

Corporate Social Responsibility-A Case Study

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Abstract:

Corporate social responsibility should be considered as a responsibility towards the society that one has to perform. Now a days corporate entities has shifted from considering it as a liability rather than responsibility that one has. They just do the works as prescribed the act and the rules so that they can extinguish their quota of liability. If this mindset persists then it will eventually break on the long cycle. Government has to devise more new methods to impose the work upon the corporates in a more pleasing manner but should be cautions that not to reduce their standards. It has been found in a study that the work done voluntarily will reap more benefit than the work which has been imposed upon. So, the government has to draft more regulations and give away more subsidies so that it creates more interest towards the corporate entities to do the Corporate social practices more voluntarily. This paper wishes to find out whether the drafted CSR guidelines still holds its stand or any modifications would be necessary. Moreover, CSR should be made as every citizen responsibility towards the society. Only if all the citizens join hands and take up measures towards these responsibilities, there would be a considerable change.

Keywords —Corporate Social Responsibility, Case study between Infosys and TVS Groups.

I. INTRODUCTION

1.1 Statement of problem:

Corporate Social Responsibility alias “CSR” is commonly understood as the path through which the corporate entity reaches a tri- factor equilibrium between economy, environmental aspects and social importance in accordance to that of the interests of the shareholders and stakeholders. In India, we have the Companies Act, 2013 enacted by the Ministry of Corporate Affairs which has made CSR as mandatory for every corporate entity to adopt and enforce the policies in the society they dwell upon.

A corporate entity enjoys all the wealth, manpower and prosperities in the society it has been established. It is imperatively known that if we keep on utilising the resources from a particular area then the area will soon plunge to become a wasteland. So, to prevent such a cataclysm from happening in the modern urban society the law has made strict guidelines to replenish the resources that one take from the mother nature. In simple words to give back something to the earth in consideration for exhausting her resources. With the increasing activities on the economy due to liberalisation, privatisation, globalisation of the economy it has deemed to be necessary to ameliorate guidelines to the corporate entities so that it would be better for the corporates to know how much they have to contribute and the position where they stand.

It has to be highly noted, about the role of CSR of various corporate entities which had joined hands in providing myriad relief materials and donations to the society at large during the pandemic of Covid- 19. Another irrefutable point to be taken into account is that it had provided cumbersome financial help which had bolstered the economy to a resolutely better status than to that of other comparable countries. Without the aid it would have been a complete mayhem for the Government of India as it would have been shorter in hands to tackle this looming pandemic. Corporates had supported the Government, during the need of the hour crisis thereby strengthening the India in social as well as economical aspects. It is believed that many government policies such as AtmaNirbhar Bharat and Swatch Bharat can be better achieved through CSR activities.

This research revolves around this concept of CSR. Particularly how the CSR guidelines are implemented in my locality (Tamil Nadu) with respect to two target companies such as TVS MOTOR COMPANY LTD & INFOSYS LTD, and also to find out whether the current legal framework is sufficient without any shortcomings to apply effectively the principles of corporate social responsibility.

1.2 Objectives:

1. To identify the extent to which the companies have adopted Company law’s (2013) CSR guidelines.
2. To identify whether the current legal framework is adequate for implementation of effective CSR policy.

3. Whether any measures can be adopted to make CSR implementation more effective towards the blooming economy.

1.3 Scope:

This paper aims to achieve whether the CSR policy enshrined under our current legal framework is sufficient, if not what are the areas that needs mending. The study covers the history of CSR, Legal framework of CSR in India, Implementation guidelines of CSR in India, Challenges faced in implementing the CSR policies by the corporate entities, Way forward to provide an adequate solution to effectively implement CSR policies in future perspectives.

1.4 Sources:

The primary source that are relied upon this research are statutory materials, case laws and the secondary sources include various sources from internet, books, legal databases, journals relating to CSR. Various articles with regard to CSR has been collected, the policies releases by the target companies are relied, and some statutory books are made to good use for this research. Although considerable preference has been given to secondary sources, absolute priority will be based on the primary sources so as to prevent the dilution of topic from my version. More emphasis has been given to primary sources, due to the fact of their enactment from a trusted origin i.e., GOI.

1.5 Hypothesis:

Legal framework relating to Corporate Social Responsibility is insufficient to handle the modernisation.

1.6 Research methodology / design:

Researcher has opted for traditional method of research which is doctrinal method to undertake this research. This method deals with studying existing laws, materials released by the MCA, other Govt policies with regard to CSR. This study focusses only upon the researcher's opinion regarding the upheld hypothesis supported by relevant scenarios, case laws, difficulties faced etc.

All the facts and findings in this study are purely adhered from the primary and secondary sources thereby leaving no scope for collecting information from the general public. Ongoing Covid- 19 is also the important factor for the researcher to restrict himself to the doctrinal form of research.

II. REVIEW OF LITERATURE:

Even though there are a variety of books from a variety of publishers, there is very little disclosure about the definition of the CSR. They contain complex definitions with no clear ideas which makes it hectic to decode it and even if decoded it is merely unpractical. No book that was referred gave a clear historical review of CSR.

Every aspect that we see on this era is based on the strong laid foundation in its historical period. If the historical aspect is not well defined then the foundation is obviously the foundation is not going to be well built. All books defined what is CSR in general, however they failed to address the current situation of CSR.

Moreover, the literature is constraint to few theories and models of the corporate governance principles. Literature focusses only upon the implementations to be performed by the society and the beneficiaries for such implementation. However, it fails to focus the other side of the aspect which is upon the corporates extinguishing the natural resources for their high profit gains. A very important study made by Stephen Dunne, (2007) has stated that the failure to clearly state what the CSR, has become the strength to widely decompress it to their needs

2.1 BOOKS

- ✓ *“Corporate social responsibility doing the most good for your company and your cause”* (2005)

The author of this book is “Philip Kotler”. This book focusses upon the way towards the more profitable entity and aspirations towards becoming one among the top 500 fortune companies list. It also states that the only focus of the capitalist is upon the end product and not the process involved in the creation of the same.

This book mainly revolves around the industrialists, their marketing techniques and eventually failed to look into the aspects of the common people. Thus, it set out that the only interest is upon the marketing strategies to increase the outcome and not upon the people and their improvement for common cause.

- ✓ *Corporate Social Responsibility – Concepts and Cases: The Indian Experience* (2005)

This book is edited by “CV Baxi and Ajit Prasad”. This book is separated into two parts. Part one deals with the different papers on CSRs, their analyses of the frameworks, practices in different countries, experience, and the stakeholders engagement. Even in this book the historical evolution is given in a very brief manner.

Position of theories and models also occupy the same, even failed to address which model suits the Indian economy more. A global representation will only present us mere knowledge that what other countries are adopting, but it is not important as compared to the aspect that which model is better suited and what modifications has to be done is not covered.

The second part of the book deals with the case study of 18 subjects showcasing the implements done by them. It just says about the implementation of the big corporates in a very positive manner. It hides some of the meticulous facts which the public know about those said companies. A very example in this regard would include Ambuja cements.

It was portrayed as a superior example in case of environmental stewardship and its broad and catchy mission statement which reads as “Give a Man orders..., Give him freedom and authority and his task becomes a personal mission- ‘I CAN’.” But the recent mishaps that happened in the company was not brought to light in that section.

✓ “A Better India a Better World”

This book is authored by the famous industrialist, “NR Narayana Murthy”. This book is merely collection of a philosopher’s statements. It includes his lectures and not a “book” properly written by him. He believes that certain necessary aspects have to be developed for the sake of better future. Such aspects include:

- Education,
- Good value system,
- Capitalism,
- Globalisation.

He emphasises that globalisation is the only means to achieve a betterment in the society. However, after reading “Unsustainable Globalization: A Theoretical – cum - Historical Perspective” a book authored by M. Kunhaman, I got a much conceptual clarity about the last two aspects.

What Kunhaman says is that market and capitalism cannot be separated. Capitalism on its sole concept cannot be read without reading about imperialism and on reading imperialism, it always starts or instigate to war. The mindset of capitalist is always upon the profit making.

✓ “Corporate social responsibility in Asia”

This book is edited by “Kyoko Fukukawa”. This explains about the historical aspect of global CSR regime. He also focusses what the countries experience while implementing such regimes. He particularly says about the Bangladesh which is also an Asian country.

He states about the happening of exploitation of the textile manufacturers even though the country is in the third position for largest employer in textile industry. He states that the reason is due to lack of good governance.

2.2 ARTICLES

India has made specific guidelines towards the implementing of the CSR guidelines for the betterment of the society. India has done a tremendous job in implementing the CSR guidelines however, there’s a long way to achieve for a well-structured guideline¹.

Many has become famous and well established with the help of CSR as a main activity, however it is imperative to understand the concept of social responsibility and

1. Anupam Sharma And Ravi Kiran, School Of Behavioural Sciences And Business Studies, Thapar University, Patiala, India (2012)- Corporate Social Responsibility Initiatives Of Major Companies Of India With Focus On Health, Education And Environment.

reaffirm the existing knowledge in this area.²

In this new era of globalization, CSR has been widely gaining importance. A brief comparative study between the Tata company and ITC company is used as a reference. It is observed that two entities have been engaged in various areas of development such as education, community, involvement and health care.³

On further development CSR included the spheres of economic and social aspects. Companies have adopted the concept of transparent behavior. It has been found in this study that when a entity accepts a CSR voluntarily. Many positive outcomes are facilitated.⁴

Increasing legal sanctions lead to finding a way to overcome or to avoid it as a whole, as many corporates tend to duplicate someone else efforts and want to waive off their responsibility towards the society.⁵

This paper is a contribution towards the efforts taken to establish a symbiotic relationship between the economic and social aspects. It also presents the challenges that are associated with it and the positive outcomes that are

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2. Dr.ArvindJain,SeniorManager (Sme),AxisBankLtd.,Rajkot(2012)- CorporateSocialResponsibility: AnExplorative Review.
 3. OmwenoNyameyioEnock&Dr.KundanBasavaraji,Kuve mpuUniversity(2013)-CorporateSocial ResponsibilityOfTataand ItcCompany:A ComparativeStudy
 4. Bhupender & Vikas Kumar Joshiya,Assistant Professor, University of Delhi (2012) -Issuesand Challenges ofCorporateSocial Responsibility in India.
 5. Soheli Ghose, Assistant Professor, Department of Commerce, J.D. Birla Institute, JadavpurUniversity(2012)- GlobalizationofCorporateSocialResponsibilityFocussi ngOnIndianMarkets
 6. HurratulMaleka Taj, Mba, NarseeMonjee Institute Of Management Studies, Mumbai(2011)- CorporateSocialResponsibility,SustainableDevelopment: PerformanceMeasuresAndIndicators.
 7. LokaranjanGuha,Professor,Eiilm,Kolkata(2011)- CorporateSocialResponsibilityRating:India Focus.
 8. Ms Nidhi Khurana Asia Pacific Institute of Information Technology, Panipat (2011) - StrategicCorporateSocialResponsibility:ChallengingSust ainableActions inIndia

associated with it.⁶

This study particularly focused upon those entities which crossed the milestones in the performance of CSR in terms of environment safety measures, social responsibility undertaken and much more. After collecting these it engages in a deep study on their role, background, and ratings of their CSR works.⁷

This paper deals with the immediate action to be taken in the prevailing economic condition. And further focusses upon the reasons for such analyzation, the gap between the implementation and the efficacy of the policies, and to identify the grey areas which has been left out while implementing the CSR policies. This paper also suggests to look CSR as a non-profit entity and if so, considered then in the long run it will be returning as profits.⁸

In this paper the trend of the CSR is analyzed and looks for the futuristic way towards the potential impacts by it. It deals with various approaches, analysis, publications and other documents related thereto. It also focusses upon the various trends of CSR in India.⁹

In this paper the social responsibility over the business aspects is dealt and the need for CSR towards the society. The term corporate citizenship more commonly referred as moral obligations towards the society. The objective in this study is to find out the efforts taken by the Indian companies towards the CSR.¹⁰

In this paper various definitions for the CSR has been defined along with an elaborate development in Indian scenario. The theoretical concepts are explained by numerous authors. This study also focusses upon the India's top 500 companies and their efforts towards CSR.¹¹

Corporate social responsibility has been widely debated topic across the globe. This article discusses about the contributions of the institutional theory towards the understanding of CSR as a concept of governance.

This paper also suggests to beyond the capabilities to inculcate the CSR as a voluntary practice in the corporate entities. Institutional theory seems however, promising to discover the actual boundaries between the business and the society as a whole.¹²

CSR is a contribution towards the society by the business entities which eventually leads to the concept of sustainable development thereby explaining that their responsibility lies only towards the shareholders but also towards the stakeholders. If you consider in the case of Indonesia, the CSR is only mandated only in business dealing with the natural resources. This study examines 30 Indonesian listed entities to find out the relation between the profit making and the firm value.¹³

In this study it is found that CEOs are accountable not only towards the shareholders but also towards all stakeholders. This accountability keeps on changing due to the effect of globalization and the changing nature of people's mindset. More issues have started to emerge in the aspect of labor and working conditions of the employees.¹⁴

In simple meaning CSR literally means to give back what we take from the society. But there's a shift different from this meaning. The new companies amended in the year 2013, has the provisions for the requisites towards the company to perform CSR in particular fields. This scope of the act has undergone a recent transformation from contributing towards the society as a responsibility to contribution for the sake of gaining popularity and thereby increasing the profits of the corporate entities. This paper begins with the definition of CSR in its own way and then describing about the importance towards the rapid changes towards the business environment. It also collectively examines the CSR policies adopted by the four companies such as HUL, Hero, HPCL, Tata steel. These four companies are taken from four different sectors. The study clearly elaborates the policy adopted, money allocated,

9. Sweta Singh, GreatLakesInstituteofManagement, Chennai, India (2010) =PhilanthropytoCorporateSocialResponsibility:AnIndian Perspective.

10. DhondArvind, AssistantProfessor (SelectionGrade), St.Xavier'sCollege Mumbai(2008)- CorporateSocial ResponsibilityofIndian BusinessHouses.

11. Richa Gautam and Anju Singh, Industrial Safety & Environment Management Group, NationalInstituteOfIndustrialEngineering(Nitie), India(2010)-CorporateSocialResponsibilityPracticesInIndia: AStudy Of Top 500 Companies.

12. Stephen Brammer, Gregory Jackson, And Dirk Matten (2012) - Corporate Social ResponsibilityandInstitutionalTheory:NewPerspectivesOnPrivate Governance.

13. Martin Surya Mulyadi and Yanita Anwar, Binus University, Jakarta, Indonesia (2012) - ImpactOfCorporate Social Responsibility TowardsFirmValue&Profitability.

