

Corporate Social Responsibility (CSR) & Its Implementation towards Good Governance

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ABSTRACT:

We are living in a world surrounded with numerous problems related to environment and society. CSR (Corporate Social Responsibility) is a means to sort out these problems to some extent because business is a part of society. Any contribution towards welfare of society is called as Corporate can no longer limit them in using resources of society and they have to be socially responsible corporate citizens and must also contribute to the social good. Corporate Social Responsibility is now accepted as a means to achieve sustainable development of an organization. In the present time, CSR has become a significant sector of modern corporate research theory and the growth of activities related to CSR in all over the world is remarkable. According to Company Act, 2013, those companies which are within the domain of section 135 of Companies Act 2013 must spend 2% of their net profits towards CSR, in the fields as specified under schedule VII, which made Indian companies to consciously work towards CSR. This research paper is based on the hypothesis, Compliance of provision relating to CSR under section 135 of the Companies Act 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014, both in letter and spirit would provide a way for Corporates, to achieve Corporate Sustainability, through promoting Good Governance to all stakeholders with in the society, in which they or their business activities are running.

KEYWORDS:

Vedic Darshan, Society, Organization, Corporate Social Responsibility, Private Regulation, Regulatory Initiatives, Stakeholder, Good Governance, SMEs, Corporate Sustainability.

Objective:

- To represent a brief knowledge about implementation of CSR towards Good Governance.
- To identify the scope & Limitation of CSR policy running in India.
- To study how CSR is helping to improve the standard of living and well being of all stakeholders with in the country
- To study how CSR work as a way for corporates to move towards corporate sustainability.

Introduction:

CSR is an important element of development because companies need to look after their communities, particularly those that are operating in rural areas. But, CSR also has an environmental aspect that the business might influence based on their operation. Many companies might have motivations for doing CSR such as the genuine care of their environment and society that would eventually become their source of human capital as well as raw materials that they need to sustain. Also, some companies will see it as an important element of gaining societal acceptance for their operations. It is really true for the companies that are operating in remote areas, like mining and oil and gas companies. They are often encountered by many communities that indigenously live there, and the companies have to live with these communities.

Social Responsibility is inherent feature in Indian Culture- The concept of “*Good Governance and Responsibility of Business*” in present era termed as Corporate Social Responsibility is not new for one of the most ancient Indian Culture. According to *Vedic Darshan*, “*Sarva Loka Hitam*” i.e. “well being of whole nature” has achieved importance again in the present time, which is full of unexpected difficulties & new hope, reflected by the effect of Globalisation.

“Sarva loka hitam” = “well being of whole nature” = “well being of multi stakeholders”

(in the sense of organised/unorganised business)

Another, one of the most simple & selfless prayer from “*Upnishad*”-

“Surve Bhavantu Sukhinah!

Surve Santu Nir- Aamayaah!!

Surve Bhadraanni Pashyant!

Maa Kashcid Duhkha Bhag Bhavet!!

Om Shaantih Shaantih Shaantih!!

(Brihadaranyaka Upnishad 1.4.14)

Meaning of this prayer reflects the welfare of whole nature, including every person whose existence is exist in the world.

Meaning of this prayer in relation to CSR & Good Governance is-

Sarve Bhavantu Sukhinah

= May All Become Happy

= All stakeholder of an organisation or company become happy

Surve Santu Nir-Aamayaah

= May all be free from illness

= Rehabilitation of every industry or Company of whole world (as soon as possible after the period of sickness)

Surve Bhadraanni Pashyantu

= May All See What is Auspicious

= All organisations / companies must listen the voice of inner soul & work with best ethical practice for good governance.

Maa Kashcid Duhkha Bhag Bhavet

= May No One Suffer

= For achieving the goal of sustainable development, every company must work for ecological balance also

Om Shantih Shantih Shantih

= Om Peace, Peace, Peace

=For economic growth & ecological balance, peace is compulsory, so every person get peace and peace exist all around for sustainable development.

