards today are the part of corporate social responsibility. It has become fashion for the corporate to be known as socially responsible and believer of sustainable development. Several Awards have been instituted for the firms doing good jobs in the field of CSR, however, still the corporate are taking CSR as ornamental crown, and the real cause of concern is still not addressed. Even the rating agencies are assigning ranks to companies according to their own criteria without actually judging the real performance of company regarding CSR. This paper is a sincere effort to diagnose the emerging dimensions of the CSR.

**Keywords:** Corporate Social Responsibility, Sustainable Development, Corporate Governance, Philanthropic, Corporate Citizens, Stakeholders.

### Introduction

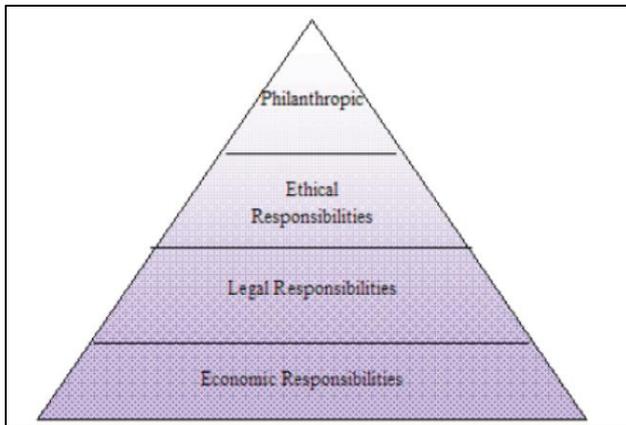
#### 1. Meaning and Definition of CSR:

*“Corporate social responsibility must not be defined by tax planning strategies alone. Rather, it should be defined within the framework of a corporate philosophy which factors the needs of the community and the regions in which a corporate entity functions. This is part of our cultural heritage. Mahatma Gandhi called it trusteeship....I invite corporate India to be a partner in making ours a more humane and just society... We need a new Partnership for Inclusive Growth based on what I describe as a Ten Point Social Charter...first, we need to have healthy respect for your workers and invest in their welfare...”* [1]

**Dr. Manmohan Singh.**

Corporate social responsibility is much talked concept nowadays. It signifies the responsibility of corporate towards the various constituents of the society. There are number of stakeholders who are directly or indirectly interested in the functioning of the industries. The corporate world must feel highly obliged and should have a sense of gratitude towards the society because the very existence of the trade and industry is because of the society. Hence, the companies should act responsibly while serving to the various components of the community may it be; customers, employees, suppliers, competitors, common citizens, etc. For understanding the concept of CSR the definition given by some of the world's known organisations and experts would be quite pertinent. The World Business Council for Sustainable Development defines the concept as *“the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large.”* Mallen Baker refers to CSR as *“a way companies manage the business processes to produce an overall positive impact on society.”* According to the Confederation of British Industry it is *“the acknowledgement by companies that they should be accountable not only for their financial performance, but for the impact of their activities on society and/or the environment.”* The European Union defines the concept as *“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”*

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Source : Archie Carroll (1991)

Fig 1: CSR Definitional Conclusion

On the basis of the above definitions the following seems to be the crux of corporate social responsibility.

- **Enlightened self-interest** - creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labour and communities are able to function well together.
- **Social investment** - contributing to physical infrastructure and social capital is increasingly seen as a necessary part of doing business.
- **Transparency and trust** - business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.
- **Increased public expectations of business** - globally companies are expected to do more than merely providing jobs and contributing to the economy through taxes and employment.

Thus the broad areas of the corporate social responsibility which have emerged on the basis of discussion made in the previous paragraphs may be identified as; *Human Rights, Employees Rights, Environment Protection, Community Involvement, Customer Relations, Supplier Relations, Corporate Governance.*

It is quite necessary that we should, in fact, we must be committed to the community as a whole for the development of it both; economically and socially. It must be understood by the corporate that their very existence is based on the society, as the people of the society act as input providers and output seekers for the industry. The concept of CSR is old enough which is very much evident from the statement of 'Gandhi Ji' who described the large business as 'Trusts' of the 'Wealth of the people', and stressed that the industrial wealth must be utilised for the society at large. However, since very beginning the concept of CSR is taken as philanthropic one. Since very beginning the corporate are taking CSR as mere making of donations and charities. No doubt that some of the business houses have come forward actively and have extended their support for social concerns.