14. George Pohle and Jeff Hittner In Their Study On "Attaining Sustainable Growth ThroughCorporateSocialResponsibility"

amount spent, efficacy of the policy implemented and much more.¹⁵

III. EVOLUTION OF CSR:

3.1 ORIGIN OF CSR:

It is fact that cannot be mistaken that India has the world's richest tradition of following corporate social responsibility. Although the term CSR is new to hear, it dates back to over a transition of 100 years of tradition. Ever since then it has evolved through various phases like community engagement, socially responsible relations and much more to be taken into account. Its evolution can be classified into four distinct transitional phases.

PHASE1:

The first phase begins from 1850 and ends in 1914. This phase is known for its charity and emergence of philanthropic nature. It was influenced merely by family values, traditions followed, culture and religion. And another important factor was industrialization. The wealth generated by the family of businessmen was spent on the welfare measures for the society. Some of the welfare measures included setting up of temples and other religious institutions. In case of unforeseen circumstances, the wealth of the business men is utilized to meet such needs.

Such instances include drought, famine, epidemic, etc. Before the independence the concept of CSR has been promoted by few famous businessmen such as Tata, Birla and many others by way of setting of charitable foundations, health care facilities and trusts for the development of the society. The social benefits that were introduced were masked up with political intentions.

PHASE2 :

The second phase started from the year 1919 and ended in 1960. It was during the struggle for independence era. Even the national father "MahatmaGandhi" urged the big wealthy industrialists to share their income and wealth for the benefit of the poor and undeveloped in the society. His concept of trusteeship was the main factor for the development of socio-economic growth of the society.

Even Gandhiji related the companies and industries to temples of modern India. He even advocated the industrialists to set up colleges and training institutions. These contributions from the industrialists helped in the development of rural areas. In those eras where status of the women was downgraded, schemes for the empowerment of

women were undertaken.

PHASE3:

The third phase started from the year 1950 and ended in the year 1990. This phase is specifically known for the emergence of public sector undertakings. PSUs were developed for the better distribution of wealth in the society. The policy which was prevailing in this era dealt with various areas such as industrial licensing, taxes and the restrictions imposed upon the private sector.

This policy saw many corporate malpractices which contributed to the development of more adaptive legislation on corporate governance, labor and environmental issues. Since the contributions from the PSUs were not satisfactorily enough the expectations were transferred from public to private sector, with the later was actively involved in various socio-economic developments.

PHASE4:

This phase began from the onset of 1980. This CSR was characterized for its sustainable business strategy. It was during this period the Indian market was opened up to the foreign markets by way of liberalization, privatization and globalization.

On opening up the market the licensing system was also relaxed for welcoming foreign institutions which led to a tremendous economic growth. Upon growth the companies were more obligated to contribute more to the society. What was once started as a charity is now accepted as a responsibility.

NATIONAL VOLUTARY GUIDELINES:

These guidelines were drafted prior to the enactment of companies act, 2013. These guidelines were applicable to all businesses irrespective of their size or nature or location. Their main was to assist the enterprises to become more responsible towards the society they are incorporated. Many of the provisions of this propositions has laid the foundation for the modern CSR guidelines under The Companies Act, 2013.

Some of the principles include¹⁶:

✓ PRINCIPLE 1:

Business should govern themselves with principles of ethics, transparency and accountability.

✓ PRINCIPLE 2:

15.

ParulManchanda(2017)"CorporateSocialResponsibility:Inventivenessbyvariousenterprises",JIMS 8M,July-September, 2017.

¹⁶Ministry of Corporate Affairs, National voluntary guidelines on social, environmental and economic responsibilities of business, (https://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf), Last accessed on 16-June-21.

Business should produce and deliver goods which are safe to both environment and consumers. Concept of sustainability has also to be considered.

✓ PRINCIPLE 3:

Business should take care of its physical and mental wellbeing of its employees.

✓ PRINCIPLE 4:

Business should respect others interests and be a responsible person to all the stakeholders mainly concerning about the disadvantaged and the vulnerable.

✓ PRINCIPLE 5:

Human rights should be respected and promoted.

✓ PRINCIPLE 6:

Business should always seek to protect, respect and to restore the environment.

✓ PRINCIPLE 7:

Business should engage in public and regulatory policies in a more responsible manner.

✓ PRINCIPLE 8:

Business should support the equitable development of the society.

✓ PRINCIPLE 9:

Business should engage with customers in a more responsible manner.

3.2 CURRENT LEGAL FRAMEWORK OF CSR:

The two most important legal documents which form the legal framework in India include

1. The Companies Act, 2013
2. The Companies (Corporate Social Responsibility) Rules, 2014

➤ The Companies Act, 2013:

Section 135 of the companies act,2015 deals exclusively about the corporate social responsibility. Under the section 135 there are 5 sub clauses which are explained below in detail.

“Under §135,

(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 [the immediately preceding 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.

[Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.]

(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 [in areas or subject, 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.

The list of activities mentioned in the schedule VII is as follows

(i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) 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.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(v) 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central

Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

(viii) contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

(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 per cent. of the average net profits of the company made during the three immediately preceding financial years [or where the company has not completed the period of three financial years since its incorporation, during such 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 [and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].¹⁷

Companies(Corporate Social Responsibility Policy)Rules,2014¹⁸

It came into force on 1st April, 2014. It defines corporate social responsibility as the projects or programs which are relating to schedule VII of the company's act undertaken by the company in accordance to the board of directors of the said company. Sub rule 3 states that all the companies which full fill the criteria for CSR under Section 135(1) to implement the same provided that the company is having its branch office in India. It urges all the eligible companies to constitute a CSR committee and to comply with the provisions of the companies act.

The CSR committee of every company which is eligible under the section 135(1) is supposed to register the institution for undertaking the CSR activities either under the Trust act, societies act or the companies act.

Some of the important points under the rules are:

1. Any program or policy which is solely for the benefit of the employee or the management is not considered as a CSR activity. Hence the company has to exercise caution in choosing the program or policy listed under schedule VII.

2. Monies which are spent on the capacity building of the employees cannot exceed the limit of 5% of the total

¹⁷ The Companies Act,2013, No.18, Acts of Parliament,2013 (India).

¹⁸ The Companies (CSR Policy) Rules,2014 (India).

expenditure.

3. Any contribution to the corpus or to any projects related to CSR will directly come under the purview of CSR expenditure. However, it is mandatory that such programs or policies has to fall under schedule VII of the companies act.

4. Any contribution which is made to a political party does not come under the purview of CSR activity.

The Companies Rules, 2014 also gives a provision where two or more companies can collaborate to undertake the CSR programs. From the financial year 2014 the Board's report has to contain the annual report on CSR. In case of a foreign company then the balance sheet has to contain the annexure regarding such report on CSR.

A sample format for the submission of annual report may include:

1. A gist of the company's CSR policy along with the programmes undertaken and currently proposed along with a reference to web link of the same.
2. The List of members of the CSR Committee.
3. Average net profit made by the company for last preceding three financial years
4. Estimated expenditure of the proposed CSR policy
5. Details and whereabouts of money utilised on CSR activities during the financial year.
6. If any amount is unspent such has to be mentioned along with the reasons
7. Manner in which the payments have been made during the financial year.

3.3 BENEFITS OF ENGAGING IN CSR:

There are various benefits associated with a company which is engaging in corporate social practices. Some benefits include:

➤ INCREASED PROFIT:

It has been well understood that better the principles of CSR the better will be the relations between the business on the one hand and the community and government on the other hand. The better the relations the more goodwill and trust they earn. With trust their products are consumed on greater quantity than who doesn't have any goodwill.

In fact, several studies have shown that the better the social responsibility the greater the income will be. A study made by DePaul university in the year 1997 states that a corporate entity with defined corporate commitment to ethical and moral principles attract larger profits than those who don't have such commitments.

➤ CAPITAL ACCESS:

Companies which have a proper CSR practice and has earned goodwill among the people it resides holds exclusive access to increased capital which are made available due to the fact that it contributes some to the society in the form of socially responsible investment. Thus, this acts as a potential driving factor for the non-CSR practitioners to implement CSR practices to increase their capital.

➤ REDUCTION OF OPERATION COSTS:

It is imperative to think that greater the enactment of environmental management system greater will be the costs for such. However, it's on the contrary, they don't improve the profits on implementation rather they improve the company's efficiency of waste reduction, conserve water usage and also in the process of recycling thereby reducing the fine/tax that a company has to pay.

There are also some company specific approaches such as for a dye company its effluents contain strong synthetic dyes which if discharged without treatment will be hazardous for the aquatic life.

If we see this on positive side then companies equipped with these environmental management systems will definitely result in better environmental, social and economic activities. For e.g., if we take a construction company, reduction of production of wastes in the onsite, reduction in the use of noise creating instruments, reducing the number of trucks and frequency of them to appear on onsite.

Such reduction might be difficult on the beginning and hard to follow however if adopted, on the long run then it will be more comforting for the consumers as well as to the environment.

➤ REPUTATION ENHANCEMENT:

Reputation is the source of all goodwill. Company has to be conscious enough to secure the reputation it possesses as reputation once lost might be hard to reaffirm to the same level. In fact, the each and all transactions are carried based on trust upon the company. Once that trust is broken the company will face severe hardships to survive in the economy.

To develop this trust, it is mandatory for the company to develop a strong reputation in the environmental and social responsibility sector. NGO's and local communities are the first persons more willing to report and seek justice in case of any environmental degrading incident takes place.

Major criteria are taken into account on delivering justice in these areas like considering whether the company has taken adequate steps to prevent such incidents from happening in the first place and in case of solid waste management then orders for rectifying it as soon as possible and to prevent its future occurrence is issued.

➤ LOYALTY TOWARDS CUSTOMERS:

It is known fact that everyone wants a goods from good and safe origin and significantly contributes to a social cause. Such example would include classmate notebooks making contributions for every sale of goods. Now a days it has been borne in the minds of people that they are in need to contribute some to the society.

People started to buy things from the companies which contributes a portion of the profit to the needy ones. So, the concept of indirect contribution has also to be taken in account. Likewise, people also boycott goods based on the reputation of their origin. If it is from a company which does nil contribution towards the society then people less affection towards consuming such products.

Such consumers have to be respected and their loyalty has to be maintained by coping up with the standards that has been established previously. By doing so it not only retains the consumers and the employees but also their trust and good will towards the company increases many folds.

➤ QUALITY AND QUANTITY ENSURED:

With increased efforts from the company towards improving working conditions, less environmental degradation, increase in cordial relationship with the employee it will definitely improve the productive rate with minimal error rate.

With these improvements the employee feels secure that the company that he is working takes concern regarding him and the society as a whole. This way the employee understands that the he is cordially bound to do good work towards the company which in turn bring in huge profits for the company. It is found that a company which establishes a strong bond between the employee and employees there tends to be fewer defective products to be produced which cannot be sold.

➤ EMPLOYEE MAGNET:

A company with good CSR standards and practices acts like a magnet which attracts many new employees and also in the task of retaining existing employees. People will start to be fascinated in getting jobs in a reputed company which in turn creates a demand for vacancy in the company and promote the reputation of the said company. In this era people are not satisfied only with the pay check rather the place where it comes from. This makes an situation where people would be ready to work in a reputed company in return for a lesser salary.

➤ REGULATORY OVERSIGHT:

The greater the company is transparent towards the government the more perks and preferential treatment it receives. The more commitment it shows towards implementing the CSR beyond the measures stated by the government the more leniency would be provided by the governments.

This in turn makes the companies to adhere to implement more and more reforms. Even in such situation where there has been a accident the government tends to resolve the issue more favourable towards the company. In simple words the more the corporates pacify the government by complying the more government would express their leniency.

➤ EFFECTIVE RISK MANAGEMENT:

The more the company is dedicated towards CSR the less risk they face in the business. There are various risks associated with the business. However, one such risk is associated with the reputation risk due to bad press. A known example in this case the Nike which was highly publicized for Nike sweatshops.

Other common risks include financial risks or environmental risks. Many companies have started publicizing their works, efforts, measures towards the implementation of CSR to prevent themselves form the victim of such risks in the future.

➤ STAYING IN THE RACE:

Staying ahead in the race is one factor that the company can't fail. The company has to cope up with the measures what other competitors are implementing and find the better version of it and implement it to retain the employees from jumping to the new company. Even some companies are implementing their standards in comparison to that of international level so that they stay in top in compared to others.

This position changes when the competitors of such company implement a CSR guideline which was attracted by various members in the community. Such attraction would obviously lead to transfer of employees from one company to another one. So, with such international requirements it obviously benefits the society and the people in which it is hosted.

3.4 AFTERMATH EFFECT OF IMPLEMENTING CSR:

Let's say the company has adopted various CSR policies, what will be the outcomes of those policies which were adopted is dealt under this sub- heading. Some of the positive outcomes which are obtained when a company adopts CSR includes:

3.4.1 BENEFIT TOWARDS THE COMPANY:

➤ Financial capability is improved:

Companies which have a proper CSR practices and has earned goodwill among the people it resides holds exclusive access to increased capital which are made available due to the fact that it contributes some to the society in the form of socially responsible investment. Thus, this acts as a potential driving factor for the non- CSR practitioners to implement CSR practices to increase their capital.

➤ Operation costs are considerably reduced:

It is imperative to think that greater the enactment of environmental management system greater will be the costs for such. However, it's on the contrary, they don't improve the profits on implementation rather they improve the company's efficiency of waste reduction, conserve water usage and also in the process of recycling thereby reducing the fine/tax that a company has to pay.

There are also some company specific approaches such as for a dye company its effluents contain strong synthetic dyes which if discharged without treatment will be hazardous for the aquatic life.

If we see this on positive side then companies equipped with these environmental management systems will definitely result in better environmental, social and economic activities. For e.g., if we take a construction company, reduction of production of wastes in the onsite, reduction in the use of noise creating instruments, reducing the number of trucks and frequency of them to appear on onsite.

Such reduction might be difficult on the beginning and hard to follow however if adopted, on the long run then it will be more comforting for the consumers as well as to the environment.

➤ Increased popularity and reputation:

Reputation is the source of all goodwill. Company has to be conscious enough to secure the reputation it possesses as reputation once lost might be hard to reaffirm to the same level. In fact, the each and all transactions are carried based on trust upon the company. Once that trust is broken the company will face severe hardships to survive in the economy.

To develop this trust, it is mandatory for the company to develop a strong reputation in the environmental and social responsibility sector. NGO's and local communities are the first persons more willing to report and seek justice in case of any environmental degrading incident takes place.

Major criteria are taken into account on delivering justice in these areas like considering whether the company has taken adequate steps to prevent such incidents from happening in the first place and in case of solid waste management then orders for rectifying it as soon as possible and to prevent its future occurrence is issued.

