**CORPORATE SOCIAL RESPONSIBILTY IN INDIA: ANALYTICAL STUDY OF CSR IN INDIAN LEGAL PERSPECTIVE AND FOCUSING ON CORPORATE PHILANTHROPY**

Dissertation submitted to National Law University and Judicial Academy, Assam in partial fulfillment for award of the degree of

MASTER OF LAWS/

ONE YEAR LL.M. DEGREE PROGRAMME


Submitted by

Nerswn Brahma

SM0221020

LLM (2021-22) 2nd Semester

Supervised by

Ankur Madhia

Assistant Professor

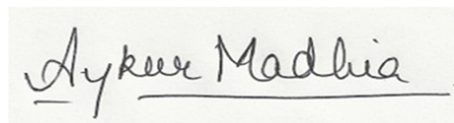


National Law University and Judicial Academy, Assam

July, 2022

# CERTIFICATE

This is to certify that NERSWN BRAHMA has completed his dissertation titled "CORPORATE SOCIAL RESPONSIBILTY IN INDIA: ANALYTICAL STUDY OF CSR IN INDIAN LEGAL PERSPECTIVE AND FOCUSING ON CORPORATE PHILANTHROPY" under my supervision for the award of the degree of MASTER OF LAWS/ ONE YEAR LL.M DEGREE PROGRAMME of National Law University and Judicial Academy, Assam.



Date: 11 July 2022

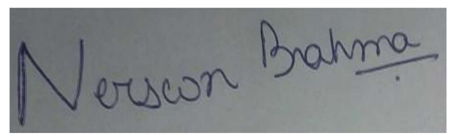
ANKUR MADHIA

ASSISTANT PROFESSOR

National Law University and Judicial Academy, Assam

**DECLARATION**

I, NERSWN BRAHMA, do hereby declare that the dissertation titled "**CORPORATE SOCIAL RESPONSIBILTY IN INDIA: ANALYTICAL STUDY OF CSR IN INDIAN LEGAL PERSPECTIVE AND FOCUSING ON CORPORATE PHILANTHROPY**" submitted by me for the award of the degree of MASTER OF LAWS/ ONE YEAR LL.M. DEGREE PROGRAMME of National Law University and Judicial Academy, Assam is a bonafide work and has not been submitted, either in part or full anywhere else for any purpose, academic or otherwise.



Date: 11/7/2022

NERSWN BRAHMA

SM0221020

National Law University and Judicial Academy, Assam

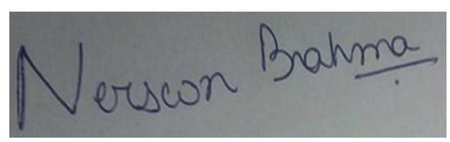
**ACKNOWLEDGEMENT**

This research paper imprints all who have directly or indirectly helped and extended their kind support in completing this study.

The present study has been completed under the supervision and guidance of Ankur Madhia, Assistant Professor of Law, NLUJAA. It is a proud privilege to have this fortunate opportunity to work under such a pleasant personality. I also wish to record my deep sense of gratitude and sincere thanks to the Library Department, NLUJAA.

I want to begin expressing my thanks to the almighty God and my father, Late Subodh Brahma, for his blessings showed upon me.

I am forever indebted to my Mother, Mrs. Purnima Basumatary, whose blessings and solid moral support have helped me complete the Dissertation. I would also like to thank my Mother for her wise counsel and sympathetic ear.




Date11/7/2022 NERSWN BRAHMA

SM0221020

National Law University and Judicial Academy, Assam

**TABLE OF CASES**

1. *Chiranjit Lal vs. The Union*
2. *Dartmouth College vs. Woodward*

# TABLE OF STATUTES

1923 – Workmen's Compensation Act

1926 – The Trade Union Act

1937 – The Agriculture Produce (Grading & Marketing) Act

1948 – Factories Act

1948 – The Employee's State Insurance (ESI) Act

1952 – The Employees' Provident Fund & Miscellaneous Provision Act

1954 – The Prevention of Food Adulteration Act

1961 – Income Tax Act

1972 – The Payment of Gratuity Act

1974 – The Industrial Disputes Act

1974 – Water (Prevention and Control of Pollution) Act

1981 – Air Pollution Prevention and Control Act

1986 – The Environment (Protection) Act

1986 – The Environment (Protection) Rules

1986 – The Consumer Protection Act

1992 – SEBI Act

2009 – Corporate Social Responsibility Voluntary Guidelines.

2002 – The Competition Act

2011 – The Companies Bill

2013 – The Companies Act.

2014 – Corporate Social Responsibility (Policy) Rules.

2015 – Corporate Social Responsibility (Policy) Amendment Rules.

## TABLE OF ABBREVIATIONS

| | | |
|---|---|---|
| 1 | AIDS | Acquired immunodeficiency syndrome |
| 2 | BOD | Board of Directors |
| 3 | CERES | Coalition for Environmentally Responsible Economis |
| 4 | CCI | Competition Commission of India |
| 5 | CG | Central Government |
| 6 | COVID | Corona Virus Disease |
| 7 | CSR | Corporate Social Responsibility |
| 8 | DSI | Domini Social Index |
| 9 | EPF | Employee's Provident Fund |
| 10 | ESI | Employee State Insurance |
| 11 | GAAP | Generally Accepted Accounting Principles |
| 12 | GOI | Government Of India |
| 13 | GNP | International Gross Domestic Products |
| 14 | IBRD | International Bank for reconstruction & Development |
| 15 | IFC | International Finance Corporation |
| 16 | IBASE | Brazilian Institute of Social & Economic Analysis |
| 17 | ILO | International Labour Organisation |
| 18 | ICCR | Interfaith Centre on Corporate Responsibility |
| 19 | IOC | Indian Oil Corporation |
| 20 | MCA | Ministry Of Corporate Affairs |
| 21 | MNC | Multi-National Companies |
| 22 | NGO | Non-Governmental Organisation |
| 23 | NCLT | National Company Law Tribunal |
| 24 | NCLAT | National Company Law Appellate Tribunal |
| 25 | OECD | Organization For Economic Co-Operation And Development |
| 26 | PSU | Public Sector Undertaking |
| 27 | PBT | Profit Before Tax |

| | | |
|---|---|---|
| 28 | PM CARE | Prime Minister’s Citizen Assistance And Relief In Emergency Situation |
| 29 | RIL | Reliance Industries Limited |
| 30 | SDG | Sustainable Development Goals |
| 31 | TIFR | Tata Institute Of Fundamentals Research |
| 32 | TISCO | Tata Steel Limited |
| 33 | US | United States |
| 34 | UK | United Kingdom |
| 35 | UNGC | United Nations Global Compact |
| 36 | WTO | World Trade Organization |

## TABLE OF CONTENT

# CHAPTER - I

# INTRODUCTION

## 1.1 Introduction to "Corporate Social Responsibility"

Society is where a man was created. He will not grow to the point when he is being separated from society. He relies on the community to meet his expectations and various needs, which is why he has a fundamental responsibility toward the community. The benefits of being diligent do not go unnoticed. They have a significant impact on a vast area or section of society. Only those countries that prosper and develop were their citizens fulfill their obligations with the utmost dedication and commitment. Therefore, everyone should be fully aware of their responsibilities to the growth and development of society, ensuring the development and prosperity of the country and the world. Businesses, also community members, are entirely dependent on the community for their various needs and can grow to their full potential through the community's growth. As a result, they are socially responsible. Global trade has broken many of the barriers in the corporate world, which until recently have been regulated, regulated and controlled by the government. Democratic governments prioritize the social welfare of their country. At the beginning of the 20th century, corporations were in complete control. Most businesses were state-owned and engaged in various commercial activities, generally for profit. Business profits and tax revenue are sources of revenue for the state. A large amount of the money raised in this way was used for social programs, as well as for national security and the development of society. Many private companies entered the market in the early and middle of the 20th century, challenging the dominance of governments everywhere. These N.G.O.s had created a place, recognized, and significantly contributed to human development despite the highly regulated economic situation. Then began the era of free trade, globalization, and independence. These three events entirely cover the state of the global economy. As a result of economic liberation, the government's involvement in national development is declining, while that of private companies is growing.[1] Most of us operate in a predominantly corporatized environment in a liberal economic pattern. These giant firms are nothing more than a result of the endeavor known as business. Therefore, it is essential to have a fundamental understanding of what trade is, how it evolved, how the current company governance came to be, why society and business/corporation interact, and why C.S.R. is necessary.[2]

Any action that generates value for individuals or individuals is considered in the business world. The word "company" is often used to describe a business venture. A group of people who voluntarily pool their resources to grow a business for profit is called a business. The Company is an independent legal entity with its rights and obligations, and the power of perpetual succession, just like any other legal person (Hahlo and Trebilock, 1977).