There were instances in the past when few big business houses like Birla's in India which has put in efforts to fulfil its social responsibility by establishing 'Birla Institute of Technology' (BITS) Pilani, in fact some of the corporate have opened hospitals and schools for their employees and their wards. But, by and large these attempts were philanthropic in nature and were lacking the component of definite responsibility. With the passage of time several

terms associated with CSR have been evolved which are described in the following section.

#### (A) Interchangeable Terms used for CSR:

Since the beginning of trade and commerce globally, the concept of corporate social responsibility was there. However, there may be difference in the degree of prevalence. The journey of CSR was started with donations and charities and has changed its forms in various ways. The prominent terms which are the evidence of journey undertaken by the CSR are as follows:

- **Philanthropy/Donations:** it is the amount set aside by the donor out of his pocket for the purpose of giving it to someone who is in need. It is the initial form of corporate social responsibility, where the business occasionally spare some amount or resources for the sake of charity or donation as a contribution for a social cause.
- **Corporate Social Responsibility:** It is about building sustainable businesses, which need healthy economies, markets and communities.
- **Stakeholder Participation Model of CSR:** This model is based on the concept of wider responsibility and coverage which believes that corporate must be held responsible not only for the financial aspects but for social and environmental aspects as well. As per this model the community in which the corporate is operating must be seen as an important stakeholder.
- **Corporate citizenship:** It is defined by the Boston College Centre for Corporate Citizenship, as the business strategy that shapes the values underpinning a company's mission and the choices made each day by its executives, managers and employees as they engage with society. According to this definition, the four key principles that define the essence of corporate citizenship are: (i) Minimise harm (ii) Maximise benefit (iii) Be accountable and responsive to key stakeholders (iv) Support strong financial results [2].
- **National Social Responsibility:** [3] It is about nations treating their key stakeholders in a socially responsible manner. The key stakeholders of a Nation State are the citizens and their trading partners. As such NSR is about whether citizens can participate in the decisions that affect them, are treated fairly and whether the State looks after their well-being.

#### 1.1 Stakeholder Participation Model-An Extended Form Of Csr:

In the narrower sense the concept of CSR is taken the social responsibility of corporate to the direct stakeholder such as customers, shareholders, employees, debtors, creditors, etc. But a new model has emerged as a role model for CSR and this model is stakeholder participation model, which presumes that the community in which the corporate is operating must be seen as an important stakeholder. This model is based on the concept of wider responsibility and coverage, it believes that corporate must be held responsible not only for financial aspects but for social and environmental aspects as well. There are several arguments in the favour of adopting this new model like;

- It is believed that by taking in to confidence the various stakeholder the corporate can build up better image for them and consequently save their self from the wrath of NGOs and other activists.

- In the last few decades a flood of MNCs is flowing towards India. In the parent countries of these MNCs the level of CSR initiatives is on higher stage as compared to India. For instance IBM, which has come to India, believes in the stakeholder participation model, therefore all the competing domestic corporations cannot afford to ignore it.
- As the rest of the world is increasingly getting new certification levels such as ISO 14000 [4], SA 8000 [5], AA1000 [6], it is quite obvious that when the world has reduced to a global village and we have to compete

with global giants who are moving very fast on the track of stakeholder model, then how Indian industry can leg behind?