➤ Increased loyalty of customers:

It is known fact that everyone wants a goods from good and safe origin and significantly contributes to a social cause. Such example would include classmate notebooks making contributions for every sale of goods. Now a days it has been borne in the minds of people that they are in need to contribute some to the society.

People started to buy things from the companies which contributes a portion of the profit to the needy ones. So,

the concept of indirect contribution has also to be taken in account. Likewise, people also boycott goods based on the reputation of their origin. If it is from a company which does nil contribution towards the society then people less affection towards consuming such products.

Such consumers have to be respected and their loyalty has to be maintained by coping up with the standards that has been established previously. By doing so it not only retains the consumers and the employees but also their trust and good will towards the company increases many folds.

➤ Increased productivity along with improved Quality and Quantity:

With increased efforts from the company towards improving working conditions, less environmental degradation, increase in cordial relationship with the employee it will definitely improve the productive rate with minimal error rate which contribute to increased productivity.

With these improvements the employee feels secure that the company that he is working takes concern regarding him and the society as a whole. This way the employee understands that the he is cordially bound to do good work towards the company which in turn bring in huge profits for the company. It is found that a company which establishes a strong bond between the employee and employees there tends to be fewer defective products to be produced which cannot be sold.

➤ Ability to retain employees & attract new employees:

A company with good CSR standards and practices acts like a magnet which attracts many new employees and also in the task of retaining existing employees. People will start to be fascinated in getting jobs in a reputed company which in turn creates a demand for vacancy in the company and promote the reputation of the said company. In this era people are not satisfied only with the pay check rather the place where it comes from. This makes an situation where people would be ready to work in a reputed company in return for a lesser salary.

➤ Lesser liability and greater product safety:

The greater the company is transparent towards the government the more perks and preferential treatment it receives. The more commitment it shows towards implementing the CSR beyond the measures stated by the government the more leniency would be provided by the governments.

This in turn makes the companies to adhere to implement more and more reforms. Even in such situation where there has been a accident the government tends to resolve the issue more favourable towards the company. In simple words the more the corporates pacify the government by complying the more government would express their leniency.

The more the company is dedicated towards CSR the less risk they face in the business. There are various risks associated with the business. However, one such risk is associated with the reputation risk due to bad press. A known example in this case the Nike which was highly publicized for Nike sweatshops.

Other common risks include financial risks or environmental risks. Many companies have started publicizing their works, efforts, measures towards the implementation of CSR to prevent themselves from the victim of such risks in the future.

3.4.2 BENEFIT TOWARDS THE SOCIETY AND GENERAL PUBLIC:

➤ Increased contributions towards charity:

It will be highly impossible for the government's policies to reach every nook and corner of the nation. Also, it's highly impossible that each and every citizen would be benefitted from this. If CSR is promoted this responsibility is shifted to the various corporate entities that are spread around the globe. With numerous hands contributing towards the relief, it's an area, where government can less concentrate for a while developing other areas of interest. With more and more CSR vested upon the corporate entities the more burden it loses.

So, the concept of CSR must be seen as a social driven concept rather than tax imposing framework. Corporate entities on regular contribution will nominally become voluntary contributors. Such voluntary contributions will aid for the development of areas in a much faster rate. The concept is very simple if one man does a work, he might complete the work but the duration he takes is going to be larger. If more men are employed to do a task, then efficiency of that work will increase along with that the rate of time consumption to complete that particular task is significantly reduced. This is what the CSR wishes to achieve by implementing the CSR guidelines.

➤ More volunteer programs are organised:

Government has the ability to appoint and regulate the manpower, however considering such feasibility it will be much harder. Considering this if the corporate entities are appointed with this task, they will be able to attract human resource around their locality in a much easier way. Moreover, it is a double factor benefit to the corporate entity. One is that the corporate entity gains the popularity for involvement towards such environmental projects and second is gain the benefits from the government for such involvement. In this modern era, corporate entities have started to get themselves actively involved in the CSR activities.

The reason is that they had found out the fact that with more popularity comes greater the profit. So, increase the profit as well as their brand reputation they consider each and

every opportunity to get themselves involved in such projects. Moreover, the governments financial capability to hire short term manpower and to appoint persons to regulate them will considerably drain their resources. However, the corporate entities are blessed with numerous manpower and has the ability to attract large amount of manpower in a shorter duration in comparison to that of the government. Being blessed with younger generation majorly, the corporates has only one task in the sleeve i.e., to recruit, organise, and to implement the task.

➤ Product safety is ensured:

There are many places where there are larger chances of mistakes to happen due to fact that employees enjoy the sense of job security and carelessness. Whereas in case of corporate entities each and every task undertaken is carefully executed due to the fact that it might misfire towards the company and makes the company to earn less profits. Moreover, the corporate entities have a brand name and reputation to maintain, they check each and every move before action to ensure that their brand name and reputation won't get affected.

If a company loses a brand name or reputation then its going to cost the company long standing years to achieve back what was lost by the company in the first place. Whereas in case of governments the employees have no mandate to finish the task moreover, they are offered with the job security which makes them less concerned towards the job that they are undertaking. So, it is reiterated that the product which is delivered by the private parties are more secure due to various levels of scrutinization they undergo.

➤ Increased involvement towards community education

Education stands important not only in the Indian borders but also across the globe. It is seen that the corporate entities are more interested in this area due to the two-fold factors of benefit. One is supply of manpower with assimilable knowledge source. Its like feeding the poultry day by day so that it can die at the right time, similarly they are educated in more and more increased standards so that they can be utilised in the right time by the company.

Second benefit is the branding and the end product that comes from the beneficiary. If the beneficiary grows up and settles in a better position, he will repeat like a parrot about his pity parade and who came to his rescue. Doing such an act will create a positive impact towards the company which extended hand to him. Moreover, if he discovers any extraordinary invention or receives any extraordinary award, he along with the company will get the popularity. In simple concept, in his success story there is no business for "I", its all "WE" that takes place.

➤ Active contribution towards the homeless in the community:

With the mandatory guidelines for implementation of the CSR principles, each and all private entities are focussed upon the areas where to spend and which area would be beneficial to them if amount is spent and much more is thought out in the very first beginning. Most corporate entities choose to spend it around the area where their company resides. This is due to the fact that the longer the distance between the place of investment and the company the little the popularity it is going to get.

Moreover, they wanted to restrict themselves to nearby places so that the task becomes easier and supervisory of the task is feasible. So, if the areas around the companies is focussed upon then, the area to do welfare is to contribute towards the homeless in the community around them. Most of the companies are located in the prime spots of the state. In that case the number of the homeless in the community is comparatively less and more feasible. So due to these benefits the corporate entities choose the areas that are close to them and to contribute for their welfare.

3.4.3 BENEFIT TOWARDS THE ENVIRONMENT:

➤ Increased recycling of materials:

The corporate entities are given more and more subsidies for converting to green energy and substantially reducing their dependence upon the non-renewable resources. This ultimately makes them to focus upon receiving the subsidiary and thereby contribute to the environmental sustainability. More popularity is also a benefit for a company to adopt green energy rather than conventional source of energy.

Let's assume that there are two companies A & B, A is a medium scaled company but has contributed towards the dependence upon the green energy and has obtained many awards and subsidiaries for the same and on the contrary B being a large company uses conventional source of energy which makes it last at the rating which was awarded to all. Now on comparison, when both companies launch a product, the product launched by A will be success due to their popularity among the public on consuming on green energy and their contribution towards the environment rather the product of B which constantly pollutes the environment.

➤ Increased product worthiness and functional ability:

The corporate entities will start to make products which lasts longer in life and will have less impact on the environment if disposed to the environment. This is due to large grants advanced by the government to the corporate entities on following certain guidelines. Such guidelines include manufacturing of plastics in a much less polluting way so that they will satisfy the economic at the same time reduce the pollution that will happen if it gets disposed after their lifetime. Moreover, all the entities are more concerned about the environmental pollution and constant increase in the global warming.

It has been estimated that in the next 5 years the temperature will increase by 1.5 degrees with this current rate of replenishment. This means that the rate at which we replenish is not enough. Governments and corporate entities has to speed up their process and contribute more and more to prevent any substantial pollution and to reduce the already present carbon footprint. For this huge activity, one nations contribution isn't going to suffice. Each and every people around the globe has to join their hands in preventing and to mitigate the factors of pollution. Only then the environment can sustain and go back to normal. Only in the environment cases, we use the term mitigate, this is due to the fact that the word "replace" is incorrect as no can replace and reposition the earth as it was in the previous state. It has to happen on its own.

➤ Increased use of renewable resources:

The more the subsidy, the more the involvement will be – is the golden principle which government has understood. It has created numerous subsidies like reward systems for following up certain guidelines. The corporate entities in view to expand their business by money grants and the popularity that is achieved by means of adopting the guidelines imposed by the government. Government has advised and issued subsidies for corporate entities reducing their dependence upon the non-renewable resources and transforming to green energy and becoming more self-sufficient. With such subsidies and grants being issued corporate entities take up these tasks and accommodate them within their framework.

➤ Improvement of business along with environment:

With these principles and guidelines for making the corporate entities to become self-sufficient and reduce their dependence upon the conventional source of energy and tasking them to utilise green energy will promote the growth of the environment along with the business entities. Its similar to that of mixed agriculture, where two crops are sown at the same time. This is to prevent the weed formation and to promote mutual growth and to contribute towards increased profits. The logic is applied to the corporate entities where they grow along with the environment. Business entities and environment has become inseparable entities in this modern era.

3.4.4 BENEFIT TOWARDS BUSINESS ENVIRONMENT:

- Increased performance in financial sector
- Reduction of operating costs
- Inclusion of CSR as a part of management goals
- Increased loyalty of customers
- Increased reputation of the company
- Ability to retain employees
- Ability to attract employees

- Reduction in regulatory oversight

3.4.5 CSR DRIVERS:

- Role of government is reduced:

Let's assume there are two persons with heavy and bulky tasks in their hand, and additional tasks were given to both of them. One has diverted the works to his assistants, while the other has taken up the task upon his own hands. Now if we compare the efficiency of the tasks given to both of them, the task which was subjugated to assistant will be of better quality due to the fact that the assistant has only one job, that is to finish the job and report back to his manager. Now considering the same situation in real world, state has numerous problems to deal with. If the tasks of developing the economy, society and rural areas then its going to become unattended or attended less dedicatedly. So, to prevent this the task has been divested upon the assistants of the governments, who are the corporate entities. These corporate entities have the work to be completed and to report to the government when completed. By doing this the role of the government is considerably reduced.

- Need for greater disclosure:

When government is assisting the work with its assistants, such assistant sometimes might try to cheat the government. So, to prevent such mishaps from happening the corporate entities are vested with certain disclosures that has to be made. With those disclosures the government can know the state of affairs and position of its assistants and thereby there lies transparency between the two. Being transparent will eventually lead to consumer attraction as everybody like to know with what they are getting involved. With more consumer attraction the more the company grows. The more the company grows the more profit and share values rises. So there are lot of benefits hidden deep in disclosing the information. Even government had made mandatory that disclosures are needed to be involved in a particular task. So it explicitly asking the company to be more transparent so that they will be in the upper hand while any dispute tends to occur.

- Increased demand from consumers:

With greater disclosures and more adoption of government subsidies, the corporate entities will get the public attention. With more public attraction the more the company grows. The more the company grows the more profit and share values rises. Eventually the company grows to a bigger position thereby increase in demand from its consumers. So better the demand, better the product will be. This is evident from the famous apple company. The cost of the phone is high due to the demand for that commodity in the market is high. So, the more the corporate entities lean towards the policies, the more they get famous and get public response the more demand they will be getting from the public.

- Increased pressure from investors:

With more adoption of the policies, greater transparency, increased demand the corporate entities will face tremendous pressure from its investors to find out new and alternate ways to keep on increasing the profits. This demand will keep on going and it's a never-ending cycle. Once in this cycle the corporate entity has only two options, one is to move forwards or to get pushed backward. the first one is very hard as it involves persons crushing their minds to satisfy their customers in new and innovative days each and every day. The second option is easier and automated process. If the corporate entity stops to push further, they will be pushed down by their competitors which eventually drags them backward. so once entered into the race, it's always forward with no other alternatives.

- Increased competition in markets:

The more the company grows the more it's harder to face the competition. The company has to keep on facing its competitors eventually from the day one. Whenever it adopts a policy, whenever it introduces a new policy towards environmental contribution, whenever it receives a subsidy, it is marked according to its performance. This performance is tabulated and released by the government. This is done in order to keep the environment viable for the competition to persist. Only is there is competition people tend to keep moving forward. If there is no competition people tend to get bored and neglect the activities which were one adopted. To prevent such a scenario from happening the government has inducted competition among the corporate entities so that the process will be never ending and the benefits will be kept on accumulating.

IV. PERSPECTIVES OF CSR:

4.1 DIMENSIONS OF CSR

The dimensions of the corporate social responsibility can be classified into two main aspects such as external and internal dimensions. As per the report titled "The Green Paper" by the Commission of European Communities in the year 2001.

4.1.2 INTERNAL DIMENSION:

This is regarding the practise that is carried out with regard to the internal components of the company which is equipped with provisions to incorporate the CSR principles.

4.1.3 HUMAN RESOURCE MANAGEMENT:

The very first step to equip the long battle of implementing CSR practices in an organisation is to start in its own i.e., human resources. Human sources are the potential factors which derive the benefits in the first hand. In this aspect various areas that has to be looked upon to implement the CSR practices include providing a suitable environment for the work force, to create a learning atmosphere for the

work force, to empower them with the challenges ahead, increase credibility among the workforce, and to create a perfect balance and compartmentalise each between the work & family leisure, and to ingrain the very desirable aspect which is the concept of job security in the minds of the work force. It has been estimated that active involvement from the company towards the work force facing a hardship say for e.g., disability or injuries sustained during particular course of work has significantly resulted in retaining the workforce with the company. Recruitment of peoples from various backgrounds, different ethnic groups, old age workers, with equal opportunities for women would create a perfect mixture of persons there by extinguishing the differences and promoting a singularity in the economy.

One of the main driving factors for companies establishing in different developing countries is due to the availability of abundant work force. It has been set out in this research paper by Dawar and Chattopadhyay” in the year 2000 that the emerging markets provide skilled and unskilled labour at a comparable low cost than to that of normal cost of automation of the job positions. For a developed country to introduce the same concepts adopted in the home country such as automated beverage dispenser, electronic data transfers, mechanical transfer of goods can be implemented in the developing country in a way lesser investment by replacing it with abundantly available labour resources. For instance, the strategy adopted by the famous Coca Cola is to replace the costly vending machines with the cheap available sales persons. In a study conducted in China by Benjamin, Brandt and Glewwe in the year 2000 states that the company has conducted an experiment by replacing the vending machines with pushcart programme. It was observed that the person dispensing the drinks individually is more beneficial in terms of costs than compared to that of providing an area with an vending machine. Even this concept of such sales person dispensing the beverage is adopted in the case of Coca Cola in India.