Berle provides a brief summary of the company's link in the social and economic sphere in addition to its official existence (1959). He says "Company" is more than just a legitimate business. It is a legal tool for achieving any socio-economic objective and is done mostly in public but in public accountability.[3] This makes it a complex institution that combines government, culture, economics, and law. Therefore, the nature of the business and its interaction with the community creates a sense of corporate social responsibility (C.S.R.). In addition, as we all know, these companies generate wealth for the public, get wealth from the community, and make money by dealing only with public funds. In a broad sense, this means that the community is the one that allows businesses to be present in the community and make a profit. It is clear from this that corporate land must legally share its public income in addition to paying for this license.[4] Although C.S.R. seems to be the latest development in its current state, it is not. Governments and businesses have been around the world since the beginning, but concepts like C.S.R. and economic growth have recently been applied to the same. This may be because, in the past generation or more, the size of businesses has grown. In contrast, government roles have declined sharply due to the government's emphasis on economic development. Today, commerce is a vital part of

---

[1] Andrew Crane and Dirk Matten, *Corporate Social Responsibility* (1st edn, Universal publication 2015) 112

[2] ibid

[3] Berle, A.A. Jr., *Foreword to The Corporation in Modern Society* by E.S. Mason, (Harvard University Press , Cambridge, 1959)

[4] Madhumita Chatterji, *Corporate Social Responsibility*, (Oxford University Press, 2011) 5

people's thinking about progress. Even in the general economy of developing countries, this strategy has been instrumental in establishing a capitalist financial pattern. In the world in which we live, prosperity is defined by supporting economic development, which is achieved through high levels of productivity of required goods and materials. Demand for natural resources increases with increasing momentum. The ability to participate in a virtual global network is a competitive necessity in a changing era of ideas, thought, and creativity. The economy also creates new financial and interpersonal interactions, job trends, and new threats to individual and interpersonal safety. Individuals are expected to be much higher in business as they are more educated and aware than their ancestors. The emergence of technological advances and the rise of a democratic system combined with freedom in many parts of the world has caused the middle class to rise sharply globally. As a result of globalization, there are now more companies where annual sales exceed the international Gross Domestic Products (G.N.P.). A media inquiry found that Wal-Mart's total yearly revenue receipts exceeded the global economy. Reliance Companies Limited (R.I.L.), which has reached Rs. 100,000 crores, earning a growing number of private enterprises in India whose revenues are more than Rs. 10,000 million. These receipts are much higher than the annual receipt levels for smaller provinces. Large portions of the world's wealth fall into the hands of these powerful corporations, and some social features make sacrifices as payment. In the current context, companies impact all aspects of governance, including the establishment and implementation of policies and human behavior. Therefore, participation in public works is inevitable.

Corporate social responsibility (C.S.R.) was previously thought of as a philanthropic activity primarily when businesses were at risk. However, due to significant changes in the socio-economic environment and the growing impact of corporations across the workplace, it is now seen as inclusive, comprehensive, and diverse. To reduce business risk associated with uncertainty, C.S.R. is now seen as an integral part of a company strategy. Critics, however, argue that it is really a business ploy to secretly pull resources out of C.S.R. There are differing views between companies, academics, professionals, civil society, and government regarding the existence, function, and importance of the modern political, legal, and economic environment and the best way to manage it — whether voluntarily or under appropriate regulation. Therefore, we need to examine many aspects of the story in order to fully understand its magnitude and its significance in society as a whole and in organizations in particular "Corporate Social Responsibility."

Until recently, firms prioritized giving over other forms of public responsibility, which, from the current perspective, is not a complete C.S.R. strategy. Sustainable CSR programs refer to a balanced combination of economic, legal, ethical, and humanitarian principles. The best ways to create jobs must be passed on to participants in today's changing business environment with greater emphasis on community service and developing a long-term and sustainable vision. This situation is growing. Businesses have the potential to impact national growth and development through their extensive access, expertise, innovation, and resources. Power, social care, and national security are just some of the tasks that companies continue to perform. Previously, this was considered a province of government and civil servants.

On the other hand, we will see that business organizations contribute to economic growth, provide income and income, and gradually invest more significant resources in environmental protection, health and safety programs, and community development programs beyond the vital private sector. Any action that generates value for individuals or individuals is considered in the business world. The word "company" is often used to describe a business venture. A group of people who voluntarily pool their resources to grow a business for profit is called a business. The Company is an independent legal entity with its rights and obligations, and the power of permanent success, just like any other legal person (Hahlo and Trebilock, 1977).

Berle summarizes the company's link in the social and economic sphere in addition to its official existence (1959). He says "Company" is more than just a legitimate business. It is a legal tool for achieving any socio-economic objective and is done mainly in public but in public accountability.[5]

This makes it a complex institution that combines government, culture, economics, and law. Therefore, the nature of the business and its interaction with the community creates a sense of corporate Social Responsibility (C.S.R.). In addition, as we all know, these companies generate wealth for the public, get wealth from the

[5] ibid (n 3) 15

community, and make money by dealing only with public funds. Critics, on the other hand, claim that companies exploit natural resources, consumers, without adequate compensation and empathy, have contributed to environmental Decay, among a multitude of other societal problems, use bribery as their primary ally with the only goal of achieving revenue at whatever cost to satisfy already economic avarice.

According to a “Tata Institute of Fundamental Research” (T.I.F.R.) poll, the general public wants the commercial and corporate sectors to have a more prominent and inclusive role in society. Corporations should seek to make their activities ecologically acceptable, conform to high labor protections, decrease human rights violations, and lessen hunger in terms of providing high-quality goods at competitive rates. The survey's primary goal was to learn how respondents felt about and what they expected from corporate ethics concerning the topics. Partners include:

- The general public.
- Employees (talented and unskilled).
- Company directors (heads of corporate relations, labor relations, welfare departments, production in Multi-National Companies (M.N.C.), the ecology, and big and medium-sized Indian enterprises).
- Other parties.

According to research, consumers think businesses should actively participate in public affairs. Most people believe that companies should be fully accountable for any of the roles they directly control and plays.

These include offering high-quality items at reasonable prices, assuring environmentally friendly corporate processes, treating employees equally without discrimination based on gender, ethnicity, nationality, or religion, and upholding labor laws everywhere in the world. More than 60% of the general population believes that businesses should respond by closing the wealth gap, preventing human rights violations, resolving social ills, and promoting economic stability in a Society.[6] Eighty-one percent of Chief Executive Officer’s (C.E.O.) say business ethics are essential to their organization, according to a 2005 survey. Most people think that a

[6] Ritu kumar, David F Murphy, Viral Balsari, *Altered Images: the 2001 State of Corporate Responsibility in India Poll* (TERI, 2001)

business should function as a manager in the community and that it is accountable to shareholders, employees, customers, neighborhoods, and the environment.

However, they differ in the definition of "corporate obligation." These ideas, shared with C.E.O.s from small, medium, and large companies, show a growing trend as businesses openly disclose their sustainability performance. Income activity, facilitated by higher output and employment, is the primary metric used to assess the wealth of the modern world. The need for lower-cost manufacturing, particularly in third-world nations, increases along with the push for expansion, as does the prices of fossil fuels.