## 2. Recent Corporate Social Responsibility Initiatives By Corporate

Below mentioned are the some of the CSR initiatives which have taken place in the month of March 2014 to May 2014. The data given in the table would make the present position of CSR in India crystal clear:

**Table 1:** CSR Initiatives Ongoing and in the Recent Past

| Date*          | CSR Initiative  | Detail Description of the CSR Initiative  |
|----------------|---|---|
| March 1, 2014  | Amway Opportunity Foundation to Encourage Little Artists  | With an aim to encourage little artists and to capture their imagination on paper, Amway Opportunity Foundation (AOF), the corporate social responsibility arm of Amway India, organized Nanhe Chitrakar 2014, a drawing and painting competition for the students of Deepalaya School, New Delhi.  |
| March 2, 2014  | BHEL Distributes Free Medical Kits  | Public sector major Bharat Heavy Electricals Ltd (BHEL), in association with the Haemophilia Federation (India) Trivandrum Chapter distributed free medical kits containing Anti-Haemophilic Factors (AHFs) to children suffering from haemophilia and hailing from poor families.  |
| March 3, 2014  | Tata Chemicals Whale Sharks Conservation Campaign Saves 363 Whale Sharks                            | TATA Chemical Initiated 'Project Whale Shark'. It is India's only attempt to generate baseline data on the Whale Shark to aid its long-term conservation, involving general awareness and scientific studies through photo-identification, genetic analysis and satellite tagging.  |
| March 4, 2014  | YES BANK Conducts Science & Environment Olympiad to Commemorate National Science Day                | India's fourth largest private sector bank, celebrated National Science Day, across its branches by conducting National Science & Environment Olympiad in association with Saevus a well-known wildlife magazine for citizens of India. YES BANK under its community engagement platform YES COMMUNITY is conducting this initiative with an objective to increase the awareness and importance of Environment Conservation in our society.   |
| March 6, 2014  | Dasra Philanthropy Week – Corporate, Foundations and HNW Individuals Come Together to Empower Girls | Dasra, India's leading strategic philanthropy foundation, hosted the Dasra Philanthropy Week (DPW) from March 5-7th, 2014, in Mumbai. Supported this year by USAID, Omidyar Network, BNP Paribas Wealth Management and Vodafone Foundation, the event brought together more than 600 philanthropists, corporate, foundations.   |
| March 7, 2014  | DSP Blackrock and Parinaam Foundation to Conduct Financial Literacy Workshops for 1000 Women        | DSP Blackrock Investment Managers Pvt. Ltd., one of the premier asset management companies in India, has partnered with Parinaam Foundation to organize a series of financial literacy workshops to address the financial needs of women in the lower income segment. Over 1000 women across India would benefit from the initiative.   |
| March 8, 2014  | Underprivileged Children Spread Human Values through Dance and Music                                | Khel Khel Mein, an initiative for underprivileged children celebrated its Annual Day 2013-14 on March 7, 2014 at D.Y Patil International School, Worli. Khel Khel Mein are toy libraries where underprivileged children can engage in Edu-recreational play within a semi-structured programme based on sound values. It is a Mumbai-centric initiative by Wockhardt Foundation, a national, secular, non-profit organization engaged in human welfare and social service activities. |
| March 9, 2014  | CHINAR Organizes Medical, Education Base lining Event For Children in Kashmir                       | Child Nurture And Relief (CHINAR) –a non-profit organization focused on rehabilitation and empowerment of vulnerable children, destitute families and marginalized youth through education and community based socio-economic initiatives– organized medical and education base lining event for orphans and vulnerable children.   |
| March 20, 2014 | Serve Samman to Setup Computer Literacy and Sewing Learning Centres in Uttarakand and UP            | Serve Samman is in process of setting up a computer literacy, personality development and sewing leaning centres in Uttarakhand and Dadari (near Ghaziabad). Programme of the centres is to educate the youth in their area to give them livelihood and make them empowered to sustain better life in the society.  |
| March 22, 2014 | SBI Donates Computer To Schools   | State Bank of India (SBI), under its "corporate social responsibility", Friday donated computer sets to 12 schools within Dimapur at a programme held at Town Hall Dimapur  |
| March 25, 2014 | Anahatalife Launches PRATHAM – a Cultural Awareness Show on Muscular Dystrophy                      | Anahatalife launched a two day cultural show that witnessed more than 2000 bangaloreans, 15 city brands, participation by 5 NGOs at Rangoli, MG Road Metro Station. This fundraiser show was a contribution towards two main causes – education & healthcare for refugee children from Sri Lanka and awareness on muscular dystrophy – a rare muscle disease that weakens the musculoskeletal system.   |
| March 28, 2014 | Pre Schooling Centres Set For Better Education  | Sesa Sterile has created several Child care centres with Pre Schooling equipment & teachers in Kalahandi district. Under its Balshakti Project Company have been associated and covering about 500 centres (AWW /MINI AWW) in Rayagada districts.   |
| April 1, 2014  | Jindal Steel & Power Celebrates Utkal Divas   | Jindal Steel and Power Ltd., Angul celebrated the 78th Utkal Divas and 22nd Angul District Foundation Day at Jindal Vidyapitha situated at Badamahitala R&R colony of JSPL.   |
| April 2,       | Godawari Power & Ispat  | A Health Camp was organized by Godawari Power & Ispat Ltd under its Corporate Social  |