In addition to above Kautilya's Arthashastra maintains that for good governance, all administrators, including the king were considered servants of the people. Kautilya opined that the "King has no individuality of his own. He is for the people and of the people." In short CSR was differently but eloquently explained by Kautilya. Thus, CSR is not a recent Western phenomenon. It is certainly not new to India – it has been a part of our culture for thousands of years.

Kautilya's work written over 2400 years ago can be best described as a treatise on corporate culture and spirituality, though the word "corporate" was not in vogue at that time. Corporate Social Responsibility (CSR) which implies that companies contribute towards the welfare of society has become the buzzword today not only in India, but the world over.

Kautilya's fourfold duty of a king– The substitution of the word

State = Corporation,

King = CEO or the board of a corporation,

| | |
|------------|---|
| Raksha | Raksha = protection = risk management |
| Vridhhi | Vridhhi = growth = stakeholder value enhancement |
| Palana | Palana = maintenance/compliance = compliance to the law in letter and spirit. |
| Yogakshema | Yogakshema = well being of society through the King = corporate social responsibility. |

It is well known that business is significant part of society but business cannot move in isolation. In this way, corporate social responsibility is a concept by which business organisation not only consider their economic growth and shareholder's profitability but also consider the well being of society & environment, by realising their own responsibility for the impact of their own activities on environment, various stakeholder & all other members of society at large, to face the unprecedented challenges arise due to globalisation in 21ST Century. In this research paper, "*Corporate Social Responsibility and Its Implementation Towards Good Governance*" it is analysed- how CSR is the best way to provide Good Governance in the society for the well being of all stakeholder.

Data and Methodology:

The data of this study is secondary data which we have collected from different sources such as official websites of department Corporate Affair Ministry, Newspaper Articles, Research Papers and Magazine, Articles. As we know the traditional perspective stressed on Corporate Philanthropy which means charity for Social, Cultural and Religious purposes and Modern Perspective stressed on long term interest of stakeholders and sustainable development. The main objective to put this paper over here is to find out that why CSR is so important for an Organization, Government, and how CSR is a way towards Good Governance.

Review of Literature:

The pace of increase in knowledge moves towards rapid changes. It grows more and more than the passage of time. Therefore, a researcher has to be conscious about the changes and developments in the field of his/her study. For this purpose, the researcher has to survey the available literature like novels, reports, researches, books, articles, newspapers and journals in order to add knowledge in its study.

Windsor (2001), article examined the future of Corporate Social Responsibility or the relationship between business and society in long run. The researcher tried to find out that whether the organization and society will come closer to each other in future or not and what will be the changing phase of CSR. With the help of history or past trend of CSR, Carroll's model analysis and in global context, the researcher found three emerging alternatives of CSR i.e. conception of responsibility, global corporate citizenship, stakeholder management practices. Nigel Sarbutts (2003), the paper explored the way of doing CSR by small and medium sized companies. The research depicted that a structured approach to managing corporate reputation and profit maximization of SME's through CSR. The societal activities of small and medium sized companies is based on their cost is Benefit Analysis. Small Corporation always struggle for more reputation and minimization of risk. So, in that situation by imparting much information, proper utilization of resources, doing well for businesses, SME's can minimize their risk and manage CSR. A speech delivered by Mr. Fredrick Ma, secretary for financial services, based on Corporate Social Responsibility (2004) organized by the British consulate. The speaker explored the concept of CSR on the basis of survey of 1500 business leader attending the world economic forum in bevos. In which 5% leaders said that CSR is important for the success of business, while 24% said CSR is not important but the shareholders interest is most important for the businesses. But for the speaker, CSR and corporate governance are complementary to each other.

Corporate governance is a medium of driving CSR among corporate. Further the speaker also talked about the role of government in CSR, SME's as well as for unlisted companies. It was also included in their views that CSR should be a part of company's objective. Moon (2004), paper examined the role of government in driving corporate social responsibility among the corporate. The study explained that the drivers of CSR are related with business and society. Business includes its reputation, corporation itself, employee's relation knowledge, goals etc. further, the study cleared that government is driver of CSR by making this relationship true and fair through making through making policies and regulations. The study also embarked other country's situation that how their government entered into businesses for driving CSR.