4.1.4 HEALTH AND WORK SAFETY MEASURES:

Second most important area which has to be focussed upon is the safety provisions. Safety of worker and their health has to be constantly monitored and corrective actions has to be taken if any default is present. It is believed that better the safety standards the better will be the productivity from the workforce. Although various legal standards are present to uphold this aspect, it has been left to the companies to engineer their standards of health and workmen safety. It has to be noted that all those international legal guidelines present is of voluntary in nature and does not have a binding effect upon the companies. Its high time now for the companies as certain legal measures adopted by them are not implemented by the lower hierarchies. To prevent such a scenario the companies, have to properly ensure whether the implemented guidelines are adopted till the end of the hierarchies. Moreover, they even have to coordinate with their

key suppliers and other connected parties to ensure proper adoption of the standards that are implemented.

It is assumed as a chain effect i.e., if one company adopts then it spreads to other companies too which has led to the development of the safety measures upon the work force. Multiple mechanisms have been developed to particularly focus upon the implementation of the same in the emerging markets thereby creating a global chain of measures adopted towards health and work safety measures.

4.1.5 ADJUSTMENTS TOWARD THE CHANGES IMPOSED:

A very recent trend in expansion of business is through Mergers and acquisitions. Also, another method to cut down the company's push for profits is Downsizing. Downsizing means the ineffective employees are fired or terminated to reduce the labour costs and improve effective profit making.

As per the report titled “The Green Paper “by the Commission of European Communities in the year 2001 “Restructuring in a socially responsible manner means to balance and taking into consideration of the interests of all those who are affected by the proposed changes. In practice scenario, the process is important as to the process of restructuring. On selectively this involves seeking involvement from those who are affected through consultation. Further, restructuring needs to be properly drafted by careful considerations of all major risks involved, costs involved, alternative strategies and policies, in case of redundancies to evaluate all the possibilities.”

However, it was noted in the study by Bhattacharyya and Rahman in the year 2003 states that most of the emerging countries has labour laws to prevent the labour retrenchment even in case of non-profits. So the main theme elucidated here is that the CSR policies has to made even in these new developing areas so as to prevent the exploitation of the workforce by the companies.

4.1.5 CONSIDERATION TOWARDS ENVIRONMENT:

Environment takes the place of crucial factor without which none of the above can take place. It has to be understood that the more a person degrades a society the faster the disaster is going to appear. Conservation and optimum use of resources, reducing environment damaging effluents can reduce the impact on degradation of environment. Now the awareness level has increased manifold in the current scenario. In fact many countries have started to penalise any act of over exploiting the natural resources and potential disregard towards environmental safety measures of the company. The importance of companies to maintain the environmental standards has been clearly elucidated in the study carried out by Consultancy and Research for Environmental Management on topic titled “Practices carried by Dutch MNC's in India” in the year 2004. Many started to

change and set an example to the defaulters and many understood the fact that early the compliance the more strategic opportunities for them in the future.

4.1.6 EXTERNAL DIMENSION:

This is regarding the practise that is carried out with regard to the external components of the company which relates to the external stake holders in the company. The importance of this dimension has evolved with the concept of globalisation which was in accordance to provide international standards to business practices carried out in a country.

4.1.7 LOCAL COMMUNITIES:

Accumulation of positive relations along with a good will from the local communities is necessary for a company to be prosperous. This good will and the positive relations are seen as an investment criterion for the multinational companies. Only if such a desired standard is met the multinational companies will of the mindset to integrate their business in the local companies as a subsidiary. A company which has a deep understanding of particular customs which are ingrained in their economy can act as a strategic advantage for them.

It is more important in the modern world because with good will and better understanding of the local communities, the company can utilise the cheap labour from the very community they exist. The company can substitute capital instead of cheap labour and reap cost benefits. An example from the study carried out by Dawar and Chattopadhyay in the year 2000 sets out an instance of the famous Whirlpool company. The facts set out as, it was hard for Whirlpool to sell its high priced fully automated washing machine in the markets so it introduced the twin tub machines which was comparatively cheaper and demanded consumer's labour. Since the technology has been long set out in the markets, Whirlpool had to acquire it from Korea.

4.1.8 BUSINESS PARTNERS:

One important mandate that has to be remembered by the company doing business is that all are its friends, family and neighbours. It has to create a cordial relationship with all the persons it meets and makes transaction. This cordial relationship will enhance the end user experience in the company while reducing the complexities and unnecessary costs. Companies has to keep this in mind that all the CSR practices it makes will be judged based upon the partners and suppliers of the company. A wonderful proverb which suits this context is "FACE IS THE INDEX OF MIND". As we have discussed earlier the CSR practices are not limited only to the companies doing business but also to its partners and members in the supply chain too.

Companies in the emerging markets are expected to take on multiple CSR practices because of the presence of various outsourcing opportunities in the name of suppliers and outsourcing agents. Taking up multiple CSR practices alone

won't resolve the company's part; it is expected to provide high quality products and services as expected by its customers in a manner expressing its concern for the society and the environment. Thus in the modern markets strategies based on consumer needs would enable the companies to achieve a long standing relationship with the consumers.

4.1.9 HUMAN RIGHTS:

The company has to take adequate steps to ensure that human rights are not being violated. It should provide adequate transparency for the society that it doesn't employ any person barred by the law or permit anything illegal. It is the duty of the company to ensure that the employers don't exploit the employees and the consumers. Human rights violations have to severely penalised in case of done by the employers and adequate compensation has to be provided along with steps to prevent such violations happening in future.

It also has to make sure none of the rights of the person in the community around are violated. An example of this kind is land rights. In many cases the lands of the local communities are bought by force leaving them no remedy. In some cases, they are manipulated by paying name's sake compensation. A proper consultative process has to be developed in case of any protests against the company. Such consultative process has to take each and every person's question and answer it till they are satisfied with the answer the company is offering. It has also a duty to protect such protestors from getting arrested or in any other way threatened.

4.1.10 SOCIAL RESPONSIBILITY OF AN INDIVIDUAL:

It is more of a moral responsibility of every person in a society to abide by it and act accordingly so that the persons around are not adversely affected. This kind of obligation is prefixed for every individual in a society. One should not concentrate only upon his/her interest areas instead one has to support based on philanthropic judgements. It is viewed a tool for CSR. If everyone does their job perfectly then everything in the society fall in its place accordingly. It is more or less like dividing the bigger rock of duties into smaller ones for everyone as moral obligations. If small rocks are joined it gives us the entire bigger rock.

This concept of work for all is becoming difficult in the modern world as people started living for themselves rather than social self. If such difficulties are overturned what we see is the road to glory i.e., the larger people will be benefited from this which in turn will change the society for better. As a responsible citizen if one does contribute in a small amount, it would tally a big change. A small initiative like advocating the practice of switching off the lights when not in use will reduce the carbon footprint in a considerable manner. These moral obligations are not born by laws which were framed very recently rather it found its origin in each

and every religion's sacrament text you would find. In the famous Hindu epic "Bhagavad Gita" Lord Krishna teaches arjuna about the responsibilities that he is entitled on being a king. The karma yoga tells us about the fruits of our labour and their interrelations with the individual actions. According to Karma Yoga, a company which does good work will reap benefits based on the deeds it does. Even though there are multiple definitions for CSR, there is no clear-cut definition for what the CSR comprises. It differs from company to company based on the objectives of the company.

4.2 MODELS & THEORIES OF CSR:

4.2.1 MODELS:

➤ Ethics and CSR:

Business ethics deals with other forms of CSR such as integration and binding of ethical and core values, key stakeholder's interactions, auditing and any forms of social performance measurements and reporting. It is an academic field upon rules and regulations.

➤ Altruistic CSR:

As term "altruistic" denotes there exists a personal or organisational sacrifice present in it. Humanitarian CSR is the concept of corporate citizenship attached with fundamental obligation to give back the society.

➤ Strategic CSR:

Strategic CSR is mainly adopted to accomplish strategic business goals in a company. Such type of strategic CSR was very popular around the mid-1980s.

4.2.2 THEORIES:

➤ Political Theory:

The motivations of the public officials and corporations are the key factors in political theory of corporate social responsibility. Political decision makers need revenue to implement their welfare schemes for the society. So, they will be dependent more towards the corporates which are paying them lump sum as tax.

With good welfare schemes there are chances for the political representative to get re-elected. On summarising it is thus found that a good society needs a good representative and a good functioning company so that the society will be developed in the end.

➤ Society Contract Theory:

Social contract theory was developed in the 17th century through Thomas Hobbes theory. Later this theory was further constructed and developed in different directions by John Locke and Jean- Jacques Rousseau. Rather than vesting the obligation only upon the shareholders, some implicit and explicit social terms has been vested upon the organisation also for which it has social obligation to fulfil.

Friedman has stated that sole responsibility of an organisation is to maximise the profit for its shareholders.

This is so because in the past, the amount of concentration of money in the hands of corporate decided their legitimacy.

➤ Stakeholders Theory:

Freeman in 1984 stressed upon the stakeholder's view and passed six categories of it, which included owners, employees, customers, suppliers, communities and governments. Other reputed scholars included the natural environment also as the additional stakeholder.

➤ Self-Regulation theory:

Self-regulating means to self-regulate themselves without the aid of others in action. In most cases its relating to environmental and ethics related areas. Some of the specific list of self-regulatory activities include the adoption of codes of conduct, appropriate efforts undertaken to ensure ethnic, and gender diversity; undertaking adequate transparency and firm accountability measures; proper compliance with labour laws and protection from violation of human rights.

➤ Neo liberal Theory:

Neo liberal writers see this theory as a fundamental adoption of set of policies, code or guidelines which are initiated and performed by the corporation. Generally, CSR is defined as a company's management of the economic, social and environmental impacts of its activities.

As per Milton Friedman views on New York Times on September 13, 1970; there only one social responsibility of the business i.e., to use its available resources and engage itself in activities in increasing the profits by staying within the laws prescribed. In simple words to engage in open and free competition without any involvement in fraud or deception.

V. NECESSITY OF CSR:

5.1 EMERGING ASPECTS OF CSR

➤ TRANSITION FROM MERE REPORTING TO ENGAGEMENT:

The model which is in practice has reached its extent in terms of quality of information it can provide. For the past decade we have been continuously searching for new methods of effective measurement of progress that is made, yet we haven't even reached half way of the trajectory. It is still hard task in comparing the companies in terms of CSR contribution based on their reported data.

The reason for reaching such a conundrum is because of the complexity of the data. Sometimes the data which is recorded will be even impossible to analyse due to the integrity behind the data which is provided. Such a data will be deemed neither valuable nor reliable for analysing. These integrities are based on the variety of stakeholder's involvement towards the company. Therefore, they won't be increased by small improvements. So, the companies have

started to work on this aspect and rectify it so that the integrity rises.

Generally, employees nor the suppliers won't be interested in reading about the reports that are made by the company. Companies have started to use this back door and started to experiment with them. If this condition persists then CSR executives are going to become less attracted towards the company and more attracted towards the marketers.

➤ THE MODEL FOR BUSINESS:

More companies have started to understand about the ratio of complex challenge they are facing while implementing the concepts of sustainability and started to think that it is deviant from their business model. Here begins the confusion in the minds of the companies.

If the concepts that is proposed to be adopted if not implemented, will it result in the damage towards the environment? Is it worth on concentrating on such a practice than focussing upon the business goals to improve the profits? Is there a model where you can focus upon implementing of such activities and yet you will be making profits for the company? Answering all these questions is going to leave the question bearer less interested towards the policy which was adopted.

The same problem which was aroused before the Interface Flor carpets, they tried to solve the problem by offering a professional rental service for the flooring rather than being a seller to them. Thus, this seemed to be a good service model and even incentive is achieved to personalise the professionalism along with reduction in the material used. In the previous method used by the company, they were making profits based on the areas they cover.

The problem involved in this old method is that customers weren't ready for such a huge tag. The idea of possession even crept inside them which started to instigate them to own the carpet that too with less price. So, the company adopted the concept of renting which is the new method. This is beyond the idea on the creation of the company. Even this demanding concept might get bored and there will be a need for change. In such a situation again, the cycle has to be repeated. This is said by the saying "The more innovation the more profits continued".

This is a complex task as you have to decide which might be best suitable to drift the customers along with you in the business. If you are too fast you make them unable to compete and you lose them. If you are too slow then your interest might be transitioned to someone else. So, it is important to maintain the pace accordingly.

➤ WELL ORDERED PROFESSION:

Every CSR executive at one point of their time starts to question themselves that whether they are following the professional discipline or not. When the concept of

accountability was first introduced in the late 1990's it was more of a social and environmental accountability and guidelines for the accountability professionalism.

There are both positive as well as negative aspects in this statement. On the positive aspect, an acknowledged person can set out the standards that has to be followed by the persons entrusted by the company. It can gain respect towards the peers and its voice might also be heard in the board decisions. On the negative aspect, the side-lines that accompany the professionals like complexities in coming to an agreement and much more.

To be on point every professional will start explaining terms in his own way which might be difficult for the peers to understand it. Therefore, there's sense of less competition around him which destitute his search for new information every day. So, here comes the question that appointing a well-ordered professional will hinder the business or kick start it.

➤ ADDRESSING GLOBAL PROBLEMS:

Business peoples have always had a keen interest upon influencing the public policy principles. If it seen on the wider scope, the reason for such an activity will always be to remove the restriction towards the increase in profit making. But as witnessed globally, with immediate threat to global climate, companies have started to find a suitable position for themselves in these change agents.

Company is a dynamic concept which makes them more entitled towards responding to global environmental challenges. As governments are struggling with this bigger chunk, even they are expecting a helping hand in this. It has now become a situation where the concept of liability to change has to be borne by the global citizens. So the corporates have taken up the issue of addressing the global problems in lieu of the global citizens.

This includes a hidden concept of familiarisation of their brand thereby increasing their profit-making capacity in the name of addressing global issues. So, the Corporates have started to take the matters upon their hand more readily and address the issues than the role performed by the political leaders.

5.2 PARTICIPATION OF GOVERNMENT IN CSR

Creating a suitable environment for the private sector ensures the viability of the competition among the private sectors and ensure more opportunities and responsible private sectors.

The main difficulty arises in the government agencies to find out the priorities, increasing public knowledge, create and provide subsidies, and also to determine the functional capacity. Some main areas where the government can engage in include:

1. Regulation:

These include drafting of laws, regulations, along with adequate measures to regulate the control aspects of the private entities. Government has the tendency to regulate the operation of the business by establishing minimal standards that an entity has to follow.