|                |  |   |
|----------------|--|---|
| 2014           | Organizes Health Camp at Village Boria   | Responsibility initiative, on 30th March at village Boria.  |
| April 3, 2014  | Dell in Association with Learning Links Foundation Launches 'Project Aasman' in Chandigarh     | Dell, in partnership with Learning Links Foundation, announced the launch of 'Project Aasman' at the Government Senior Secondary School in Dhanas, Chandigarh. Project Aasman is Dell's effort to create a cloud-based collaborative classroom, equipped with laptops, tablets, interactive boards, projectors and Wi-Fi connection.  |
| April 3, 2014  | V.V. Mineral Observes Earth Hour; Implements Long-Term Measures to Curb Carbon Footprint       | Along with millions of concerned, environmentally-conscious individuals and institutions worldwide, V.V. Mineral (VVM) today switched off lights at their Vijayapathi factory in Thiruvembalapuram village, Thirunelveli District, Tamil Nadu, expressing its concern for environment sustainability issues for an hour between 8:30 and 9:30 PM on March 29, 2014.   |
| April 8, 2014  | Sesa Sterlite Creating Awareness on Voting, Strengthening Democracy                            | Sesa Sterlite under its Public relation department has taken an initiative towards creating awareness among the Voters in Kalahandi District about voting and Strengthening democracy.  |
| April 10, 2014 | Mahan Coal Limited Empowering Women in Singrauli   | Mahan Mahila Stitching Centre, a Corporate Social Responsibility initiative of Mahan Coal Limited is working towards women empowerment in and around Singrauli district in the state of Madhya Pradesh. By imparting training in essential earning skills, the organization is helping these women evolve into self-assured, economically independent individuals.  |
| April 11, 2014 | Wockhardt Foundation Organizes a 'Health and Sanitation' Awareness Camp for Mumbai Slums       | On account of World Health Day 2014, Wockhardt Foundation organized a social 'Health and Sanitation' awareness camp on Vector-borne diseases at Sindhi Camp, RCF Chembur, in a move to reduce incidences of vector-borne diseases among the slums in Mumbai in line with WHO's theme.   |
| April 13, 2014 | 2,096 Bio-Toilets Installed in Rail Coaches so Far   | Continuing its efforts to provide a clean and eco-friendly travel to train passengers, Railways has expedited the work of fitting bio-toilets in coaches with over 2,000 of them already installed so far.  |
| April 21, 2014 | Sesa Sterlite Observed National Fire Service Week  | Sesa Sterlite Ltd., Jharsuguda (Formerly Vedanta Aluminium Ltd.) observed the National Fire Service Week 2014 with the theme 'Fire Prevention is the best insurance'.   |
| April 22, 2014 | Fire Prevention Week at GKEL   | In a bid to create awareness and stimulate interest among its employees and people dwelling in its project neighbourhoods, GMR Kamalanga Energy Limited (GKEL) organized a week-long program on 'Fire Prevention' to commemorate the Fire Safety Week this year.  |
| April 24, 2014 | Federal Bank donates 1000 used computers   | As a part of the Corporate Social Responsibility (CSR) initiative, private sector Federal Bank plans to donate 1,000 used computers to set up computer labs in 200 schools within Kerala. The total cost of the project is estimated at around Rs 40 lakh.  |