Engaging in an international digital platform is a requirement for being critical to innovative ideas, inventiveness, and development. This results in new work structures, human engagement, finance, and emerging dangers to individual and societal security. This changing world gives some people transformation and wealth but not every other. Although money is frequently distributed inequitably inside and across nations, new large economies are rising. The ability to produce and conduct product development is being distributed more extensively around the globe.

This dynamic gives rise to several degrees of friction, including those seen between the wealthy and the poor, between short-term profits and lengthy prosperity, amongst senior management and the other shareholders in a corporation, and between the objectives of enterprises and countries. Company is being attributed in the Centre of this planet. Therefore, since the financial enterprise makes income, creates employment, uses assets wisely, and draws capital at hitherto unheard-of levels, it creates significant jobs that were never imagined. Our economic system, social interaction, and sense of who depend primarily on what we eat. Similar to the harmony of philosophy and religion in ancient times, brands have a meaning today. Companies have a significant impact on public policy, especially in countries with poor governance or where there are inadequate international administrations.

Widespread corporate failure is unthinkable in today's society because we seem to be losing our ability to look at the economy without the one based on the free market. Individual businesses, however, fall under pressure from both social and competitive structures. They are at risk of unprecedented exposure, either as a result of seeking information and changes in business management by large stock markets or by public outcry over issues such as consumer rights, child labor, corruption, and funding. Military governments. Negative disclosure endangers the trust of employees, the reputation of the product, the stability of the product, the confidence of shareholders, and other intangible and material assets. Circumstances that put businesses at risk of negligence are very important. Society is beginning to tolerate corporate extremism and misconduct. However, there is also a rising hope that industry will discover answers to far more pressing environmental issues of the twenty-first century, including clean drinking water, cheap healthcare, and climate change..

**A Conceptual Overview of "Corporate Social Responsibility"**

As a previous study has demonstrated, it is clear that the concept of corporate responsibility plays an essential role in every company's operations in the modern world. The vast majority of people think that businesses ought to play the role of stewards in society, in addition to having responsibilities toward investors, employees, consumers, communities, and the environment.

On the one hand, corporations play an essential role in public policy. At the same time, on the other hand, they are subject to a new level of transparency, whether in terms of the demands that the largest stock markets make for greater disclosure and changes in corporate governance or in terms of public outcry over environmental pollution, consumer rights, child labour, corruption, and support for military regimes. In terms of the former, the largest stock markets demand greater disclosure and changes to corporate governance, and, in terms of the latter (against democracies). Disclosure of unfavorable facts by firms can be detrimental to the trust of shareholders, the reputation of their brands, the consistency of their output, the faith of their employees, and a variety of other tangible and intangible corporatist assets.[7]

**A summary of Corporate Social Responsibility's definition, nature, scope, and relevance**

[7] Ibid.

After conducting research and examining the topic's various definitions, theories, and scopes, each researcher concluded that corporate social responsibility (C.S.R.) is a behavior in which the activities of corporations are regulated so that they are economically viable, legally compliant, and ethically acceptable, and contribute to the overall development of society as a whole. Corporate social responsibility is a broad concept that includes not just socially responsible behavior on the part of businesses. Still, it also focuses on the idea that companies should be not only profitable but also be able to maintain their operations in the long run.

This business behavior relates to Carroll's pyramid of obligations, which includes economic, legal, ethical, and philanthropic responsibilities, provided in the C.S.R. author's definition. The concerns of all stakeholders, whether internal (investors, employees, etc.) or external, are needed for the betterment of society as a whole (consumers, community, environment, etc.). Many laws today govern the C.S.R. components of economic responsibility and legal accountability, and implementation mechanisms effectively support these laws. The origins of these laws can be traced back to the provisions of the constitution or the number of international agreements, treaties, and regulatory frameworks. The debate now arises as to whether or not the obligations of ethics and generosity should continue to be voluntary or should also be regulated, and if so, to what extent should these obligations be regulated? The researcher's aim in conducting the proposed research is to reach a sound conclusion.

### 1.2 Statement of Problem

Although C.S.R. seems to be the latest development in its current state, it is not. Governments and businesses have been around the world since the beginning of time. Still, concepts like C.S.R. and economic development have recently been applied to the same Even in the general economy of developing countries, this strategy has been instrumental in establishing a capitalist financial pattern. In the world in which we live, prosperity is defined by supporting economic development, which is achieved through high levels of productivity and productivity. Demand for natural resources increases with increasing momentum. The ability to participate in a virtual global network is a competitive necessity in a changing era of ideas, thought, and creativity. The economy also creates new financial and interpersonal interactions, job trends, and threats to individual and interpersonal safety. This may be because, in the past generation or more, the size of businesses has grown.

In contrast, government roles have declined sharply due to the government's emphasis on economic development. Today, commerce is a vital part of people's thinking about progress. Even in the general economy of developing countries, this strategy has been instrumental in establishing a capitalist financial pattern. In the world in which we live, prosperity is defined by supporting economic development, which is achieved through high levels of productivity and productivity. Demand for natural resources increases with increasing momentum. The ability to participate in a virtual global network is a competitive necessity in a changing era of ideas, thought, and creativity.

The economy also creates new financial and interpersonal interactions, job trends, and also new threats to individual and interpersonal safety. Individuals are expected to be much higher in business as they are more educated and aware than their ancestors. The emergence of technological advances and the rise of a democratic system combined with freedom in many parts of the world has caused the middle class to rise sharply globally. As a result of globalization, there are now more companies where annual sales exceed the international Gross Domestic Products (G.N.P.).

A media inquiry found that Wal-Mart's total annual revenue exceeded the international economy. Reliance Companies Limited (R.I.L.), which has reached Rs. 100,000 crores, is earning a growing number of private enterprises in India whose revenues exceed Rs. 10,000 million. These receipts are much higher than the annual receipt levels for smaller provinces. Large portions of the world's wealth fall into the hands of these powerful corporations, and some social features make sacrifices as payment. In the current context, companies impact all aspects of governance, including the establishment and implementation of policies and human behavior. Therefore, participation in public works is inevitable.[8]

The growth in size and impact of corporate housing has created a need for good public behavior because success comes with responsibilities. The corporate sector must participate in social programs and work to promote inclusive social development. Over time, however, corporate conduct has become increasingly

[8] Sanjay K. Agarwal, *Corporate Social Responsibility in India*, (Response Books, Business books from SAGE, 2008) 13

immoral and reckless. In addition, untested and neglected industrial activities damage the environment, producing global warming, which has a detrimental effect on the lives of millions of people. Corporate corruption is rampant. With the sole aim of controlling additional resources and showing little concern for the community and the nation in which we operate, a compelling corporate campaign influences all aspects of governance, especially law and policy formulation.

Today, their only goal is to increase their profits, no matter how much they cost the environment, water supply, or anything else. No matter what, they should always maximize their profits beyond making a profit. In addition, they have become increasingly careless in pursuing greater profits, and society has been a victim of this reckless behavior. An accurate definition of the C.S.R. sector's definition, environment, and scope is required to hold companies accountable to the community so they can be held responsible. However, there are disagreements between the intellectuals on corporate responsibility.

Therefore, the first and most important research topic describes and determines the meaning, nature, and scope of C.S.R. Additionally, there is much disagreement among experts about whether C.S.R. is about organizations that help the community or cover a wide range of activities. It is a mystery that regulators decide whether something should be voluntary or controlling, and if so, how much. Lawmakers should consider this matter due to the various international forums and conferences and the rules for establishing appropriate legal frameworks. Proponents of the C.S.R. idea hold that it is vital for the sustainability of the earth itself, as well as for integrated development. They are considering the exact requirements of the country.