Samuel O. Idowu (2007), with their study of twenty companies in U.K., propounded that the U.K. companies has now become ethical in the content of social responsibility as companies disclose its CSR with a view of public benefits, government request and issue information to stakeholders because the companies think that stakeholders of twenty first century are better educated them past.

Vaaland, Heide (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities.

Gond, Crane (2008), made an analysis on the distortion of corporate social performance concept. The research analyzed that the past researches and found some reason of emerging fall in the interest of corporate social performance research among the scholars. The paper also suggested models on the basis of which the researcher explained that why the CSP concept has lost its importance and development.

Truscott, Bartlett, Trwoniak (2009), paper "The reputation of Corporate Social Responsibility industry in Australia" in Australian marketing journal, based on case study methodology. On the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Beside this, the industrialist viewed CSR as a model of corporate reputation.

Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that company has taken a lot of initiatives in order to serve the society.

Mc William & S. Seigal (2010) provided the importance of CSR as a strategy of enhancing reputation of companies. The study indicated that firms selling convincing goods which comes under the umbrella of CSR activities, leads to consumer loyalty and increased revenue. Further the study also indicated the importance of advertising for providing information to consumers about the social welfare activities of the firm. Beside this the study also included the importance of media and T.V etc. in order to aware the consumers about firm's activities and increasing as well damaging the reputation. In this way the study concluded about the reputation of firm through CSR.

Hartman (2011), article "Corporate social Responsibility in the food sector" in European review of agriculture economics journal, analyzed the importance of CSR in food sector, particularly those companies which have high brand. CSR is an important part of these companies. But SME's are less capable in discharging their obligation towards society. Further, the research found that food sector always tries to improve the controlling and discharging its services towards consumers. Consumers also prefer those brands or food firms which give preference to CSR activities and provide good product and services.

Brammer, Jackson & Matten (2012), study entitled as "Corporate Social Responsibility and institutional theory: new perspective on private governance" in Social economic review depicted that CSR is not only a voluntary action but beyond that. In this study, CSR had defined under institutional theory. The institutional theory stated that corporate social activities are not only voluntary activities but it is a part of interface between business and society. Regulation/ governance are necessary for enhancing the corporate performance of businesses through CSR. The theory also suggested that in what form companies should take its social responsibilities whether historical, political or legal form.

Current Scenario of CSR in India:

The requirement of undertaking Corporate Social Responsibility by companies has been introduced in Section 135 of Companies Act, 2013. This section needs to read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII to the Act. Section 135 provides that-

(1) Every company having 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 during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall –

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall, –

- a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy: Provided 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 activities. Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation. – For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

Accordingly, every company – private company or public company, beyond the thresholds specified below is required to constitute CSR Committee:

- Net worth of Rs.500 crore or more; or
- Turnover of Rs.1000 crore or more; or
- Net profit of Rs. 5 crore or more during any financial year.

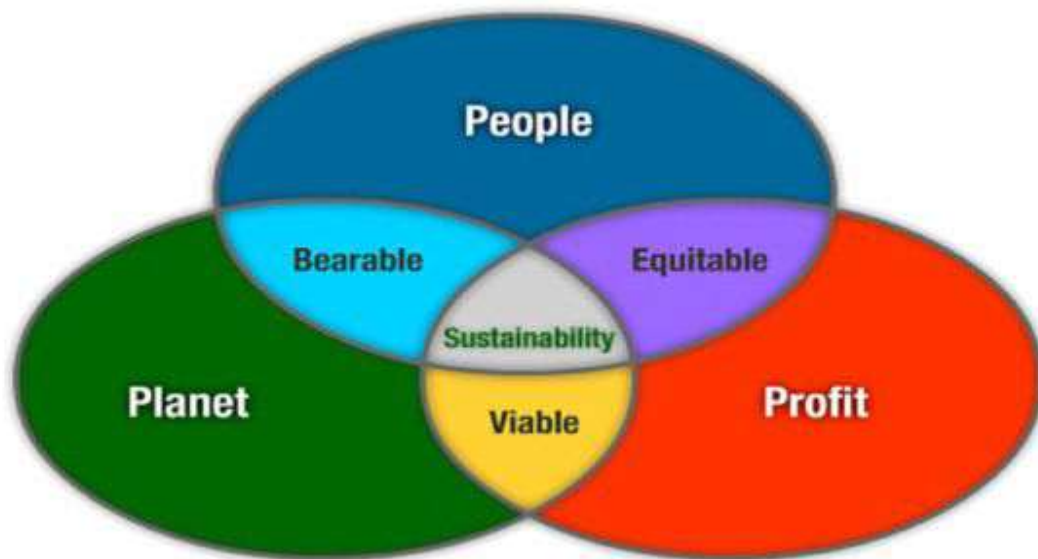
The Board of every company referred above shall ensure that the company spends, in every financial year, at least two per cent of the net profits of the company made during the three immediately preceding financial years in pursuance of its CSR policy.