| April 28, 2014 | Wadhvani Foundation to Support the 15 Pilot Community Colleges in Bihar for Skilling the Youth | A big leap in the job oriented education system in Bihar was signaled by signing of a Memorandum of Understanding (MoU) between Aryabhata Knowledge University (AKU), Patna and Wadhvani Foundation for skilling youth on Industry-driven employability oriented training through Community Colleges.   |
| April 30, 2014 | Mahindru Foundation: More than 80 People Pledge Eyes in Eye Camp                               | Mahindru Foundation and Niramaya Charitable Trust organised an eye camp at a village in Rajokri drawing huge response from the locals who not just got themselves checked and treated but also pledged their eyes for donation.   |
| April 30, 2014 | JSPL Coal Mines CSR, Empowering Rural Women  | Jindal Steel & Power Limited, Coal Mines CSR Team took an initiative in partnership with O.P. Jindal Community College, Punjipathra, Raigarh, Chhattisgarh to upgrade the skill of these women by providing them Mason training   |
| May 3, 2014    | Ingersoll Rand Launches Science Centre for Children  | As part of its social convergence initiative, Ingersoll Rand has partnered with Agastya International Foundation to officially announce the launch of a Science Centre at Govt. Girls Senior Secondary School, Jacobpura in Gurgaon on April 30, 2014.  |
| May 11, 2014   | Sesa Sterlite Organizes Free Health Camp at Old Ambadola                                       | Sesa Sterlite under its CSR department has organized a Free Medical camp in association with National Rural Health Mission-Rayagada at Old Ambadola in Muniguda Block.  |
| May 12, 2014   | Hindustan Zinc Campaign 'Sakhi' to Bring Together Rural and Tribal Women Entrepreneurs         | Hindustan Zinc, Sesa Sterlite Limited company (Vedanta Group) realized this much earlier and with stupendous CSR and Communication teams at every location, the company has been able to bring together more than 6,000 rural and tribal women and weaved them into about 475 groups, popularly known as self-help-groups (SHG).  |
| May 22, 2014   | Danfoss India: Brightening Lives, Spreading Smiles   | Danfoss India, a leading player in climate and energy solutions, recently helped restore and transform a dilapidated elementary school in Panrutti village into a resourceful institution as part of its new CSR initiative 'Joy of Giving' Program. Spreading the concept of conservation, the company seeks to nurture and develop the surrounding ecosystem by restoring this school that is next to its upcoming facility in Oragadam.    |
| May 31, 2014   | The Loomba Foundation to host fundraiser event in Delhi to mark International Widows Day       | In a bid to raise awareness and help the underprivileged widows, The Loomba Foundation, the global NGO working for the cause of widows, which is accredited by the UN Department of Public Information (DPI) and the UN Department of Economic and Social Development (ECOSOC), will be organizing an annual charity dinner on Saturday, June 21, at the Taj Mansingh, New Delhi ahead of the UN-ratified International Widows Day (June 23). |
| May 31, 2014   | Tata Steel Organizes Aquaculture Training at Chatrapur   | For boosting productivity of the fish farmers around Tata Steel's Gopalpur Project, a capacity building programme on 'Sustainable Freshwater Aquaculture' is being organised by the steel major at Regional Institute for Training on Extension, Rangeilunda under Chatrapur block of Ganjam district in Odisha.  |