By doing this government is regulating directly to a strict agenda of following the rules imposed else the penal provisions will be applied for the default. It can also regulate through goal-based orientation i.e., if certain slab is achieved then some reward will be provided.

It also regulates through imposition of stricter guidelines towards the environment degradation and reward-based guidelines for following eco-friendly practices.

2. Facilitation:

By means of this mechanism the government makes the private entities to take up the task of improving the social and environmental factors. It can include CSR elements mandatory standards so that it will be mandated as prescribed.

It can also help out the private entities by reaching to assistance both technical and advisory when they are in need.

3. Brokerage:

Government can also take the place of being broker to join the developments of the society with the private entities surrounding them. It can be achieved by initiating a conversation between various stakeholders and knowing their CSR guidelines.

This helps the government to identify the capacity of the company to decide whether the proposed can be done without the interference of the government?

If not so then it has to be present with the company in collaboration so that it aids advisory guidelines while implementation of the same. By this action the government gets to know the grey areas and cover those areas under their policy measures.

4. Warranting:

Warranting is of different forms, including the incorporation of international rules, education, policy documents, publicly acknowledging good CSR activities of other companies, specific awards for specific activities towards CSR, creating an example of Pro- CSR by creating guidelines and standards.

➤ Initiatives undertaken:

The measures that the government to raise the standards of the CSR profile of the country include:

✓ Creating a stable and sustainable environment:

It has to be understood that all the governments across the globe have adopted the CSR practices and started to regulate it. Influence of the public sector is an important factor in

establishing the areas within which the CSR practice can be performed. Thus, public policy makers can decide the areas that need to be attended and let the private sectors to do their jobs.

✓ Awareness creation and public support:

While imposing laws and mandating upon the companies it has to be delicate and in a manner of appeasement. Only then it will be positively approached and actions will be taken based on voluntary basis.

If forced it might startle the companies and forced to find some other place to establish their business. So, the very first the government has to take is to promote by imprinting knowledge about the link between the society and the earning private entities and thereby establishing the concept of voluntary approach by the private entities.

✓ Establishment of specialised agencies:

In many countries, governments have decided to establish specialised institutions and agencies to promote the activities of CSR by the private entities. For e.g., Thailand set up CSR institute in the year 2007.

✓ Regulatory frameworks:

Governments, by means of establishing regulatory frameworks they are establishing the guidelines that the companies have to follow in CSR activities which gives the private entities a wider view about what they have to do and how they have to do that.

By setting of minimum standards the governments are adopting two strategies. One is to improve the low performing entities to develop faster by inducing competition. Second is on the high performing entities to perform more obligations towards the society.

By making laws upon this, they are making it as a strict guideline, a common for all approach and thereby ensuring the compliance from all the private players. It should also have to be kept in mind that whatever legal implications mentioned in the law is not final, there should be options for the aggrieved to approach a judicial body and settle the issues faced by them.

✓ To Ensure Dialogue:

Government has to make sure that it is in the hierarchy to impose or to remove any decision it concludes. Only if so then the public won't be exploited for the sake of profit making. It can also collaborate with the private entities to organise and implement the various areas that are left out from the benefits provided to the country.

It has to facilitate a meaningful interaction between the business communities and the government. If the government doesn't do so then the private entities function for the benefit of themselves rather than for the social good.

5.3 PARTICIPATION OF NGO IN CSR:

➤ ABOUT THE NGOS:

An NGO means an organisation which runs for a non-profit making. The main objective of such an organisation is to work for the needy. It consists of voluntary citizens from all over the state even in some cases all over the world. It is driven by the people having societal interest and concern towards the needy.

These organisations perform various number of functions such as bring concerns of the citizens to the notice of the public, to monitor the implementation of announced policies by the government, encourage political participations towards the public, to serve the needs of general public and much more which doesn't involve the monetary compensation for the work done.

Some organisations are focussed upon the certain issues which faces transgressions everyday such as human rights, environmental safety or the health hygiene. They analyse the issues happening around them and provide an early warning to the government that such a thing is happening over the particular area. They also monitor in some cases the application of international agreements.

They are connected to each and every other organisation around the globe. India saw a rapid increase in the formation of NGOs in the 1970s. Ever since from then it seen continuous registration of NGOs each and every day. Most of the NGOs categorise themselves and deal with those categorisations only.

Such categorisation includes social groups, issues pertaining to geographical locality such as discrimination in south Africa, poverty reduction, housing downtrodden, prevention of violation of human rights, upliftment of women, to conserve natural resources, clean water and sanitation facilities in India and much more.

Their primary focus is to search for an alternative for the developments that are happening and to mitigate the damages that are done to the environment. This is achieved through research, awareness, capacity building, and creation of working models and much more.

When the works of the NGOs are reviewed, it can be clearly seen that all that they might have been done is to join hands in contribution towards a wealthy and prosperous nation. Many NGOs have worked hard in achieving in their categorisations such as admission of child with disability in schools, reduction of caste-based myths in paying equal pay for the women towards the work she has contributed, to remove child labour, to promote and uplift women of the rural areas and much more examples can be cited in explaining their categorisation.

Their works during the natural calamities cannot be compensated. They have helped numerous people towards the

safety and also in providing food and relief materials to them. NGOs have been main component in the capacity building process in farmers and producers' cooperatives and they also established Self Help Groups for the empowerment and upliftment of the women.

In the recent years also there has been an increasing trend in the formation of NGOs and they have also developed and inculcated the cooperation between the organisations established. This cooperation comes in handy when a issue needs additional information or additional support or joint action.

➤ ROLE INVOLVED:

Majority of the business players are still in the toddling stage of collaboration towards an NGOs. This is because of the difference in the opinions between them which arises when the jointly cooperate on a particular thing to implement it.

Business players mindset will be finish it as soon as possible and more on concerns towards about the public view will be absent. NGOs main duty is for the concerns towards the public which it doesn't wasn't to compromise. Here rises the problem between the two on compromising the standards of the scheme proposed.

However, this aspect has been reduced to a considerable ratio and companies have started to collaborate their projects with NGOs. These actions recognises the important role played by the NGOs in the society and their actions are considered in building a professional relationship towards them.

However, there are some shortcomings in the NGOs also such as sectoral stereotypes, short term business cycles and their less capacity to the complete a task and more time-consuming process are making the corporates on thinking whether to choose the NGO or not. There exists an excellent opportunity in the road ahead in the future when corporates and the NGOs work together.

Corporates bring in the money needed for the plan and the NGOs draft the plan carefully keeping all sectors under consideration. Therefore, a combination of corporate with NGO is definitely going to aid in the development of the nation.

Companies utilise their business skills to build other weaker areas thereby promoting the concept of working together and to tackle the most difficult issue easily. NGOs have to improve their transparency to earn the corporates confidence in them.

And also, negative stereotypes should be exterminated and only professionalism should be encouraged. But to do this they need revenue which is in the corporate's hands. Hence is set for the corporates to advantage of the property and utilise their mutual relationship and coordinate

together to create a better India. If such is the case then there lies no hurdle for India in becoming the most developed country in a rapid phase.

➤ EMERGING ENVIRONMENT IN NGO AND CORPORATE PARTNERSHIPS:

✓ GROWING DEMANDS FOR ENGAGEMENT:

CSR initiatives which are initiated in India are driven by the legal framework which forces the companies that belong to the government or non-government entities. These are mandated so for the development of the society.

With the legal framework, all the companies falling under the criteria have taken upon the implementation of the CSR programmes. The trend for appointment of NGOs for implementation of CSR programmes will be soon witnessed in the near future.

✓ INNOVATIVE STEPS ARE UNDERTAKEN:

There's a paradigm shift towards business opportunities which started involving shared values and inclusive business practices. These practices build fortune from the bottom of the hierarchy, thereby ensuring equal distribution.

Some of the examples for companies developing for the deserving, poor and needy include Tata, Nokia, Godrej, and much more on the list. The national skills development corporation was enacted by the government to find out new ways to support the skills at a affordable rate.

TOP 5 COMPANIES IN CSR INITIATIVES 2020:




On comparing the progress that has been done by the companies in the areas of the CSR, they are ranked based on their performance. On ranking Infosys takes up the first position for the year 2020 which was previously occupied by Tata Chemicals in the preceding year.

The role of the Infosys Foundation chairman- Sudha Murthy's contribution towards the deserving has encouraged other competitors to do the same. All the companies which take the ranking, plays a pivotal role in CSR practices. Their ranking is based on the spending criteria towards the economy and incorporation of SDGs.

CSR in the year 2020 came with a hectic task of contribution towards the pandemic ridden economy. Along with these pandemics, came the cyclones and floods which added the fuel to fire.

As a result of these disasters many companies contributed their revenue towards the relief materials across the states in the country. Promoting the concept of sustainability was a demanding task in these prevailing economic conditions. However, several companies came forward with the adoption of the same.

LIST OF THE TOP 5 COMPANIES - 2020¹⁹

	FIRST
	SECOND
	THIRD
	FOURTH
	FIFTH

First place was occupied by the Infosys for its studios contributions and in providing myriad relief materials towards the needy. In the preceding year this place was occupied by the Tata chemicals ltd, which was occupying the first position continuously for 3 years. Now, Tata chemicals occupy the third position in the current year. Second position is occupied by the Mahindra & Mahindra for its activities. A significant achievement has been made by the ITC by climbing one step up and reaching fourth position. Even Vedanta was graced for its activities by occupying fifth position which was at eighth in the preceding year.

INFOSYS Limited:

It all began with someone striving hard for the deserving and that someone is Sudha Murthy, who is the chairperson of Infosys Foundation. She says that corporate social responsibility is not a job rather it's a passion that one has towards the society. The company spent approximately 360 crores towards the CSR policies drafted all along the year. The major contributions were taken up by the relief materials for the COVID-19 pandemic.

Even education and health sectors were concentrated during these harsh times. Among all the contributions made by the Infosys, the 100-bed quarantine setup made by the Infosys and Narayana health city conglomerate were the main initiatives. It also set up another facilitating 182 beds at Bowring and lady Curzon Medical college.

It mainly collaborates with NGOs and implements the schemes so that the coverage of the schemes can be expanded with the aid of these dedicated organisations. Some of the highlights of their implementations include the restoration of a lake at Mysore, encouraging sports through

¹⁹Kasmin Fernandes, Top 100 Companies in India for CSR in 2020, (<https://thecsrjournal.in/top-indian-companies-for-csr-in-2020/>), Last accessed on 22-June-21

Gosports, and aiding the government in procurement of the relief materials from all around the globe.

MAHINDRA AND MAHINDRA Ltd.:

No corporate can match the performance of the Mahindra and Mahindra when it comes to the case of actions on climate change and promoting the concept of sustainable development through its business practices. The company almost spent 95 crores on CSR policies for the year 2020. The reason of maintaining the position stands here.

The head executive Anand Mahindra is one strong example for continuation of dedication through years. It was under his guidance the company was able to sustain its position for a consecutive year. He is a member of varied areas such as Harvard business school, National sports development fund and many other organisations. He initiated the project Nanhli Kali in the year 1996 which was the biggest implementation for providing education for the girl child.

This scheme not only focusses upon the girl child but also to empower their families. The success stories given by these beneficiary girls were more encouraging for while mentoring the young girls. This scheme organisation works closely with Naandi foundation in providing food every day to 1.3 million government school children. Naandi also aids in small scale farmers in adopting environment friendly practices.

TATA CHEMICALS Ltd.

Tata inspires us every day by going beyond the limits prescribed. Even in the current year the budget allocated was 21.39 crores but it went beyond such threshold to 37.81 crores to aid the economy during this merciless pandemic.

Its one of the Tata's mandate to improve the quality of life of the people and to uplift the environment around the areas where it operates. Tata Chemicals spends 12 crores every year on the wildlife conservation and to promote the concept of environment sustainability.

TCSR (Tata Chemicals Society for Rural Development) is established by Tata chemicals in the year 1980 as a social arm for the implementation of CSR activities. It adheres to the concept of participatory approach where the beneficiaries were added to the development process to ensure viability of the programmes implemented.

ITC Ltd. :

ITC Choupal has become one of the flagship entities in the implementation of CSR programmes. It has received not only in the local circles but also in the international levels also. It has benefited large number of farmers by implementing the digital literacy and empowering them. This was the major trump card for the ITC as this was the factor which acclaimed the reason for its popularity.

It has spent nearly 326 crores on CSR initiatives in the current year. With this amount it has crossed the limit which has been

seen in the preceding years. It has active contribution towards education, conservation of environment, promote agriculture, digital literacy, sports and even culture. The social institution was headed by Sanjiv Puri as the chairman.

VEDANTA Ltd.:

Vedanta not only focussed upon the improvement of the agriculture but also rural areas are concentrated under its purview. Along with these areas' other important areas such as water, energy and reduction of carbon footprint are also focussed.

They have devised new technologies to regulate and optimise the use of water, increased purchase of green energy, to mitigate the environmental degradation and to promote and protect the environmental sustainability. Focussing on the conventional sources, it has promoted the concept of environment sustainability and ensure zero harm.

Vedanta has generated 1,653 units of conventional source of energy. Solar power projects covering 22 MW were also implemented. Around 92 % of the harmful effluents are reduced and recycled. The company was more committed towards the green mining of economic resources and to reduce the carbon footprint.

VI. CASE STUDY I:

6.1 TVS GROUPS:

TVS Motor Company Limited is a part of 100-year-old company dealing with the manufacture of two and three wheelers. Having been a traditional company for more than 100 years, it has been an early adopter of CSR practices which has been set out by the government. It has a holding company namely Sundaram- Clayton Limited, and its subsidiaries and associates (SCL Group of companies).

SCL Group of companies believed that integrating the social, environmental and ethical principles into their business would aid in their long-term sustainability. In this note the SCL Group of companies started their journey towards promotion of social welfare of the deprived and underprivileged, creating sustainable society along with a prosperous environment. Accordingly, they set up Srinivasan Services Trust (SST) in the year 1996.

This SST acted as the social arm for the SCL Group of companies. This SST was specially dedicated for the development of the community and to fulfill the CSR mandates. Over the past two decades, it has made a tremendous effort in changing the lives of various peoples in the rural India. It undertook the concept of building self-reliant models to promote sustainable development of the environment.

It has also rendered various charitable activities through its earmarked organizations that struggle for the

wellbeing of the society by equipping them with education, assistance in the medicine, and other needy benefits. The company has also in accordance to the company law has constituted and companies (CSR policy) rules has constituted a CSR committee. This CSR committee has formulated a CSR policy and recommended the board to approve the same.

The board approved the policy in the year 2015 and adopted policy. The policy revolves around the philanthropic ideas for the welfare of the community as a whole. The policy containing various list of CSR initiatives and guidelines will be applied not only in this locality but stretches to all of its branches.