Critics, however, view the social obligation as a cover-up for the loss of direct shareholders' power, and some experts even say that C.S.R. is a business fraud scheme. So even the appropriateness and insignificance of corporate social responsibility are still debated. But while acknowledging that C.S.R. is vital to society, many issues still need to be addressed. One is whether businesses are ready to do C.S.R. work or not. Can companies evade their obligations? Is economic growth possible without social reasons? What roles will government, N.G.O.s, legislators, and judges play in C.S.R.? Are the public and consumers ready to pay for C.S.R. costs? Do we have skilled staff who understand and can engage in C.S.R. activities?

What are the C.S.R. styles in India and around the world? Many businesses claim to be involved in C.S.R. activities and even send tax deductions for CSR-related expenses, but the results of their efforts are not always visible. This is because the philanthropic part of CSR is often pushed forward for the benefit of the community, as opposed to its proper role as a long-term investment in good public relations. Due to the lack of clear rules regarding CSR, there is no way to prioritize areas where a company has to contribute. In addition, there is no effective system for verifying claims for C.S.R. costs. One of the reasons for the reluctance to accept C.S.R. procedures is the lack of full rules on many C.S.R. policies. The research challenge is created when all these factors are combined.

**1.3 Literature Review**

The article **"Corporate Social Responsibility in India" (2011)**[9] authored by Seema Sharma "attempts to examine the concept and practices of CSR in India based on the primary data collected from 17 business houses in India. The author also took shareholders perspective towards CSR. Than the author discusses and concludes with a critical evaluation among selected Indian enterprises CSR initiatives. The author concluded by saying that the 17 business houses in India demonstrate that there is diversity in understanding the term CSR. Business houses look CSR as an aid to business, philanthropy and as an ethical" commitment.

The article **"An Overview of CSR Taken by TATA Group" (2019)**[10] authored by Dr. Humayun Rahman and Dr. Ram Singh attempts to analyze the CSR activities carried out by TATA Group and to study the Indian Government policies and programmes of CSR.

The article **"C.S.R.: An overview of Indian Perspective" (2016)**[11], authored by Kalpana Sharma, analyzed that in the past 20 years, industry and society have

---

[9] Seema Sharma, *Corporate Social Responsibility in India*, (Shri Ram Centre for Industrial Relations and Human Resources, 2011)

[10] Dr. Humayun Rahman and Dr. Ram Singh, *An overview of CSR taken by TATA Group*, (International Journal of Development Research, 2019)

[11] Kalpana Sharma, *CSR: An overview of Indian Perspective*, (EBC Publishing Pvt.Ltd., 2016)

changed dramatically. Globalization of commerce, the scale and power of enterprises, government repositioning, and the rise of stakeholder relationships, knowledge, and brand reputation are vital drivers of this transition. Paternalistic philanthropy has given way to examining businesses' rights and duties in society. Corporate Social Responsibility is one result of a business's responsiveness to stakeholders' legal, ethical, social, and environmental demands. C.S.R. has gained relevance over the years. It's been debated and researched globally. Business enterprises have obligations beyond producing money for decades. After its 100-year orientation in the corporate world in industrialized countries, C.S.R. has undergone various phases and faces. The current concept of Corporate Social Responsibility appeared in the second half of the 1990s, after the 1992 Rio Conference on Environment and Sustainable Development, where the U.N. invited multinational enterprises to assume a commitment toward society and the environment by including provisions to protect fundamental human rights, workers' rights, and the environment in their commercial agreements. C.S.R. is strongly tied to sustainable development, which the Brundtland Commission defined in 1987 as "development that satisfies the demands of future generations." C.S.R. is an evolving idea. People often talk about it as if it were a recent phenomenon. Yet, its foundation is the constant effort to comprehend business as a component of society, which is as ancient as a commercial endeavor. Despite the increasing use and understanding of the phrase Corporate Social Responsibility, there is no unanimity on its precise meaning. C.S.R. is sometimes used interchangeably with terms like corporate philanthropy, corporate citizenship, business sustainability, business ethics, and corporate governance. Although these other terms do not all mean the same thing, they all share a common understanding: that companies have a responsibility not only to their shareholders but also to other stakeholders, such as 'customers, employees, executives, non-executive board members, investors, lenders, vendors, suppliers, governments, N.G.O.s, local communities, environmentalists, charities, indigenous people, foundations, and religious groups and organizations. A corporation should endeavor earnestly to meet the diverse expectations of each stakeholder, as they are all of equal importance to the organization. Corporations are not isolated entities. Consequently, individuals should feel some amount of responsibility for the community they are a member of and work for the community's and society's overall development and progress. Recent corporate scandals and the increasingly global economic environment have highlighted questions about firms' duties and obligations. Companies are under increasing pressure to operate ethically and adopt rules, standards, and behaviors that reflect stakeholder sensitivity. Being a socially responsible corporation requires going beyond legal requirements. Development based exclusively on economic growth is unsustainable and not conducive to corporate success.

The article' **"Corporate social responsibility and COVID-19 crisis: analyzing the Role of Indian Companies" (2020)**[12] by Rajdip Bhandra Chaudhuri said that Businesses create wealth, jobs, markets, innovations, surplus, and competition. Society supports company development. Corporate and social interdependence helps turn raw materials into marketable items. Similarly, a corporation's job is multifaceted, focusing on economic functions while complying with cultural standards and needs. Rousseau's'social compact,' Hobbes and Locke's 'coexistence of society and corporations,' and Benjamin Franklin's 'doing good' were born with the emergence of corporations as society acknowledged and accommodated them. Such concepts gave rise to C.S.R. Corporate Social Responsibility was once voluntary in India, but it's now obligatory for businesses. The study has described C.S.R.'s historical development using a model-based method to illustrate a change from shareholder to stakeholder philosophy of doing business. Also analyzed is India's policy shift from voluntary to mandatory C.S.R. During the pandemic, when the nation went into lockdown, we saw a crisis of migration, helpless poverty-stricken people, difficulty in food distribution, and other governmental hurdles. This raises questions about whether the business community contributed to social causes during the pandemic, whether retaining employees during tough times makes companies socially responsible, and whether transferring C.S.R. funds to certain accounts during the COVID-19 crisis fulfills the purpose of C.S.R. in India.

[12] Rajdip Bhandra Chaudhuri, *Corporate social responsibility and COVID-19 crisis: analyzing the Role of Indian Companies* (EBC Publishing Pvt.Ltd., 2020)

In the article **"Corporate social responsibility in the 2013 Companies Act: voluntary or mandatory?"(2014)**[13] the author Sarayu Satish analyses if "mandated" C.S.R. is a step in the right direction. Whether this approach would fail in India, reducing compliance and making C.S.R. elective and not mandated. Even reading 135 with 166(2) won't make it mandatory.

## 1.4 Aims

This research aims to analyses the C.S.R in Indian legal Perspective and focus on the Corporate Philanthropy. This research tries to find a possible solution to improve C.S.R in India.

## 1.5 Objectives

1. To understand the role of CSR in India.
2. To know existing legal framework regarding CSR.
3. To understand the proper implementation issues of CSR activities in India.
4. To find an answer to the most important question whether CSR should be mandatory or voluntary in the present day corporate governance system.
5. To know the contribution of different corporation in Assam.
6. To make suggestions for accelerating CSR Initiatives.
7. To study the challenges faced by CSR in India.

## 1.6 Scope and Limitations

### Scope

1. The study will discuss the concept of CSR.
2. The study will discuss about origin and development of CSR of different countries and India.
3. The study will discuss upon the existing legal framework on CSR of India.

[13] Sarayu Satish, *Corporate Social Responsibility in the Companies Act, 2013: Voluntary or Mandatory?* (EBC Publishing Pvt.Ltd., 2014)

### Limitation

The researcher has limited the scope of this study to the CSR activities of the Indian Companies. The researcher has selected only few companies which are engaged in CSR activities. The selection of the companies is purely on the basis of convenience and no sampling is used for the purpose of research.