**Source:** Web Site of India CSR, and Various issues of Times of India, Business Standard, Economic Times, The Hindu Daily from March 2014 to May 2014.

\* The date column shows the dates on which the news appeared in the news paper or was posted on the site.

### 3. Do Best Csr And Sustainability Awards Justify The Purpose?

This is really a thought provoking question, as neither all the companies are corrupt nor all are honest. No doubt that most of the companies may be doing their best for serving the society with due sincerity and honesty, but not all the companies are doing it in the true spirit. Today getting a CSR award ensures several benefits to the corporate concerned that is why they make such type of fictitious arrangements that they should like a company with a mission of serving the society. Most award organizers hand out these awards without proper verification to companies which enjoy a high reputation, created by good PR. There are also unconfirmed reports that certain audit houses solicit business by promising prospective clients that they will ensure that they receive a CSR Award.

There are several key issues involved in the complete CSR package and a company can be said to have attained a level of sustainability after it has tackled nearly all the issues involved in CSR successfully. Many companies who have been given CSR awards have failed in one or several issues involved in a full CSR programme. We have several examples of companies in India who have won CSR awards even though they have failed in a majority of issues involved in CSR.

These awards have been handed to them largely for their work in community involvement. One shocking example in India is Satyam, which had done excellent community work but utter failure in corporate governance. Satyam, under Raju, won the Business World-FICCI-SEDF 2006 award for 'Best Corporate Citizen' and the TERI Corporate Award 2006-2007. It bagged every conceivable award including, of course, the famed Golden Peacock Global Award for Excellence in Corporate Governance<sup>[7]</sup>. It has got awards for "providing complete, accurate and timely investor relations information (providing anti-money laundering solution of all things!)" and for being the "most admired knowledge enterprise".

Two months before the Satyam bubble burst it was awarded the Peacock Award for excellence in Corporate Governance. The day Raju went public about the scam in his company the organizers of the Award were red in their face. Within days the Award was withdrawn<sup>[8]</sup>. It is very clear that the organizers had not undertaken a serious study of the corporate governance in the company.

Even the famous TATA, which has bag loads of fame as a responsible company lost out in Singuar where eleven people were killed protesting the land grant to the company. In recent years one of the Tata companies Tata Steel was locked in a dispute over its Dharma port project, on the Orissa coast which it is setting up jointly with Larsen & Tourbo. Greenpeace pointed out that the port's proposed site is just 15 kilometres from Gahirmatha Marine Sanctuary, the world's largest mass nesting site for the rare species of migratory Olive Ridley turtles.

"Coca-Cola emphasizes 'using natural resources responsibly'. Yet a wholly owned subsidiary in India was accused of depleting village wells in an area where water is notoriously scarce and has been told by an Indian court to stop drawing ground water..."<sup>[9]</sup>

Almost all CSR Awards in India fail to look at a company's CSR activities in total. The emphasis is mainly on the work done in the area of community involvement and the amount of PR the activity manages to generate. Over the years, the

corporatisation of CSR/sustainability has led to a multitude of annual celebrations. During those events, media publishers, trade associations and other professional event organisations celebrate of the responsible companies.

There is no foolproof method of judging a company's CSR achievements. It is virtually impossible for any CSR rating agency to diagnose all the details offered by the company or to visit the work sites to understand the content of any CSR programme. Therefore, mere getting Award for CSR or sustainability, does not guarantee the real implementation of CSR activities in the true spirit. However, we are not questioning about the serious efforts and honest activities of the corporate who are taking-up the CSR in the true spirit, but the purpose of the government/other judging organisations should be to develop such a mechanism so as to really justify the working of the company towards CSR, and the black ships may be separated from the genuine one.

### 3. Challenges to Corporate Social Responsibility

As CSR has become the integral part of the corporate world-wide, therefore each and every industry participant will have to implement it in a true spirit. But while implementing CSR initiatives the corporate have to face a lot of challenges. The foremost challenge is the growing awareness among various stakeholders, especially the NGOs and the social activists regarding social issues. On day-to-day basis new and new issues are emerging and thus becoming the constituents of the of the firms CSR activities, initially only few standards were there to be followed by corporate, but now many new responsibilities in the form of emerging social and environmental standards are coming to the fore. The plethora of standards to be followed by corporate and widened area of CSR is making corporate sector over stressed.