Schedule VII of Companies Act, 2013 describes activities to be undertaken as CSR:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions
- which are approved by the Central Government
- rural development projects

Features of Corporate Social Responsibility:

- Corporate Social Responsibility (CSR) is a concept whereby companies besides their profitability & growth also consider the interest of society and environment, by taking responsibility for the impact of their activities on stakeholders, environment and all others members of the public sphere.
- CSR is not same as philanthropy/Charity because CSR is not a selfless act of giving and companies derive long term benefits from the CSR initiatives.
- Globalization, Governments, Inter-Governments bodies (e.g. U.N., OECD, ILO) Advancement of communication technology, Awareness among stakeholders are some of the various factors which affect the CSR policy of companies.
- Triple Bottom Line approach developed by John Ellington in 1997 represent the relation among Corporate, Society and Environment and how it works towards corporate sustainability.



Limitation of CSR Policy in India at present:

- No incentive if company pays more than 2% of net profit.
- Carry forward of such an contribution not being mentioned under the provision of CSR. It means if any of the company not able to spend 2% of average profit in any financial year so that expenditure not being carry forward for next year.
- Company does not have adequate profits or is not in a position to spend prescribed amount on CSR activities, the directors would be required to give suitable disclosure/reasons in their report to the members.
- It is not clear whether the Section 25 companies or charitable organizations set up by them would be included towards CSR.

- Contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; provides a safe guard for companies which are not taking CSR initiative.

Corporate Social Responsibility and Small & Medium Enterprises:

- Small and Medium Enterprises is life line of world economy because of these are accountable for 90% business world over and also responsible for 50%-60% of employment.
- The cost of implementation, time & resources, a lack of awareness of business benefits, no systematic incentive or framework for SMEs are some barrier for small and medium enterprises, for becoming involved in CSR activities.
- Small and medium enterprises (SMEs) significantly contribute towards India’s economic growth. These serve independently and also as ancillary to larger units and help generate employment and industrialise the rural and backward regions of India. They employ nearly 40% of India’s workforce and contribute around 45% to India’s manufacturing output.

Table: Classification of MSMEs in India

| Classification | Manufacturing Enterprises (Investment in plant & machinery) | Service Enterprises (Investment Limit in service Equipment) |
|----------------|--|--|
| Micro | Less than Rs. 25 Lakhs | Less than Rs. 10 Lakhs |
| Small | Over Rs. 25 Lakhs but less than Rs. 5 Crores | Over Rs. 10 Lakhs but less than Rs. 2 Crores |
| Medium | Over 5 Crores but less than Rs. 10 Crores | Over Rs. 2 Crores but less than 5 Crores |

- CSR clause, section 135 of the Companies Act, 2013 covers companies that have a net profit of five crore INR and above, it is expected that while micro-enterprises will not qualify, many small and medium enterprises (SMEs) will.
- The following process can be adopt SMEs for effective implementation of CSR policy-
 - Deciding the thematic areas from Schedule VII of the Companies Act, 2013, beneficiary groups and geographies that it will target based on the inputs from participants.
 - Developing internal processes to track individual contribution by members and their utilisation in CSR activities, finalising long-term projects based on projected contributions by members and addressing non-payment by members.