### 1.7 Research Question

1. What are the basic features of CSR and its historical background?
2. What are the different dimensions in which CSR activities can be taken up?
3. What should be CSR priority areas?
4. What is the effect of the Section 135 of Companies Act since 2013?
5. How can CSR programs achieve social impact?
6. What is the CSR activities that had taken place in Assam?
7. What is the role of Supreme Court in fostering the CSR in India?

### 1.8 Hypothesis

The researcher has looked into the proposed assumptions in several chapters since it was developed at the start of the study.

1. There are varying opinions regarding the origins, evolution, and relevance of CSR, because all of those issues have indeed been covered in Chapter II of this study.

2. Regarding the operational definitions debate around CSR, the concept has already been rephrased and Carroll's definition of the concept is a comprehensive amalgam of Financial, Administrative, Moral, and Charitable Obligations been recognized as being the most applicable one.

3. In Chapter I, the many facets of this subject were studied. In Chapter IV, the subject of the administration's and the supreme courts roles in promoting CSR in India was thoroughly discussed, and it was found that all had a significant impact on creating the country's structured methodology for CSR.

4. In Chapter-V, several parts of this topic were analyzed with reference to the existing trends of CSR in terms of rule throughout the globe, and it was found that the this tendency of controlling multiple elements of CSR is increasing pace globally.

5. And a need for successful CSR law in India was researched in Chapters IV, V, and VIII, and it was determined that this problem required thorough laws in order for the CSR method to be implemented in India in an appropriate and productive manner but that there was a jurisdictional and institutional framework mandate for doing so.

**1.9 Research Methodology**

The researcher has primarily used the "Doctrinal Method" of the Study. The research is based on comprehensive study from the Primary and Secondary sources which are mainly Legislative Bills, National and International Guidelines, Books, Journals, Annual Reports, Circulars and other Websites, case laws, etc. Analytical, critical and comparative methods are used.

### 1.10 Research Design

The present paper on "CORPORATE SOCIAL RESPONSIBILTY IN INDIA: ANALYTICAL STUDY OF CSR IN INDIAN LEGAL PERSPECTIVE AND FOCUSING ON CORPORATE PHILANTHROPY" is completion of eight chapters:

**Chapter I: Introduction**

The subject of the study and the problem, as well as some additional context relevant to this study are introduced in this chapter's continuation. As well aims to address the meaning, nature, and extent of Corporate Social Responsibility by examining numerous definitions, theories, frameworks, rationales, and benefits of CSR.

**Chapter II: Evolution and development of CSR: An analysis**

Examining the history of CSR in several nations, including India, this chapter examines the historical background and development of the notion of Corporate Social Responsibility. It also examines the nature and current state of Corporate Social Responsibility in a globalised economic environment, including India, by examining CSR practices implemented by various countries as well as recent trends in CSR practices and regulation worldwide.

**Chapter III: CSR and sustainable development in legal perspective**

Examines the interplay between Corporate Governance and Corporate Social Responsibility are compared by looking at various theories and definitions of corporate governance and then contrasting them with definitions and theories of corporate responsibility. Additionally, it looks at the numerous legislative measures provided for stakeholder protection, labor health, and nature conservation in order to assess the present legal and statutory attachment CSR. This chapter has looked at the constitutional provisions that support CSR.

**Chapter IV: Judicial approach towards CSR in India**

The Judicial Approaches to Fostering CSR in India is discussed in this chapter, which includes leading judgments from various Indian courts. The judgment was analyzed in relation to constitutional provisions relating to fundamental rights and directive principles of state policy on business behavior and stakeholder rights.

**Chapter V: Advantage, issues and challenges in the field of CSR**

This chapter discusses the benefits of implementing CSR practices as well as the present concerns and obstacles in the field of CSR in India.

**Chapter VI: Legal Frame Work of Corporate Social Responsibility in India**

This chapter discusses the legal framework of CSR in India and statutory regulation of CSR under companies Act, 1956 and companies Act, 2013.

**Chapter VII: The CSR Implementation of Indian Companies- Case Studies**

This chapter shows the C.S.R Initiatives taken by the Companies in India and its part called Assam.

**Chapter VIII: Conclusion and Suggestion**

The final chapter summarizes the Research and suggests suggestions based on the findings and work on interconnection between corporate social responsibility and corporate governance.

# CHAPTER – II

# HISTORICAL BACKGROUND AND DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY

## 2.1 Introduction

Inside this chapter, the researcher looked at how the community has long had demands on the company to go far beyond just making money. We take two approaches to this. We firstly look over how various chronological eras have played out the connection between economic and social development, and then we utilize that past framework to dissect alternative interpretations of that connection.

We established during the first chapter that the people always scrutinized private industry. Our monetary structures, the development of the modern company, and the establishment of the dimension of corporate duty themselves have all had a significant impact on what we understand by "corporate responsibility" today.

A good place to start when bringing corporate responsibility into perspective is with the Cadbury issue. In many respects, the problems in 1909 were still present today. First, if there is no formal accountability, many people feel that firms have a responsibility to preserve basic civil dignity. Second, businesses that buy sophisticated products or services are expected to have control over and accountability for the actions of their suppliers. These ideas, which are fundamental to contemporary corporate ethics topics like ethical commerce, were evident in the 1909 court decision.

As we examine the beginnings of business ethics in this section, we may hear parallels of the Cadbury event. The corporation's lessons are not unusual; if you place a pin along the chronology of corporate growth, you will see that the questions about what a business ought to be accountable for, who chooses, but also where liability lies are reoccurring motifs.[14]

Commerce and culture have always been intertwined. It might survive if there were customers who may be provided products and services, as well as material suppliers and employees for this company. These fundamentals haven't altered in modern times, and commerce continues to be highly influenced by and dependent upon the community.

The origins of C.S.R. can be traced back to the United States in the early 20th century, when some businesses believed that their organizations should use resources to benefit both the owner and the community. The 1930s Great Depression forced all firms to prioritize survival, and Americans worried about their wages and employment; thus, the notion had to be dropped immediately. According to Lee Preston, it was revived in the 1950s, around the time H.R. Boyen published Dedication to Enterprise, the groundbreaking study on C.S.R. (some researchers are confident that it was the result of international cooperation after or during the Second World War), in which he demonstrated how, when used effectively, corporate social responsibility can increase profits. In the 1960s and 1970s, the notion of C.S.R. was distinguished from that of monetary gain, and corporations were required to abide by legal and regulatory standards.

Foreign companies began to enter our market with the collapse of the Soviet Union, coming up with C.S.R. ideas. So, it is new to our nation, but if we want to grow and become great players in the business world, we must establish companies that care about the community. The most authorized businesses are said to be found in the American C.S.R. model. It will be considered an illegal intervention if the government tries to cut down on business. Profitability and accountability of shareholders are the principles of business. One of the most popular and famous activities in the community is charity. Corporate donations fund most social programs and all costs associated with solving social ills reduce the amount of taxes that companies have to pay.

---

[14] Michael Blowfield. Alan Murray, *Corporate responsibility: A Critical Introduction*, (Oxford University Press, 2008) 43

If you pay more taxes, this is where you fund government social services in Europe. According to this view, the government is a unique organization that adheres to specific rules to use economic resources to address social ills. Due to tax pressure, funding and charities are rare. The three main categories of C.S.R. in the modern European industry are economy, employment, and environmental protection.

C.S.R. is already an essential part of current business in industrialized countries. Many companies have acknowledged this due to public pressure and their stance on the issue. I'll offer several illustrations, including Due to allegations that food corporations are overweight, they are being forced to alter their production standards and marketing techniques (Kraft Foods had to reduce fat and sugar in its diet, reduce portions and stop marketing in schools). Earthquakes the giant shoe and clothing companies, including Levi Strauss, Nike, and Reebok, had a lot of issues with their factories in developing nations. Now, to increase supply chain transparency and improve the appalling labor standards, they have independent audits of their supplier factories. British mining and oil companies were under intense pressure from a group of investors and the government to disclose their payments to developing nations to combat potential corruption. Even the financial sector must refrain from funding initiatives with social or environmental implications. Most giant shoe and clothing companies, including Levi Strauss, Nike, and Reebok, had a lot of issues with their factories in developing nations. Now, to increase supply chain transparency and improve the appalling labor standards, they have independent audits of their supplier factories. British mining and oil companies were under intense pressure from a group of investors and the government to disclose their payments to developing nations to combat potential corruption. Even the financial sector must be compelled to refrain from funding initiatives with social or environmental implications.