6.1.1. VISION OF TVS GROUPS:

The company has said that it will act as a catalyst to speed up the process of developing the communities by making them self-reliant, and by deploying the skills and resources in important areas such as, for economic development, providing quality education, adequate health care facilities, to conserve the environment, to promote the national art, culture, sports and protection of historical places.

6.1.2. OBJECTIVES OF THE POLICY:

The main objectives which were stated in the policy document include:

1. To strive for the economic development, assistance in healthcare, to provide quality education, to aid in the conservation of the environment, to aid in the increase in the infrastructure facilities in the society, to provide adequate representations for the weaker sections in the society.
2. To acknowledge the company's actions and to create a positive impact through its actions on eradication of poverty, promotion of education, to enhance the employment skills, to promote environmental sustainability.
3. To empower the people of the needy, downtrodden and poor and aid in permanent improvement of their lives
4. To protect the national importance aspects such as national heritage, art & culture and places of historical importance.
5. To aid in the public libraries and to promote the traditional handicraft industries.
6. To aid in promotion of rural sports which are nationally recognised such as Olympic, Paralympic sports.
7. To promote the concept of environmental sustainability, preserve ecological balance and to protect the native flora and fauna.
8. To provide safe and clean drinking water.
9. To contribute towards the Government policies such as Swatch Bharath Kosh and others notified by the central government.
10. To aid the needy in times of natural calamities such as

disasters, floods, droughts etc.

11. To develop a slum area.

6.2 CSR IMPLEMENTATION

6.2.1. PROJECT AREAS UNDERTAKEN:

➤ ECONOMIC DEVELOPMENT:

Promoting improved agricultural activities by adoption of scientific methods for increased yield capacity; to empower women, weak, and the downtrodden; to improve the facilitation for the live stocks by organizing veterinary camps; to improve the vocational skills thereby increasing the employment ratio; to enhance the livelihood of people belonging to rural areas; counselling towards survival, protection and education of the girl children to increase the girl child ratio.

➤ EDUCATION:

To provide quality education, including special attention to the disabled and the children; setting up of schools for adults; contributing towards the infrastructural growth of the schools; providing study & play materials; introduction to digital technology to improve the quality of education.

➤ ENVIRONMENT:

To ensure and promote environmental sustainability, maintain ecological balance, adequate contribution towards the protection of flora and fauna, conservation of non-renewable resources, improving the quality of air, soil and water by way of

1. Education for the public on ways to dispose wastes effectively;
2. To construct and to maintain drains periodically;
3. To undertake goals towards afforestation;
4. Construction towards soil and water conservation structures;
5. Education for the public towards rain water harvesting;

➤ HEALTH:

To aid in the reduction of infant mortality rate; to reduce the malnutrition among the children in the rural areas; reduction of severe diseases in the rural areas which occurs due to deficiency of vitamins such as anemia; building old age homes for senior citizens; to reduce the inequalities faced by the people in the rural areas; to educate to reduce the practice of open defecation; to provide clean and safe drinking water.

➤ HUGER, MALNUTRITION, HEALTH AND POVERTY:

To eradicate all hunger and malnutrition; to reduce the poverty of all kinds; clean sanitation systems; to provide clean drinking water.

(Ministry of Corporate Affairs), GOI (Government of India).

8. To comply with all the requirements under the companies act, 2013 with regard to rules framed there under.

➤ NATIONAL CULTURE, ART AND HERITAGE:

To protect the national heritage of India; to aid in restoration of places of historical importance; creating access to books; promoting traditional handicraft industries.

6.2.2. CSR COMMITTEE:

The committee shall consist of 3 or more directors of which one has to be an independent director.

The CSR committee will be responsible for

1. Formulating a policy and recommending it to the board in compliance to Section 135 of The Companies Act, 2013.
2. To identify the areas that has to focussed for implantation of the proposed policy in accordance to schedule VII of The Companies Act, 2013.
3. To recommend the board about the annual expenditure to be incurred by the company in implementing the proposed policies.
4. To recommend the locations for implementing the CSR policies.
5. To recommend the board for modifications of the policy, if necessary.
6. To regularly monitor the implementation of the proposed CSR policy.

6.2.3. RESPONSIBILITY OF THE BOARD:

The Board will be responsible for

1. For approving the policy formulated by the committee with or without modifications, if necessary and to disclose the adopted CSR policy in the official website of the company.
2. To consider the recommendations of the CSR committee and to direct the committee when required
3. To draft and prepare a report on the expenditure to be incurred by the company on implementing the proposed scheme.
4. To ensure in each financial year that the company spends at least 2% of the average net profits of the company made during the last 3 financial years.
5. To ensure that in every financial year the fund earmarked for the CSR are spent properly and to monitor the implements
6. To disclose the CSR committee members along with the CSR policy in the annual report and also in the company's official website.
7. To ensure that the annual reporting is made to MCA

6.2.4. IMPLEMENTATION OF CSR ACTIVITIES:

1. The SST is the entity which acts as a social arm of the TVS groups for implementation of CSR policies will receive requests for funding of the CSR activities from time to time.

2. After receiving such request for monetary grant, the board of trustees will review the proposed budget and make changes if necessary.

3. Projects will be approved based on their priority and the availability of the monetary resources in the company.

4. After approval from the trustees, it will be directed to CSR committee for approval and implementation.

5. The CSR committee will further scrutinize the project proposals and recommend it to the board for implementation.

6. Any surplus which resulted out of the fund allocated for the proposals will not come under the purview of business profits.

7. The total amount spent on salary of the persons employed on the CSR activities shall not exceed 5% of the total CSR expenditure for any financial year.

6.2.5. SUPERVISION PROCESS:

1. For any company implementation of the any project will not itself will be considered as executed rather proper periodical monitoring agency has to be appointed in furtherance of the same and to reach the goal for which the project was implemented.

2. Monitoring may be done on a continuous level or periodical level based on the requirement by way of continuous feedback assessment.

3. Implementation and monitoring agency will be supervised by the CSR committee.

4. The CSR committee can appoint any external agency for the performance of monitoring agency to promote transparency.

5. If implemented by external agency then the CSR committee may appoint proper executive to supervise the same

6.3 FINDINGS:

S L. N O	GUIDELINE	YES	NO	POSIT IVE	VE NEGAT IVE
1	Whether the CSR guidelines has been followed as per The Companies Act, 2013 & The Companies (Corporate Social Responsibility policy) Rules, 2014?	✓		✓	
2.	Are there any violations made by the company by contravening the CSR provisions of The Companies Act, 2013 & The Companies (Corporate Social Responsibility policy) Rules, 2014?		✓		✓
3.	Whether CSR Committee has been appointed?	✓		✓	
4.	Whether such committee has drafted a policy and recommended it to the board?	✓		✓	
5.	Whether the performance of the TVS groups in CSR contributions is satisfactory?	✓		✓	
6.	Whether CSR policy implemented covers all the area as mentioned under schedule VII?	✓		✓	
7.	Whether the members of the board have performed to the satisfaction?	✓		✓	

VII. CASE STUDY II

7.1 INFOSYS:

Infosys Ltd. is an Indian IT company which provides global consulting services and IT services. It aids mainly in planning and execution towards digital transformation across the globe. It also aids in improving the efficiency rate by slightly modifying the condition of the client companies.

It has more than 2,00,000 working employees across the globe. Infosys adopted the CSR principles as soon as it was mandated so. The Infosys Foundation acts as the social arm of the Infosys company. It was established in the year 1996. This foundation is tasked with the duty of implementing the CSR activities.

CSR policy of Infosys:

1. To constantly strive for the economic development
2. To undertake the responsibility of company's actions
3. To oversee CSR activities in the areas as mentioned in the schedule VII of The Companies Act, 2013.

7.1.1. VISION OF INFOSYS:

“To be a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people.”

7.2 CSR IMPLEMENTATION:

7.2.1. CSR COMMITTEE:

Infosys has appointed the CSR committee as per the section 135 of The Companies Act, 2013. The policies are drafted according to the vision as proposed by the company.

The committee consists of 2 independent directors along with 1 whole time director namely:

- 1) Ms. Kiran Mazumdar Shaw as the Chairperson;
- 2) Dr. Punita Kumar-Sinha;
- 3) Mr. U.B. Pravin Rao.

The committee performs all the functions as prescribed the companies act such as to draft a CSR policy, amount of expenditure to be allocated, monitoring the implementation of CSR activities.

Infosys Foundation comprises of one chairman and 4 members namely,

1. Mrs Sudha Murthy as the chairman;
2. Mr U.B. Pravin Rao – Member;
3. Mr Ramadas Kamath – Member;
4. Mr Binod Hampapur – Member &
5. Mr Sunil Kumar Deveshwar – Member.

7.2.2. HEALTH CARE:

➤ **CASE – 1 Establishment of destitute care centres: (Partnering with AIIMS)**

To support the underprivileged cancer patients, shelters has been set up in the National Cancer Institute at Haryana. This shelter not only accommodates patients but also for the family members of such patients. This housing can accommodate 800 beds inside the main campus. The National Cancer Institute at Delhi, is one of the benchmark projects introduced by the Government. It acts as the apex centre for the research and prevention in cancer care.

It accommodates 710 patient care beds, a quarter operational theatre, and accommodation of 1500 units. It has been equipped with modern technological treatment facilities. The main idea behind the vast accommodation units is to prevent the frequent travelling of the family members of the patient and to keep them close as possible to the patient. The replica of such organisation is “VISHRAM SADAN” which aims to provide shelter and treatment facilities for the underprivileged patients and their family members.

Infosys has joined hands with the government in providing costs incurred towards procuring land, water and electricity. It is also to be noted that the foundation is bearing the cost of construction of this facility. The facility consists of 10 floors spread over 25,200 sq. metre. The proposed plan

intends to join the dorm with the private rooms so that they share a common dining, pharmacy and others utility services. It has been estimated that not less than 100 patients visit the cancer institute for a day.

Finding a accommodation for the members of the family had been considerably difficult. With this initiative the people utilising this facility can save the cost of spending towards the private hotels and utilise it for the treatment.

➤ CASE II – JHARKHAND:

Jharkhand is of way backward than compared to other states. It comprises of diverse tribal groups spread across the state. These tribal areas don't have road connectivity nor a viable sense of technology. An important noteworthy organisation which constantly strive for the upliftment of these women is Jan Chetna Manch located in Bokaro.

It had been working hard for development of women and to make them financially independent. It also struggled towards job placements for the women around the steel manufacturing town. This constant and tirelessly working attitude impressed the Infosys to support the organisation through the CSR funds.

JCMB was founded in the year 1994 in the chandankiyari area of Bokaro district. It was focussing upon the upliftment of the village in these areas and also the neighbouring areas. This organisation currently houses around 8,000 volunteers.

The members were struggling with the basic necessary means such as Hospitals during the time of pregnancy and post pregnancy. The first health centre was established in the year 1997 funded by the organisation. Over the years the services expanded and the beneficiaries also increased simultaneously. This has reduced the pregnant women to travel larger distances for the sake of delivery and utilise the saved expenses towards the child health care.

This health care centre can accommodate up to 12 patients and has two delivery rooms, one operation theatre, some ambulances and pharmacy. The organisation has a team of community workers and health guides for travelling to remote areas and aid in medical facilities. It has been estimated that the beneficiary villages will be around 100 in number.

Infosys contributed the CSR funds which helped the organisation to expand the area of working and new services. After the foundation's support the organisation purchases additional emergency vehicles, improved the quality of the facility and other necessary requirements.

The organisation states that as of the year 2020, more than 6,000 consultations were given, more than 800 were admitted for pregnancy. For numerous years the village areas longed for the medical facilities, with the support of Infosys in collaboration with the organisation the dream of the villagers was made come true.

Infosys says that it is determined to make health as a necessity of hygiene factor and not as a luxury that are available to the rich in these tribal areas.

7.2.3. EDUCATION:

Infosys has been one of the companies which had been working earnestly towards increasing the education standards in the country. The recruitment and induction process is carried out by the company every year so that it acquires a hands on review about the education levels as a whole in the country.

It also joins hands with other NGOs like avanti fellows for improving the quality of education received by the people from the lower class. It helps students to achieve a better position in life through education and by giving them a opportunity to work towards the company.

➤ CASE – I:

Infosys has partnered with Avanti fellow which works on the art of teaching through peer learning. This concept has been developed after dire research carried out by one of the famous universities. It mandates students to learn by the way of debate, solution based, practical application along with the supplementary materials.

In India, most of the students practice the concept of rote learning. This rote learning concept means to understand a particular means by the way of repetition and not by understanding. This rote learning might help the student to achieve success in the short run i.e., topping school level exams and not in the long run i.e., in getting job opportunities.

Most of the graduates who are inducted into the job opportunities are further trained to ingrain the knowledge that are necessary to the working environment in the company. This scheme of fellowship program was started in the year 2010. From then it had devoted itself towards providing the education to the downtrodden.

It had helped over 40,000 students to receive a good standard of education and thus making their dream come true. The main focus of this scheme is to get the underprivileged to get the access to the quality education. Many student beneficiaries have been placed under IIT, NIT and other reputed colleges. In also provided aid for the students preparing for the NEET examination by providing coaching classes.

➤ CASE – II:

Spark- IT is a program launched by the Infosys foundation in the year 2014. This unique program initiated by the Infosys foundation aims at providing a three-month duration course to the needy.

This course covers the areas of technology and communicating skills for those students who have excelled in the academic studies. This program received a huge appreciation from the public all around the world. To wider its reach Infosys also collaborated with top companies such as Delhi, Pune etc.

➤ CASE – III:

The rate of drop out of children from the primary schools have been tremendously increasing. These children were forced by the parents to earn for the livelihood rather than sitting in the classroom. To work towards this Infosys foundation has joined its hands with Sri Ramakrishna Vidya

Kendra in Bangalore to provide free meals for the primary school students.

This free meal is similar to that of mid-day meal scheme introduced by the government to attract the children to pursue their education. This brought a long-term impact among the people as the next generation of the entire community is advancing towards development.

➤ CASE – IV:

The fore coming generations are faster in absorbing the knowledge that is dispersed from the generation that takes time to understand and dissipate it in such a way that is understandable in nature.

So, this generation gap has to be rectified to provide adequate knowledge to the teachers. Any failure to do the rectification would lead to loss of knowledge to one entire generation.

So, it has been considered necessary to equip the teachers from having that knowledge reserve to resolve the doubts risen in the toddler's brain. Concept of ingraining knowledge is applicable not only in the inducted candidates but also in the means of providing education.

Only if the teachers are equipped with such integrated advancements towards the education, the next generation will be knowing about such knowledge. Agastya International Foundation collaborated with the Infosys foundation work diligently in this sector.