- The CSR policy of individual SMEs should be designed to allow for flexibility in case of a collaborative effort to undertake CSR. This implies that the policy, over and above the guidelines mentioned in the section “Step one: Develop CSR strategy and policy”, should allow the following:
- Flexibility in selecting thematic areas from Schedule VII of Companies Act, 2013, beneficiary groups and geographies as per the priorities of the entire association.
- Support to initiate CSR programmes to the extent possible, in case the association is abandoned.

The next steps involved in the due diligence of implementation or the concept development partner are:

- Project development
- Operationalising institutional mechanism
- Contracting
- Budgeting and payments
- Monitoring
- Impact measurement

: Comparative analysis of the three choices for legal entity:

| Differential factors | Trust | Society | Section 8 company (earlier known as Section 25 company) |
|--|--|---|--|
| Basic document | Trust deed which contains objects of the trust (bye-law) | Memorandum of association Articles of association with rules and regulations | Memorandum of association Articles of association |
| Formation | Simple | Simple | Slightly difficult |
| Jurisdiction | Deputy registrar or charity commissioner | Registrar of Societies | Registrar of Companies |
| Legislation / statute | Relevant state trust act | Societies Registration Act 1860 | Companies Act 2013 |
| Objectives | Social benefits and charitable | Literary, charitable, scientific and resource oriented | Nonprofits activities |
| Re-amendment or modification of objects | Alteration can be undertaken only by | Easy, legal procedures | Complicated, legal procedures |

| | | | |
|---------------------------------|--|--|--|
| | the founder or settler | | |
| Required members | Minimum = 2, maximum = no limit | Minimum = 7, maximum = no limit | Minimum = 7, maximum = no limit |
| Registration | As trust with the registrar | As society with society registrar | As per Companies Act under Section 8 (earlier Section 25) |
| Stamp duty | 4% of trust property value will be executed in non judicial stamp paper with the registrar | No stamp paper required for memorandum of association, and rules and regulations | No stamp paper required for memorandum and articles of association |
| Name | Easy to choose | Easy to choose | Prior approval required from Registrar of Companies |
| Management board | Trustees | Governing body | Board of directors and management committee |
| Succession in management | By election | By election | By appointment |
| Meetings | No provisions | Annual meeting as per law, governing body meeting as per the rules of society, | Quite extensive as per the provision of Company Law |
| Statutory regulations | Nominal | Limited | Maturable and exhaustive |
| Membership transfer | Not possible | Not possible | Free or control as per desire |
| Member admission | Not applicable | Governing body control | General body or board control through issue of capital |
| Payment to members | As notified in trust deed | Not restricted | As approved by company and state |

CSR AS A TOOL OF GOOD GOVERNANCE:

- The concept of "**governance**" is not new. It is as old as human civilization. Simply put "governance" means: **the process of decision-making and the process by which decisions are implemented (or**

not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

- Good governance has 8 major characteristics. i.e. Participation, Rule of Law, Transparency, Responsiveness, Consensus Oriented, Equity & Inclusiveness, Effectiveness & Efficiency, Accountability.

| Five Principles of Good Governance | |
|--|--|
| The Five Good Governance Principles | The UNDP Principles and related UNDP text on which they are based |
| 1. Legitimacy and Voice | <p>Participation – all men and women should have a voice in decision making, either directly or through legitimate intermediate institutions that represent their intention. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.</p> <p>Consensus orientation – good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.</p> |
| 2. Direction | <p>Strategic vision – leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.</p> |
| 3. Performance | <p>Responsiveness – institutions and processes try to serve all stakeholders.</p> <p>Effectiveness and efficiency – processes and institutions produce results that meet needs while making the best use of resources.</p> |
| 4. Accountability | <p>Accountability – decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external.</p> <p>Transparency – transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those</p> |

| | |
|--------------------|--|
| | concerned with them, and enough information is provided to understand and monitor them. |
| 5. Fairness | <p>Equity – all men and women have opportunities to improve or maintain their wellbeing.</p> <p>Rule of Law – legal frameworks should be fair and enforced impartially, particularly the laws on human rights.</p> |

- So we can say that Governance quality can be measured on three parameters:
 - Accountability
 - Integrity
 - Transparency
- The concept of corporate governance based on maximum transparency, integrity, and accountability at the top level management, which are the very same principles that were considered the pillars of good governance. The base of corporate governance is transparency, disclosure, accountability and integrity.