### 2.2 Three Eras of Business Responsibility

The Cadbury story includes three chronological eras, all of which saw substantial changes in how industry interacted with the community.

1. The Industrial Revolution;

[15] Bowen H.R., *Social Responsibility of the Businessman, Harper & Row*, (New York, 1953)

2. The Mid-Twentieth-Century Welfare State;

3. Globalization

The question of what matters must be handled by industry has changed with each century, but as we'll see, several difficulties are still pertinent now. [16]

### 2.2.1 The Industrial Revolution

The industrialization has dramatically changed the demographics and working conditions of much of Europe as poor people from the countryside move to the city in search of work and jobs for a better life. In the U.K., during the first industrial revolution, the percentage of people employed in manufacturing rose from one-half to about two between 1801 and 1871. However, the rapid growth of the urban population also brought with it the problems of illness and overcrowding. According to the popular books of Dickens and Kingsley, young people worked hard, cleaning the center and doing household chores. Factories and mines caused many injuries and deaths. The vast majority of the materials needed for industrialization were made through the use of enslaved people on the African and American continents. Because of the difficulty beyond free will, women have played a significant role in the work in various fields.

### 2.2.2 "The Mid-Twentieth-Century Welfare State"

Between World Wars[17]

- Concerns about the growing power of companies have not been offset by Carnegie's and other charitable donations. Significant changes like business integration, particularly in the U.S.A., have eliminated restrictions on size, duration, and type of property that may be corporate. It was established in the mid-19th century that businesses had certain rights similar to those of citizens, and some people now think this applies to freedom such as freedom of speech.

[16] ibid (n 4) 15
[17] ibid (n 3) 15

At the beginning of the 20th During the 20th century, acquisitions dramatically increased, and some people started to perceive corporations as large and uncaring bombers, which began to put pressure on the government in an unprecedented way, resulting in cost. Additional control and oversight from the general public.

- The variety of international expertise makes it challenging to draw generalizations. However, the period of globalization that flourished before World War I was the first in which capitalism and corporate profits were advertised as working for profit. After the war, this victory was abolished, and the pressure on women's empowerment and social reassignment grew due to leadership failures that resulted in the deaths of eight million people on the battlefields of the world. Trade unions, businesses, and trade unions came together to form the International Labor Union in 1919 as a member of the United Nations. They directly acknowledged the effects of political or economic instability. Business executives were forced to consider how their operations might affect them. Even by the conclusion of the battle, a large number of reputable businesses were following what was later referred to as the "New Economy" throughout the culture. The organization's foundation was the premise that companies must take voluntary action to present themselves and their operations as beneficial to society.

**World War II**

New Deal's visionary ideas contributed to a kind of social order that would transform Western European civil society policy in the decades following World War II. The social security net system was established in the U.K. by post-World Labor personnel managers. It also reaffirmed its credibility with state-owned enterprises by making critical state-owned enterprises, including coal, rail, steel, gas distribution, and electricity generation.

Much of Western Europe and the Eastern Bloc of Communist countries, where private enterprises were banned, adopted the view that business benefited the public the best when it was under government control. It also described business activity in newly independent countries such as India and Indonesia. To ensure that companies' operation contributes to employees and shareholders. New management practices were introduced in West Germany and Italy. In the U.S.A., a natural link between economic and social development has emerged. This collaboration would later be called the "complex dynamic system" in the chaos theory. Still, at the time, it seemed like a conflict over how much control a company should give to a larger society.

These many strategies for managing a company's impact on society represented a significant change from the past when it was believed that allowing the business to operate on its own could benefit everyone. The main goal of the welfare state was to distribute the benefits of economic development equally. The government controlled the distribution, and the primary responsibilities of the businesses were job creation, compliance, and taxation. But what we think of right now as "corporate responsibility" is influenced by priorities in social government such as health care, decent pay, and education. The Universal Declaration of Human Rights, which today has been cited in many corporations' efforts to establish itself, was based on the international government's renewed interest in human rights after the war's end.

### 2.2.3 Globalization

Today's era of global trade is the third period in which a significant change in the character of a corporate bond can be observed. Globalization is so crucial to the corporate commitment that we spend the rest of the next chapter explaining what it represents and how much it links to procedures and ideas already in place. All we should stress right now is that not every effect of globalization is negative are different. As we explained in Chapter 3, it can be a challenge to pinpoint what makes a unique event. What is clear is the number of legislative changes that have helped international trade expand to an unprecedented level since World War I and have finally brought new perspectives on business-public relations.

These reforms historically had their origin at the Bretton Woods Conference, where, after the end of World War II, officials began building three important institutions to make sure that the financial downturn that sparked the conflict never occurred again.

The 1995-founded World Trade Organization (W.T.O.), which governs global trading relationships and specifies several of its member nations' rights and responsibilities in the area, is unquestionably the organization's general duty. The “International Bank for Reconstruction and Development” (I.B.R.D), also known as the “World Bank” and the “International Finance Corporation” (I.F.C) has consistently advocated for international markets.

Although it was believed that free trade was necessary for world peace and prosperity, the only skepticism in the decades after the war was the change. The "stagflation" However, in contradiction to standard economic theory, the economic strength experienced by North America and Western Europe in the 1950s and 1960s was jeopardized during the 1970s when joblessness (standing) was coupled with growing price inflation). This is due to tax policies that do not encourage investment, the influence of labor movements, and regulatory restrictions. Most notably, Margaret Thatcher and Ronald Reagan have applied policies that support private businesses, small businesses, free markets, centralized monetary policy, and significant financial incentives. These economic and social policies seemed to be the hallmarks of good governance in many nations and organizations. These were mirrored in what became recognized as the "Washington Consensus" - a collection of recommendations made by organizations such as the World Bank guidelines for nations. follow up to get help from major international financial institutions.

## 2.3 Historical Perspective on Corporate Responsibility Theory

Along with the background history, it's critical to comprehend how cultural - financial philosophy has changed during the same period because this shapes how we currently view business ethics. We'll see that according to the lens through which we view the world, the definition of "business ethics" might change. The current standing of various economic systems in other countries is immediately evident in the next section.

### 2.3.1 Business Before and Beyond Capitalism

Many individuals mistakenly believe that globalization is the only economically viable structure. So many might not have been aware of the effects of various economic systems on our perceptions of how society should benefit from the business. However, there are several applications, and a little knowledge about quasi-markets can show how corporatism shapes how we view the relationship between business and society and how even today, political and religious belief systems influence economic behavior.

While not all of it is about making money, trading is an essential human activity. Trade and profit equality are culturally different concepts. In the mountains of Papua, for example, allying is more important than wealth when it comes to Trade because it helps one to keep in touch with one another. Compare this with capitalism, where the takeover of wealth is often what we value most and where, until something goes wrong, we believe we have no further commitment from our trading partners.

### 2.3.2 Politics

Different political systems continue to influence how business is conducted in modern economies. For instance, Gilpin and Gilpin (1987) outlined three political economics ideologies:

- The European Union, the U.S' liberal systems, and other countries which is founded on ideas of personal fairness and freedom;
- The nationalist/mercantile paradigm, in which the objectives of the state take precedence above economic operations (such as in Nazi Germany or imperial Japan);
- The Marxist model is still in use in Cuba and to some extent in China and where the state governs business and capital.

It is simple to forget that there were frequent discussions about the most productive political systems for much of the 20th century and that the establishment of liberal democracies as the dominant system of government has only lately caused knowledge in the field of political economy to decline, if only momentarily and what Fukuyama (1989) referred to as "the end of history."