The initiative named as "Acharya" is a teacher-based training program that has been serving the needy from the year 2014. The foundation extended its hands with the CSR corpus fund to provide quality-based value-added training to the teachers. It was stated by the organisation that it has helped in training more than 3000 government school teachers in the areas of Odisha, Maharashtra and other rural areas.

It has also contributed in building a science-based lab for the Agastya organisation. This lab along with the in-hand experience has benefited to number of teachers in attaining additional knowledge. The training includes residential program for a period of 4 days along with short duration sessions to provide the knowledge to the teacher as much as possible.

The "Acharya" initiative also conducts follow up workshops after the teacher has completed the process. This is to make sure that the teacher stays with the habit that is taught rather than dissipating the knowledge acquired to the air.

➤ CASE – V:

To encourage the students pursuing science and research stream, Infosys Science Foundation has been set up in the year 2009. It also delivers prize based upon the technicality of the research. E.g., Infosys Prize organised by the ISF, is provided for the stellar researches in India. The first prize is awarded with a gold medal, prize money of US dollars amounting to 1,00,000 in the recent ceremony in the year 2020.

Renounced economist, Amartya Sen felicitated the function by gracing his presence. He also gave an encouraging speech to the people present over there. To receive such a

recognition from such a renounced person acts as a driving factor to make them committed to research and achieve the goals. This will create a chain reaction enabling a achievement of innovation in varied sector.

7.2.4. PROJECTS TO PROMOTE SUSTAINABILITY:

In the year 2011, Infosys took the commitment of reducing the carbon footprint. Ever since then it has been tirelessly working towards such commitment. Even the United Nations recognised this commitment of the Infosys and gave a prize on UN Global climate action award. This award was given by the UN COP25 organised in Madrid in the year 2019.

This award is titled under the category of "climate neutral now" in the conference. It was the first Indian company to receive such an award. This was not only due to their innovative solutions towards the reduction of climate change but also for their contribution in reduction of poverty, promoting gender equality and to promote the concept of sustainability in all their initiatives.

Infosys has more than 3 lakh employees working under them. Being an giant in the IT sector across the globe they also contributed to increase in the carbon print. Ever since in 2011 Infosys made a commitment towards the reduction of the same, it has been diligently working towards it in reduction of the same. Normal IT sectors offers a low-priced offset but Infosys generally prefers their unique low carbon offsets. By doing this they incur cost more, yet they are making that sacrifice to promote and to reduce the carbon footprint.

They also source their offset through community based social projects thereby promoting the concept of sustainability. Currently it holds eight community-based offsets with the total cost amounting to nearly 150 crores. This has been spent across different states such as Karnataka, Maharashtra, Odisha, and other rural areas.

Of these taking into consideration of only 6 offsets, it has a beneficiary of about more than one lakh rural households and 5 lakh people in person. Two new projects such as biogas project and cookstove project has been initiated by this organisation in the fiscal year 2020. As per the statistics, almost over a million deaths occur due to the traditional mode of cooking. To prevent such deaths even in this modernised era, Infosys has taken up this project.

The most beneficial includes the offset project which helped in improving the health of the individual. These new projects undertaken reduce and promote smoke free and hand free cooking to the rural underprivileged people. Thus, to replace the traditional methods with new conventional methods and to reduce the deaths this project has been undertaken.

➤ SMART INFRASTRUCTURE:

Infosys keeps on updating itself towards the concept of environment sustainability and also sets an example for the others to follow. Their new buildings offer smart, energy saving efficient retrofit model projects and offer a wide of natural light to penetrate thereby reduction of electricity in the

daylight. Which in turn reduces the carbon footprint.

Even automation has been utilised to switching off when not in use. Their unique smart automation allows them to remotely control, operate, reduce the operations of any building spread across a 30 million sq. ft. Controllers, Photo cells, and other sensors provide an option to run the company on the autopilot mode.

Even if no one is present in the office, it can be regulated by sitting in the other end of the city. These concepts provide a huge savings for the company towards the spending in the electricity sector significantly reducing the pollution in the environment.

This concept has been heavenly useful in the recent COVID-19 pandemic too. Smart automations provide the key for automation of activities in the building without any interruption. By using digital algorithms, the presence of the personnel in the office has been greatly reduced significantly promoting efficient remote tasking activities.

This aided them to work from home even in this crucial pandemic situation. It is stated that by using conventional sources and energy efficient automation the company has saved almost 33.5 MW. Just to make sure the

intensity of this saving capacity, with one MW power plant 650 houses can function. As per calculation it is approximately 22,100 houses consumption. In the year 2020 Infosys also commissioned a 10 MW solar plant in Karnataka.

In total they have a source of 60 MW capacity of conventional sun energy. It purchases power from third party through green power purchases thereby preferring over conventional sources to promote the concept of sustainability. Infosys is also working with the governments to promote the use of green power in India.

➤ LAKE RESTORATION:

The Hebbal lake was once important source of drinking water. This lake spread across an area of 40 acres in Mysore. Year after year, this beautiful lake started to degrade and also became a unsafe water for drinking. This was mainly due to urbanisation.

Discharge of untreated sewage waste into this lake was the main reason the degradation. Infosys took this project to rejuvenate this lake by collaborating with Mysore administration. The main aim was to rejuvenate the lake and to provide safe drinking water to its community dwellers.

The project aimed at producing a walking path around the lake, desilting the bottom layer to make the nearby residents to witness the restoration of the lake. A sewage treatment plant has been commissioned to filter the effluents before discharging into the lake. This sewage plant has the capacity to treat almost 8 million litres of wastes for a day. This much capacity can prevent the degradation of the lake for almost next 20 years.

Advanced membrane with bio reactor technology has been utilised in these sewage treatment plants. With this technology the discharged water is completely harmless and safe to be discharged into the lake. As Infosys would like to automate everything as we have seen above, this sewage treatment plant is also automated so that there no need for any human intervention.

This acts as a bench mark for the companies in this sector to take up tasks like these to promote the concept of sustainable environment. Infosys has made the community members as the stakeholders so that they will deal with the activities to be undertaken in those prospects.

7.2.5. RELIEF DURING COVID-19:

The very first case of Covid-19 was seen in the end of the month January. Ever since then there has been a steady increase in the cases in India. On march Infosys gave 100 crores as a relief fund for support during covid-19.

Out of these 100 crores 50% was donated to the PM CARES fund which was utilised in setting up of facility accommodating up to 100 patients in collaboration with NHC. These facility aims to facilitate patients from the weaker sections and the underprivileged from the rural areas. They provided treatment, food, accommodation for the patients for free of cost.

Infosys foundation also set up another facility accommodating 182 beds in collaboration with Bowring and Lady Curzon Medical college. The foundation set up all the required equipment's in these facilities including the beds for the kin of the patients. Two ambulances were also commissioned for transporting off and on the patients.

➤ CASE – I:

On rising demand of oxygen cylinders, PPE kits, Masks, Ventilators from various hospitals around the India, Infosys foundation stepped in and offered to help by utilising its clients' resources from its other countries.

Various necessities including laser thermometers, patient monitoring systems, gas pipelines have been provided across the hospitals in India. These were also given to the command hospital, air force hospital, military hospitals and other hospitals around the India.

➤ CASE – II:

Many labour migrants, downtrodden, poor were left in the streets with nowhere to go. This led to a great exodus of migrants to their natives through foot. During such great exodus many lost their lives due to many incidents such as train running over the sleeping migrants.

Some stayed within their area of their work. They were provided with food, dress, hygiene kits, masks, water bottles. Many trusts were tasked with this task of delivering the needy necessities to the people in this dark hour of the crisis.

7.3 FINDINGS:

S L. N O	GUIDELINE	YES	NO	POSITI VE	NEGAT IVE
1	Whether the CSR guidelines has been followed as per The Companies Act, 2013 & The Companies (Corporate Social Responsibility policy) Rules, 2014?	✓		✓	
2.	Are there any violations made by the company by contravening the CSR provisions of The Companies Act, 2013 & The Companies (Corporate Social Responsibility policy) Rules, 2014?		✓		✓
3.	Whether CSR Committee has been appointed?	✓		✓	
4.	Whether such committee has drafted a policy and recommended it to the board?	✓		✓	
5.	Whether the performance of the INFOSYS FOUNDATION in CSR contributions is satisfactory?	✓		✓	
6.	Whether CSR policy implemented covers all the area as mentioned under schedule VII?	✓		✓	
7.	Whether the members of the board have performed to the satisfaction?	✓		✓	

VIII. RECORDINGS FROM THE CASE STUDY:

8.1 OBSERVATIONS:

➤ **TVS MOTOR GROUPS:**

It has been observed that TVS motors performs their CSR activities through its social arm entity “Srinivasan Services Trust”. This SST was set up in the year 1996, which has been dedicated for the works involving the economic development, promote education in the rural areas, to aid in developing infrastructure facilities, to promote sustainable environment, to work for the concept of self-sustainability.

SST has joined hands with various research organisations, NGOs, government agencies and many other organisations. The main purpose for such partnerships is to inculcate the concept of working towards the one common goal and attain it with much efficiency. Moreover, such partnerships provide

rare and technical knowledges with local expertise to accomplish the adopted goal. Currently SST is working in more than 700 villages diverged in various parts of the country. It has even set up Self Help Groups in these areas to aid in improving the quality of life of women in rural areas.

These various CSR initiatives had played the major role in building the brand reputation of TVS groups and to bring the job satisfaction and the sense of loyalty among the employees. This is well set out in the fact that the attrition rate is low whereas the employee morale is high. The TVS Groups has complied to the guidelines as prescribed by the Act and the rules laid down by the government. As per the section 135 of The Companies Act, 2013 it has constituted a corporate social responsibility committee. Out of the directors present in such committee, one has to be an independent director which was also followed by the TVS Groups.

The committee as appointed by the TVS Groups has made a policy on the corporate social responsibility guidelines. Such policy has to be recommended to the board, and board on scrutinising the available funds has to approve or disapprove the project. After such scrutinization, the policy will be sent to the board members of the company i.e., TVS Groups for approval. Such approval has also been given for the policy brought before them and such has to be published in the company’s official website.

The board has to constantly check upon the implementation of the proposed policies. It has been spending its 2% of its profits every year as mentioned in the Act. In case of non-expenditure in the area of CSR in a particular year then such has to be mentioned in the annual report. No such report has been filed by the TVS as of the fiscal year 2019-2020.

➤ **INFOSYS:**

It has been observed that Infosys performs their CSR activities through its social arm entity “INFOSYS FOUNDATION”. This Infosys foundation was set up in the year 1996, which has been dedicated for the works involving the economic development, to promote education in the rural areas, to aid in developing infrastructure facilities, to promote sustainable environment, and to work for the concept of self-sustainability.

INFOSYS FOUNDATION has joined hands with various research organisations, NGOs, government agencies and many other organisations and had implemented various policies under the CSR aspects. The main purpose for such partnerships is to inculcate the concept of working towards the one common goal and attain it with much efficiency. Moreover, such partnerships provide rare and technical knowledges with local expertise to accomplish the adopted goal. Currently Infosys foundation is working in across many rural villages diverged in various parts of the country.

It has even set up Self Help Groups in these areas to aid in improving the quality of life of women in rural areas. These various CSR initiatives had played the major role in building the brand reputation of INFOSYS FOUNDATION and to bring the job satisfaction and the sense of loyalty among the employees. It has even made many contributions during the current prevailing pandemic, which rises its reputation even higher. Infosys has complied to the guidelines as prescribed by the Act and the rules laid down by the government. As per the section 135 of The Companies Act, 2013 it has constituted a corporate social responsibility committee.

Out of the directors present in such committee, one has to be an independent director whereas two independent directors have been appointed by the Infosys. The committee as appointed by the Infosys foundation has made a policy on the corporate social responsibility guidelines. Such policy has to be recommended to the board, and board on scrutinising the available funds has to approve or disapprove the project.

After such scrutinization, the policy will be sent to the board members of the company i.e., Infosys. Such approval has also been given for the policy brought before them and such has to be published in the company's official website. The board has to constantly check upon the implementation of the proposed policies. It has been spending its 2% of its profits every year as mentioned in the Act. In case of non-expenditure in the area of CSR in a particular year then such has to be mentioned in the annual report. No such report has been filed by the Infosys as of the fiscal year 2019-2020.

8.2 SUMMARISING FINDINGS:

It has been observed that in both the entities that they perform their CSR activities through their social arms as we have seen above. "SST" and "Infosys Foundation" acts as the social arm for the TVS Groups and the Infosys respectively. Both the social arms are set up in the same year, in 1996. Ever since their establishment they have been pursuing with constant efforts for the welfare of the society.

They focus upon the underprivileged, poor and the downtrodden and also strive for the empowerment of the women in the rural areas. They also contributed efforts towards the environment to promote the concept of sustainable development. In most of the case both the entities collaborated with other parties such as NGOs, various research organisations and even the government itself. The main reason for such a collaboration to coexist is because to share the workload and to increase the contribution towards the welfare scheme.

Moreover, such partnerships can allow access to each other's intellectual data for the usage of the development of the rural people and their expertise in the field will also be mutually beneficial. Mainly both the entities focus upon the upliftment of the rural areas as they left unrecognised during the government expansion and development schemes. Both the entities have set up Self Help Groups in the rural areas for

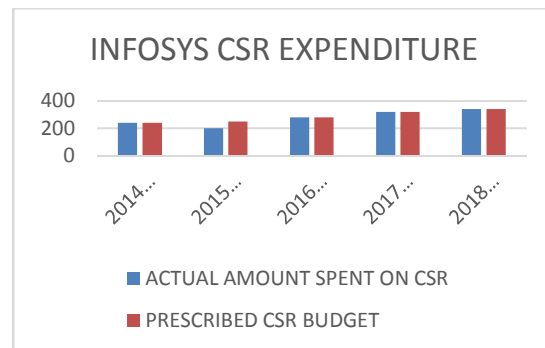
providing varied services in these sectors. These various CSR initiatives has brought the world attention towards them. They also create demand for working with them and also a sense of job security among the employees.

Both the entities have contributed a myriad relief material both in forms of cash as well as physical basic necessities. It has been noted that both the entities have complied to the act and the rules as established by the government. Both the entities have constituted a corporate social responsibility committee and also prepared a policy and sent for recommendation to the board. The board of both the entities after thorough scrutinization has approved the policy based on the available funds. Both the entities have appointed the independent directors as per the requirement in The Companies Act, 2013.

Both the entities have published the approved policy on their company's official website. The board of both the entities has been constantly on check upon the implementation of the drafted policies. Both the entities have contributed 2% of their income towards the expenditure of CSR policy. Both the entities haven't reported any non-expenditure of the allocated reserve for the CSR policy which means that they have successfully spent on the CSR policies.