From the discussion made above one can understand the corporate world is over burdened with these new responsibilities and that too with continuous up-date to be adhered in these standards. Apart from the above mentioned issues, there are certain other limitations of CSR which are proving to be challenge for the corporate. These limitations are numerous and depend upon the circumstances of the country to country, but some challenges are common in nature like maintaining continuous improvements in safety performance throughout the organization, building a more robust safety culture, achieving significant reductions in resource use, reducing waste arising and improving recycling rates, to achieve greater consistency in the management of people processes across the business, to communicate effectively the organization's goals and direction, build the relationship with business in the community and with Local Authorities, to integrate consideration of environmental and social issues into the purchasing process.

Apart from the challenges mentioned above, one crucial issue which has remained the big bottleneck for CSR since very beginning is insufficient business justification for making the required CSR investments. Some issues can be addressed through a cost-benefit analysis framework, but it is likely that for some sectors, the business case does not exist - the risk of market sanction and the benefits of CSR implementation are not sufficient<sup>[10]</sup>. But perhaps the biggest challenge posed by CSR is its very definition... some organizations see CSR as an off-shoot of fair / ethical trade, while others see it as a recognition of employee

aspirations at the work place, while yet others see it as a business element with a philanthropic bent. Clearly, the verdict on what exactly constitutes CSR is still out <sup>[11]</sup>.

However, The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act. It is highly expected after the insertion of section 135 that the activities undertaken by corporate under CSR will show a complete turnaround as it makes thing from voluntary to mandatory.

When, 'will' on the part of corporate, and making CSR expenditure obligatory on the part of law shall come together, the society is expected to harness the great fruits of CSR initiatives. No matter what, the implementation of CSR initiatives is imperative and is inevitable for the long-run survival of the corporate. Therefore, each and every firm will have to keep itself up-dated and informed in the time to come, so as to be environmental and community friendly.

#### 4. Future of CSR

It is very much evident from the discussion made in the previous sections that the corporate social responsibility has become the 'sine qua non' for the long term survival of the corporate nowadays. Corporate cannot think to ignore (Especially after the insertion of section 135 in companies act, 2013) this very aspect which has become the need of the hour and a burning issue for any nation. Many companies have paid higher prices for ignoring the various components for the corporate social responsibility. The fulfilment of the CSR will decide the future of the corporate world. There are many cases where due to the ignorant attitude towards CSR, the corporate had to pay heavy price, especially in the western countries, for instance Kinder, Lydenberg, Domini research analytics (KLD) dropped Coca-cola Co, from its Broad Market Social Index in July 2006 because of concerns about the company's Labour and environmental practices in the developing world. As a result of it, TIAA-CREF, the largest U.S. retirement fund, subsequently sold more than 50 Million shares of Coca-Cola Stock, and the critics of the company also favoured KLD's action as support for their longstanding complaints against Coca-Cola Co <sup>[12]</sup>.

The most important factor that will determine the future of CSR is the level of the expectations of consumers and civil society, involvement of law in making the expenditure on CSR activities mandatory, and incentives for companies at the marketplace. Of course there is no reason why these expectations should decline. In addition, heavy pressure on limited resources of the earth caused by growing population and increase in consumption, global health issues, the pace of technology transfer to developing countries will be other factors that will determine the future of CSR. In fact some of the countries like China has started moving on the path of meeting the future CSR requirements, as China set a target

of providing 15% of energy needs from renewable sources by 2015.

#### 13. Conclusion

It is beyond doubt that globally the spread of CSR is bound to increase. Especially if we talk about the BRIC (Brazil, Russia, India, and China), there will be much more pressure on the CSR aspects on the corporate of these countries, because these economies will have more and more of international customers who have experienced a great level of CSR practices in their home countries, so they will expect the same from the corporate of these economies also. Apart from the reasons mentioned above about the growing need of CSR in India, there are certain other domestic factors also which are making the CSR a necessity namely; the shrinking Role of Government in the fulfilment of social responsibilities, demands for greater disclosure, increased customer interest, growing investor pressure, competitive labour markets, supplier Relations <sup>[14]</sup>. Hence, the future will belong to only those corporate who would assume their selves as real trustees of the stakeholders, further, the spending of much needed amount on the society (2% of average profits as per section 135 of companies act 2013) may create wonders if apportioned in a justifiable manner.

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