### 2.3.3 Religion

What is considered moral and ethical is also influenced by religion. For the followers, the idea of what the Lord would command and  what Heaven could forbid is often equated with what appears to be a "good" thing to do. Religious ideas now affect religious businesses in several parts of the U.S.A. There have been plans to investigate corporate nationality from a spiritual perspective. Religion and commerce are intertwined in many societies. Traders had a special place in society, according to Evers and Schrader (1994). On the one hand, they have been thought to bring out the best in the party when they try to deal with other communities, but on the other hand, they are in danger of being avoided by doing the same thing to the community. Because of this "trade problem," some merchants, including Jains in India, Jewish merchants in Mediaeval Europe, and Chinese Christian churches in Indonesia, tend to practice several religions.

According to Weber, religion has a significant impact on the way economic values are shaped. He argued that Protestant principles, in particular, helped to explain why capitalism was flourishing in some lands but not in some. Indeed, many prosperous Victorian enterprises originated in little Quaker and Calvinist communities that heavily emphasized labor and faith.

### 2.3.4 Economics and Society

In modern capitalist cultures, it is common to see society using economic lenses, and our economic well-being dramatically influences our lives. Does it make sense to balance community and the economy, though? Does the market need to be controlled by other institutions, or can the economy be trusted to produce an unfair and stable society? Do we think corporate obligations can be reasonably determined economically, or do we believe more is needed?

We need to consider the structure of the industry to answer such questions. Economics is a separate subject today, but that is no longer the case. In the nineteenth century, it was Marshall and Pigou, his predecessor. They did much to establish the economy as a subject in itself: as a flow investigation involving goods and services. The most critical impact of this change is probably how the economy has become a significant reference framework for how we perceive the outside world. In considering the business responsibility, there is no doubt that we need to consider how we view the markets in terms of their contribution to average profitability. Suppose we agree with ancient economists that the public interest is served by allowing the market to operate without external intervention. In that case, we must reject the essential components of responsible business practices as unwelcome interference (e.g., efforts to set fair wages, overtime, or environmental law). However, corporate accountability has the potential to address these shortcomings if we are not confident that capitalism will serve as the mainstay of public interest.

### 2.3.5 Capitalism the Backdrop to Corporate Responsibility

In today's world, capitalism is the dominant economic system. However, there are different systems. What we often refer to as "business" is a metaphor of capitalist commerce called "corporate responsibility," which is significantly formed by the guiding principles of that model, standards, and values. It will be challenging to understand why some actions were performed, some were not taken, and why some things were appreciated. Some were considered insignificant, and why certain behaviors were accepted in many other programs seemed unusual, if not more so. Disgusting. Any order to guarantee a corporate bond without understanding capitalism is valid. Different ideas of what capitalism can be. They should be, many of the distinguishing features of the social systems discussed in the first section of this chapter, such as the idea that profit markets are crucial to price and consumption, order of effective marketing (goods, labor, land, etc.), and concept of personal property. We will see that different theories have conflicting ideas about what capitalism is, what it can be, and what it should be.

### 2.4 Liberal Theories of Capitalism

The best way to understand the nature of capitalism is to compare the liberal (or old) ideology with the criticism offered by the socialist (or Marxist) philosophy. Less in their fundamental analysis of the capitalist economy than in what they considered its consequences, the liberal and socialist ideologies of capitalism differ from one another. Adam Smith (1776), the father of the liberal economy, argued that the uniqueness and access to money, which made individual businesses competitive, also enabled communities to compete. The old notion of free trade, which states that countries will benefit from producing goods with a limited market, was influenced by the idea that technologies promoted by labor specialization result in higher productivity. Smith insists that as he allows people to engage in self-determination, countries with the free and intense competition are good enough to manage goods and end up rich.

Smith's many ideas developed by Ricardo (1817) and his legal system of comparative assets (i.e., that trade only occurs between countries where there is a cost difference) probably had a more significant impact on supporters of free business and trade than Smith. See that trading happens because of unique benefits. However, Smith and Ricardo shared the view that the socialist system of capitalism is prone to other relations between buyers and sellers of goods and workers and money and that there must be state interference in the so-called "laissez-faire." "The system. From Smith's writings to the late eighteenth century, the question of how much intervention should be made and under what circumstances has become the backbone of economic theory and political strategy." Although some have noted that Smith did not believe in his unrestrained self-interest, as evidenced by his point that entrepreneurial self-interest should be promoted in the moral sense of society so that it does not deteriorate into greed and selfishness. Very much still visible in modern politics.

#### 2.4.1 Socialist Critique of Capitalism

Karl Marx's views on work ethic were based on the ideas of Smith and Ricardo, but Marx distinguished himself by emphasizing work as a critical factor in determining product value. He has made a distinction between the "cost of living" of an employee, the value of their capitalist employment as represented by the market value of the finished property, and the "exchange rate," which is the cost of birth, feeding, clothing, and education. Marx believed that capitalist income was the difference between spending and money, or what he called "extra value."

Marx's criticism of capitalism is based on the perception that the economy is unfair to workers as they cannot earn a living for their work and continue to suffer because of the deterioration of the cycle and the factors that Marx sees as associated with capitalism. This is contrary to the liberal view of equity, which holds that market inequality is often a temporary or a product of external influence.

Although Marx's views, in particular, have often been mocked since the fall of Communism in the Eastern Bloc, the liberal and socialist ideologies of capitalism still have a profound effect on how we think about economic prosperity and justice. This is especially true in the nineteenth and twentieth centuries.

### 2.5 History of CSR in U.K

Adam Smith (1776), in his book "The Wealth of Nations,[18]" said that "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner but from their regard to their interest.[19] We address ourselves not to their humanity but their self-love and never talk to them of our necessities but their advantage." Being well is beneficial for business, according to some major UK businesses, which may sum everything up. However, the efforts of "The Abolitionists" in the 1780s and 1830s demonstrate that charitable C.S.R. in the U.K. has a very long history. To comprehend the essence of C.S.R. in different eras, the background of C.S.R. practices in the two massive business global leaders—the U.K. and the U.S.—along with India is researched in this chapter.

[18] Adam Smith, *The Wealth of Nations* (Fingerprint Publishing 2018)
[19] Samuel O. Idowu, *The United Kingdom of Great Britain and Northern Ireland* (Springer, Berlin, Heidelberg, 2009).

According to historical evidence, almost all nations in which trade and commerce were essential to have participated in some form of social responsibility (C.S.R.). CSR-inspired ideas have been used in the U.K. for more than two centuries. Even actions that are equivalent to what is now called social responsibility have not always been so. All company plans currently under their jurisdiction are referred to by the modern term "C.S.R."

Recent business activities/actions in this field have been heavily influenced by the UK, a world-renowned leader on the job. The varied responsibilities played by authorities are examined in this chapter, along with how businesses have engaged in C.S.R. over the past few years played over the past few centuries.