ICSI Principles of Corporate Governance:

| | |
|--|--|
| 1. Sustainable development of all stakeholders | Ensure growth of all individuals associated with or affected by the enterprise on sustainable basis. |
| 2. Effective management and distribution of wealth | Ensure that enterprise creates maximum wealth and judiciously uses the wealth so created for providing maximum benefits to all stakeholders and enhancing its wealth creation capabilities to maintain sustainability. |
| 3. Discharge of social responsibility | Ensure that enterprise is acceptable to the society in which it is functioning. |
| 4. Application of best management practices | Ensure excellence in functioning of enterprise and optimum creation of wealth on sustainable basis |
| 5 Compliance of law in letter and spirit | Ensure value enhancement for all stakeholders guaranteed by the law for maintaining socio economic balance |

| | |
|-----------------------------------|---|
| 6. Adherence to ethical standards | Ensure integrity, transparency, independence and accountability in dealings with all stakeholders |
|-----------------------------------|---|

- On the basis of above discussion we can say that Corporate Social Responsibility and Corporate Governance are mutually interrelated.

| CG (CORPORATE GOVERNANCE) | CSR (CORPORATE SOCIAL RESPONSIBILITY) |
|---|---|
| <p>Broader CG conception: Entails due regard to all stakeholders and ensuring that companies are answerable to all their key stakeholders</p> | <p>Stakeholder approach to CSR: Companies are the crux of a complex web of stakeholder relationships and have an obligation or responsibility to these different stakeholders</p> |
| <p>Narrow CG conception: Ensuring accountability, compliance, and transparency</p> | <p>Internal dimension of CSR: Companies should accord due diligence to their responsibility to internal stakeholders, addressing issues relating to skills and education, workplace safety, working conditions, human rights, equity/equal opportunity, and labour rights</p> |

- For achieving better result we can classified CSR activities in following categories-
 - Workforce oriented approach
 - Society oriented approach
 - Market oriented approach
 - Environment oriented approach
 - Comprehensive approach

Recommendations:

- It is recommended that there is extremely need of awareness about the benefits of Corporate Social Responsibility for the corporates itself, to explain them how CSR is working as a catalyst for their own long term existence and nation's economic growth.
- It is recommended that there must be a separate cell of expertise in relation to CSR matters under the supervision of Govt. Of India, with co-ordination of all department, who relate with companies for providing expert advice to those companies / industry , who are suffering from expert Key Managerial Persons for conducting CSR project in proper way. In the absence of this corporate itself make a national alliance for utilisation of their resources.
- It is suggested that there must be recognition and reward given by Govt. Of India to the companies and their partner nongovernmental organisation for their efforts towards CSR.
- It is suggested that there must be communication, in the stage of planning of company's CSR policy, between company and respective organ of government for effective implement of CSR project.
- It is recommended that there must public private partnership between respective stakeholders for providing good governance.
- It is recommended that CSR project conduct by companies by following the "**HER**" approach.
HER- denotes project related to women empowerment not only financially but also providing knowledge about, "*what is there right and what is right to do.*"
H- Health
E – Education
R – Rural development project

Conclusion

Corporate Social Responsibility, Corporate Governance, are the buzzwords in present time. Present statutory policy in India in relation to CSR, is enough to bound corporates to work as socially responsible corporate citizen but, taken into consideration, that we are emerging economy and every single rupee is important for economy of India, so for implementation in true sense, means in letter and spirit, effective co-operation & collaboration between all stakeholders, is must for providing good governance through corporate social responsibility. Though organisations and companies, who do not exercise their resources' in a way which society considers responsible, will tend to lose its existence in global market.

“NO SUCCESS IN MATERIAL TERMS IS WORTHWHILE UNLESS IT SERVES THE NEEDS OR INTERESTS OF THE COUNTRY AND ITS PEOPLE”

-JRD TATA

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