8.3. PICTOGRAPHIC REPRESENTATION:

➤ CSR SPENDING OF INFOSYS:



From the pictographic representation we can witness the budget allocation and estimated spending on the CSR by the Infosys. Except in the year 2015-2016, all the years have extinguished the budget allocated for the CSR. In the year 2015- 2016 only, the amount spend towards CSR is slightly lower than that of the budget allocated. This might have been due to various reasons; however, the reason was not mentioned in any of the report filed by the Infosys. Moreover, they are not bound to state any reason towards non extinguishing the budget allocated. However, the 2% must have been spent as that is a mandatory ruling.

IX. CONCLUSION:

9.1 CONCLUSION DRAWN

It is inferred from the above instances drawn that the CSR

guidelines followed by the TVS groups and Infosys are satisfactory in nature. On verifying the areas, they are contributing, it is found that they had covered almost all the areas which has been mentioned under the schedule VII of The Companies Act, 2013. Such areas include

1. Reduction and extinction of extreme hunger and poverty
2. To promote education among the society
3. Promotion of gender equality among people and special status to empower women
4. To reduce child mortality and improving standards of maternal health
5. Combating against HIV, AIDS and other diseases
6. To ensure environmental sustainability
7. To enhance vocational skills
8. To promote social business projects

Therefore, it is concluded that the companies have adopted to the full extent on the areas for CSR implementation as prescribed by the act. However, what the researcher feels that they have always stuck to the budget. This action concerns the researcher. Any activity which is done beyond the limit shows the interest towards the same. Here the company has stuck to the budget which shows that the companies always stick to the budget. Sticking to the budget is a good move, but when the profits are increasing steeply, little excess contribution won't do any harm. However, on utilisation of the allocated budget towards the scheme proposed the companies have far excelled. Hence the researcher feels that the companies have adopted the guidelines in a due diligent manner and has acted stringently upon it. Therefore, the Hypothesis is disproved reiterating that the Current legal framework holds sufficiently for the modern changes.

9.2 DRAWINGS ON LEGAL FRAMEWORK:

The concept of CSR has been the legislation of concern in the recent years. Various research has been carried out in this area for finding out new strategies to cope up with the modern dynamic world. It began developing from being a purely philanthropic activity to a strategic system of approach towards CSR. Among various countries, India is the first country to have legislated CSR guideline mandates. Other popular and developing countries like Sweden, Norway, Ghana follows some different codes like Social Labor Plan (SLP) and Local Content Law (LCL).

These codes were followed for promoting a sustainable business environment and eco-friendly business practices. If we see the more developed country like the US where it has a rich occupancy of industrial firms and giant corporates has only little mandates for reviewing the reports made by them on the account of CSR practices. It has to be noted that there is no strong legislation as in India for CSR

spending.

Post enactment of Companies Act, 2013, around 6,000 companies has come under the purview of CSR guideline mandates in the year 2015- 2016²⁰. The approximate budget value would be around 15,000 crores. The new enactment is going to be the game changer bringing in new principles like bring new investments, increased accountability and strategic efforts in a way of CSR tradition that has been long conceived in India.

New innovative measures have been developed for all the stakeholders to contribute to social and economic environment. The guidelines are directed by various institutions such as Ministry of Corporate Affairs (MCA), Department of Public Enterprise (DPE) and Indian Institute of Corporate affairs (IICA). These institutions make sure that these guidelines are followed and make ways for wide spread of usage of the same. It also aims at to reduce the inequalities among the companies without risking their business growth. However, there are small suggestions which can be added to the current legal framework, although the addition won't have any major effect, it will have some minor changes for effective implementation of the CSR across the country. Those suggestions are mentioned in the sub topic 9.4.

9.3 LIMITATION

One of the main drawbacks is with regard to concept that the companies have to spend 2% of their average net profits for the preceding 3 years in the areas around which they are incorporated.

If such is the case only very few states have the major industrial companies, then only those states will be concentrating the developments whereas other states will be left behind. This introduces the concept of irrationality.

States like Haryana and other non-developed states are the most populated and less infrastructural growth. Even they have to developed along with the competitive states. If on the contrary then the burden will fall upon the State to develop these areas from its own pocket. Some of the industrialised states include Tamil Nadu, Uttar Pradesh, Maharashtra²¹.

It is highly possible that the companies might tend to spend on the activities specified in the schedule VII of

²⁰Ministry of Corporate Affairs , CSR data summary 2015 to 2016, (<https://www.mca.gov.in/content/mca/global/en/data-and-reports/company-statistics/csr-data-summary.html>.) Last accessed on 16-June-2021

²¹Business Today, these are the 5 most industrialised states in India, (<https://www.businesstoday.in/latest/economy-politics/story/these-are-the-five-most-industrialised-states-in-india-68930-2016-10-10>), Last accessed on 20-June-21.

The Companies Act, 2013 which is going to have a long run low impact by ignoring the real issues like inter-regional inequalities and other stigmatic issues.

➤ LACK OF VISION:

Every corporate entity has to start questioning themselves “Where do we see ourselves in the next 10 years?” These questions are going to be the key driving factor for them to achieve the vision on the long run. A entity with such a vision will help it to stay focused for a long period of time. But normally what corporates tend to do is to temporarily extinguish the CSR guideline by doing some welfare measures within nearby areas that too in a unplanned manner. If the corporates plan themselves, what their goal will be and what they will focus upon to eradicate then such planning on the beforehand will help to organize things for the welfare measures in an order. Such planning will eventually lead to better benefits on the longer run towards the society the welfare measures are planned to. Many corporate entities have explicitly published their vision and their mission for achieving the same. Such publication will help them to make sure they finish the task they published. Failing which the brand name and the reputation of the company will get tarnished. The corporates won't be willing to get their brand name gets eroded, so prevent such from happening they will be putting their utmost will to complete the same.

➤ STRATEGY MANAGEMENT:

It has to be ensured that the devised CSR guidelines has to be overseen by the board of the company and not at a staff level to prevent the missing out important key issues to take into consideration. This is because that Act wants the companies to lay stress upon these guidelines and implement them from the top hierarchy. This is said so because it's of human tendency to transfer any assigned job to someone else. The problem lies in person who has been appointed for the job, as he will be mostly subordinate won't be having any knowledge about the intrinsic issues of the company. There are chances that he might make wrongful authorization of some tasks which might require the board members to intervene. It is said that, the activities done should be of preventive in nature and not something like mitigating some relief after it had happened. Because it would be much harder to replace something after it is done than to correct it before it is done.

➤ SELECTIVE HEARING:

Most of the companies ignore the comments or criticisms passed by the majority of the stakeholders. Instead, they focus only upon the key sub groups and take orders only from them. This has to be corrected and the board must take plans to hear and prepare corrective measures for the criticisms raised by the lower groups of stakeholders. A leader is not one who speaks but to listens to what others speak and speak only when necessary. Such a

quality has to be there in the corporate entities, this is due to the fact that many tend to ignore what others are speaking and forcibly presenting their speech. If such is the case then it is going to create dislike among the shareholders as well as stakeholders. As everybody's opinion in the company is necessary and has to be heard what they want to express. Moreover, if the company takes on the pursuit to satisfy the shareholders alone, leaving the stakeholders then the company will be facing the downfall in one way or the other. As it is a contributive process each person has to contribute something towards the company to keep it running and produce profits.

➤ NON-PARTICIPATIVE MANAGEMENT:

Sometimes members from the top hierarchy tend to ignore and direct the low-level hierarchy to implement the CSR principles. It has to be corrected so that the rate of error occurring or ignorance of any guidelines can be reduced only when the subordinates think they are answerable to the higher-level hierarchy. Most of the higher board members will take part in only in the important decisions towards profit making or similar like situations. This is not because they aren't interested towards the company but due to their excess portfolios which consume their most of the time thereby leaving them to ignore trivial matters. And it has to be understood that CSR is not a trivial matter. It is a responsibility towards the society. If the board members ignore such responsibility, then the subordinates might tend to finish the task in a way, they desire to get the job as soon as possible. In such a race to complete the task they might forget to perfection the task they are doing. In the same situation if the board members are overseeing the subordinates, then he will be submitting a periodical report on the job he is involved. Such report will contain everything about the details of job assigned, date of completion and much more. If the board member thinks in some places, it can be improved by spending little extra then such little extra will make a great difference. This is because the board members will be knowing the key areas which will be the key attraction towards the profit making. They get to decide whether such extra money has to be spent or not. So, a huge process is saved by the involvement of the board members. It is therefore advised that the subordinates have to be overseen by them periodically and engage in talks all east once in a weekend.

➤ FAILURE TO SEE CSR AS AN INNOVATION:

A good CSR is the one which keeps on innovating new ideas to serve the environment and the society. It shouldn't be as a legal mandate that is only accomplished for the criteria sake. Most of the companies see the CSR guidelines as a liability that they have to incur every year. The mindset of the corporates has to be changes. It has been medically proven that any task if done willingly will have ten-fold benefits than a job that is unwillingly done. The same applies to all parts of life including the corporates.

They are producing more and more profits year after year; the reason is they are doing it willingly. Now if the corporates start to contribute willingly then the implementation, they are doing will be better than the task which is done considering as a liability. So, it is advised that every corporate's should consider this CSR as a social responsibility towards the society and not a tax paying mechanism that occurs every year. With such mindset even wonders can be built by the corporates. The responsibility lies not only towards the corporates but also towards the government also. Because only they can create subsidies which will remove the hatred from the corporates towards the CSR practices. The government has to take adequate care towards the corporates so that they voluntarily disperse their CSR practices so that it won't be like teacher asking his student to do his homework on time. Such a imposition has to be avoided and the government must bring out the best practices adopted by the companies so that it might inspire the competitors to follow the same.

9.4 SUGGESTIONS:

In order to improve the future society of India, the responsibility has to be taken up by all the citizens. As a citizen, being an individual has a responsibility to look after his family and his dependants and to save for the future of his children. In these tasks the amount left in him to contribute something to the society is very less.

Now the burden shifts to the profit-making entities which are the corporates in the field. Although there is a responsibility many tend to ignore it. They promote individualism rather than socialism. Such a follower will only work for his profits and not for the common good. So, to transform this entity, government took up the measures of reformation by means of mandating the entity.

If a company earns a specific amount as profit or holds a specific limit of amount as its asset then it has to make some contributions towards the society. The areas where these contributions have to been spent is entirely up to the concern of the corporates. However, they are free to choose any areas under the schedule VII of the companies act.

This contribution year after year makes them realise that the amount, they are earning is much higher than they are contributing towards the society which makes him to take up generous tasks voluntarily. However, there are some suggestions to make the corporates take these tasks more voluntarily and avoid mandating in each and every step it takes.

The suggestions include:

1. Creating Awareness:

It is necessary that the awareness about the CSR has to be spread among the people to make them realise the necessity of such CSR implementation. This awareness has to be given by the government, and other institutional bodies to

the bring out the good CSR activities implemented by the corporate entity.

Such a task will create a competition among the corporate entities and make other entities to perform such CSR activities. This will improve the image of the entity doing the CSR practices among the public thereby creating a popularity among the public.

The more popularity it gains the more responsibilities it receives to address issues such as improving educational standards, health care facilities, employment opportunities, and much more can be listed. Thus, bringing awareness towards the public has numerous benefits attached to them.

2. Bridging entities:

Necessary steps have to be taken for the entities to collaborate and implement a CSR activity. For e.g., A corporate entity collaborating with another corporate entity can increase in the funds that can be implemented towards the policy.

Likewise, a corporate entity collaborating with a NGO, a well-structured policy is laid out i.e., corporates have the money and NGO has the field experience and the areas which will be left unconsidered can be rectified with their knowledge. Therefore, to achieve long term goals and to promote sustainable development bridging of entities has to be regulated.

3. Including Small Players:

It has to understood that only the large profit making and the medium companies are actively involved in the CSR activities. Small companies are completely left out which when included can increase the contributions made to a significant amount. It is necessary that even the small entities have to be included in the game.

Necessary actions and modifications and subsidy organisations have to be done to bring them into the CSR activities. Small entities being large in number if brought into play then the coverage of the CSR policies will be higher and more areas will be developed. By doing these, the concept of CSR will be like a essential activity similar to that of tax that has to be paid each and every year.

4. Concentrated towards Urban:

Many CSR initiatives which are taken by the corporate entities are mainly implemented in the urban areas. This is due to the fact that most of the companies are locate in the urban areas and to reduce the travel and other hurdles, mostly the companies prefer the areas nearby to them. As a result of concentration of all the programmes in the urban, rural areas receives less or no programmes for their welfare.

So, it has to regulated that the areas where the projects are implemented has to be shuffled and must be constantly changed and rural areas has to be included. It is

well established fact that majority of the population lives in the rural areas and only minor concentrated population lives in the urban areas. Therefore, necessary steps have to be taken to make all the areas are focussed equally.

5. Target and reward approach:

Government has to adopt this concept of Target & Reward approach which means that certain target will be fixed and companies upon completion of such milestone they will be rewarded accordingly. This concept encourages the corporate entities to earn more and more rewards and also might instigate the competition among the corporate entities.

With incentives corporates will be going beyond their capacity to achieve the proposed milestone. Implementation of this concept will also propel the corporate entities to take voluntary action towards the CSR contributions. An example would include relaxation of 12A and 80G of the FCRA act can be a better driving factor for the company to run strikingly. (Both the sections deal with the NGOs getting exempted from tax)

6. CSR as a discipline:

CSR as a subject has to be made available in the business schools, colleges and universities. With this discipline the student can get to know about the obligations, rights and duties around the concept of CSR. Therefore, it helps us to mold the concept in the very young level.

This approach will encourage the students to get motivated towards it and also on due course of time they might attract a interest over it. It also makes them understand the obligations that has to be performed by the corporate entities towards the welfare of the poor and advocate it widely. The professionals from the corporate entities, NGOs would be the main actors to instigate the participation of them towards society issues. It was estimated that approximately there are lesser than 300 corporate entities in the country which directly involves in the CSR practices. The rest are not coming under the purview of the CSR activity. As there are numerous corporate entities, it is advised that a valuation and accrediting mechanism has to be appointed to main stream the CSR activities in the business organizations.

7. Duplication of efforts:

Many CSR companies perform the CSR actives for the sake of legal framework. Infact many just duplicate others work and extinguish their CSR liability. Such has to be stopped and each company should take it up as a responsibility of them.

Many areas which were projects were implemented include education, environment, empowerment of women and the children. For e.g, let's assume there are two companies A & B, A aids a community with myriad relief materials for a pandemic, B knowing these supplies limited materials and claims that he also equally contributed in that community.

Such is a troublesome task to find out who did what.

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