The idea that British companies should behave responsibly dates back many centuries. In 1440, the Portuguese introduced the practice of enslaving the African people, and by 1562, Sir John Hawkins had brought England into the grip of illicit trade (Du Bois 1896). Slavery and the enslavement of Africans had emerged as a social problem in Great Britain by the 1760s. The "Socialist Party" of their time, then known as the "Abolitionists," was founded by Sir William Wilberforce and two of his parliamentary colleagues, Thomas Clarkson and Granville Sharp, in the late 1780s. They formed a repressive group that worked for 35 years without violence to end the slave trade. Through their actions in both the Houses of Commons and Lords, an influential coalition of planters, traders, producers, and shipowners understandably fought hard against the plans of these social reformers. The Abolition of Slavery Act was finally passed on March 25, 1807. The law forbade the slave trade of British ships and the slave trade by British companies. The Act has effectively served as a legal requirement for all British corporations, including the church, to conduct themselves in a manner that is ethical concerning human trafficking and all related activities. Even then, Robert Tel's Tory government had to compensate enslavers as the trade continued outside the 1807 Act until another Act, the Slave Abolition Act of 1833. The number of enslaved people held determined the amount of compensation. It is said that Drs. Henry Phillpotts, former Bishop of Exeter, received £ 12,700 from 665 enslaved people, or about £ 19 on average.[20]

[20] S.O. Idowu and W.L. Filho, *Global Practices of Corporate Social Responsibility*, (Springer, 2009) 12

## 2.6 History of CSR in U.S.A.

George Fox founded the Quaker movement in 1652 as a sign of activism against governmental and theological establishments of the time. As a proponent of what he saw as genuine Christianity, he is the first example of C.S.R. in the United States. Due to their conviction in human equality and nonviolence, Quakers are recognized as being the first group of investors to apply social factors to investing standards.[21]

The first significant judgment came in 1819 in the case **Dartmouth College vs. Woodward**.[22] According to the resolution, the country is now a participant in a separate process instead of a corporate governance. The company is considered a natural person, the US Supreme Court ruled in 1886.

The Pioneer Fund was established in 1928 to meet the needs of local church investors unwilling to invest in "sins" such as gambling, tobacco, and alcohol. This was the first case of public misconduct. Ralph Nader's campaign against General Motors in 1970 marked the beginning of shareholders' work to increase public awareness. On consumer rights, hiring people of color, and representation, he has proposed nine proposals for shareholders on GM "s board. The “Interfaith Centre on Corporate Responsibility” (I.C.C.R.) was formed in the same year. It is a coalition of almost 300 groups of religious investors who sponsor shareholder resolutions on social issues to affect corporate policies and practices.

Examples of some early initiatives by organizations that began to take active steps towards C.S.R. are discussed here. The Pax World Fund was the first mutual fund to adopt social responsibility standards for its investments. It promoted the idea of a mutual fund with conscience and included companies with fair employment practices and sound environmental policies. South Shore Bank is the country's Major community development program made by the oldest bank. In addition to addressing specific financial concerns of clients, companies, religious institutions, and community organizations, it promotes and focuses on improving the economic well-being of neighbors. The bank is also the first financial institution to provide social investors with bank accounts to select development deposits so that the money goes directly to urban renewal.

---

[21] ibid (n 4) 15

[22] Dartmouth College vs. Woodward, 17 U.S. (4 Wheat.) 518 (1819).

The Sullivan Principle, founded via business behavior policies, advances environmental, financial, and environmental justice, was founded by Rev. Leon Howard Sullivan. Encouraged entrepreneurs to get involved in issues of ethics and human rights. It is interesting to note that Rev. Sullivan joined the board of General Motors Corporation as the company's first black member and helped verify GM's assistance in creating the Sullivan Principles, which first served as an ethical code for American companies doing businesses. Eventually, the guidelines were expanded to encompass all situations.[23]

Businesses set optional rules "Coalition for Environmentally Responsible Economies Principle" (C.E.R.E.S) that address national security, energy-saving, and wastewater treatment. The Valdez Principle is another name for this. Businesses such As the Body Shop and Ben & Jerry's. The first companies to support this idea and were willing to provide information about their environmental practices were Seventh Generation and Aveda.

An intriguing ranking that surfaced at the very same time or about 1990 was created by Kinder, Lindenberg, Domini and Co. Inc (K.L.D.), known as the Domini 400 Social Index. (DSI). This was mostly done to monitor how healthy various businesses have achieved on multiple social media screens. DSI makes an effort to represent the market as it is the majority of investors who care about the community. This shows that it has made an extra effort to mimic the behavior of business shares that can be bought by investors who are aware of social cohesion. The well-known Dow Jones Global Sustainability Index is the first indicator of integrating social, environmental, and financial studies into a comprehensive measurement system. The assessment is based on the business potential of the global economy and its commitment to sustainability. The members of the Students for Responsible Business, now known as Net Impact, are a student organization of about 1500 graduates who together work to foster socially responsible businesses.

---

[23] ibid (n 4) 15

## 2.7 History of CSR in Brazil

The discussion on corporate social responsibility was initiated in Brazil in the early 1960s. The socioeconomic issues were characterized by the events that took place and the social transformations that took place. In a particular manner, they created the groundwork for adopting the idea. The discussion gained traction in the 1970s, and by the 1980s, it was being taken up as an element of both the ethics of corporations and the quality of life for employees in the workplace. In the current era, social responsibility has emerged as a topic being discussed more broadly by various sectors of society. This topic has gained significance as it has become relevant in the sense that it has sought to improve the understanding of the state's role in today's society, in addition to questioning which companies should pursue social and economic goals. Herbert de Souza, better known by his nickname Betinho, is a sociologist who established the Brazilian Institute of Social and Economic Analyses in 1981 (I.B.A.S.E.). In 1996, with the assistance of Gazeta Mercantil, I.B.A.S.E. spearheaded a campaign in support of Social Responsibility (a newspaper in Brazil). The primary purpose was to incentivize corporate directors and managers to become committed to their organizations' strategies and activities that positively influence society. At the same time, the state could not continue to meet all social needs, and there was an urgent requirement to divide the responsibilities between the various social players. As a result, the number of non-governmental organizations expanded, and some businesses became more conscious of the impact their choices could have on the community. Since that point in time, the debate on social responsibility has taken on a new form within the scope of this setting.

As a result, we can observe that corporate social responsibility (C.S.R.) in Brazil is a relatively new phenomenon that began in the latter half of the 20th century and is still in its infancy stage; nevertheless, with the assistance of the government, it is taking firm roots.[24]

[24] Mariana leema Bandeira and Fernando lopez, *Brazil CSR under construction* (Springer Verlag Berlin Heidelberg, 2009) P. 312-316

## 2.8 History of Social Responsibility of Business in India

The statement of the government's goal based on ancient Indian texts can be used to locate the source of C.S.R. According to comments in the Vedic, the essential purposes of the government were seen to be harmony, law, safety, and fairness. According to Chandogya Upanishad (Ch. XVII.5), education should be supported, morality should be advocated, and spirituality should be encouraged. Even during the Vedic and Upanishadic centuries, it was evident that the common good of the populace was considered to be the state's primary goal. These are related to the ancient times of 1000 BC and 600 BC.[25]

The goals of the state, according to political documents, are to promote dharma (moral laws), Artha (wealth), and Kama (happiness) (Altekar 1977). The state's role in spreading dharma included:

- Promoting virtue and morality.
- Fostering a sense of devotion and religion.
- Supporting social institutions such as hospitals and food banks for the poor.
- Nurturing arts and science.

By promoting trade, industry, and agriculture, Artha benefited. Rules were established for the mine operation in an orderly and comprehensive manner. By establishing peace and order, Kama was protected. Thus, the ancient planners fully embraced the positive, unadulterated growth of human beings, which culminated in the development of society.

## 2.9 Development of CSR in India

The term "corporate social responsibility" (C.S.R.) refers to how businesses are run to positively impact the communities, cultures, communities, and workplaces. The emergence of C.S.R. in India refers to changes over time in the cultural practices of corporate participation in C.S.R.

---

[25] ibid (n 4) 15

India has one of the unique histories of C.S.R. among other nations. Although much has been done recently to educate Indian business owners about social responsibility as an integral part of their operations, C.S.R. in India has not yet received general recognition. If this goal is to be achieved, the C.S.R. processes of the business must be consistent with their attitudes towards standard business practices, including precise goal setting, potential investment, and public evaluation and disclosure of results.

The emergence of C.S.R. in India can be divided into three stages in line with the development of the country's history and led to various C.S.R. strategies. The categories are not static, however, and some features of each type may differ from those of previous sections. These sections are briefly discussed as follows:

**"Datayam iti yad danam diyate nupakarine! Dese kale ca patre ca tad danam saatvikam smrtam"**

**"Charity given out of duty, without expectation of return, at proper time and place, and to a worthy person is considered to be in the mode of goodness."**

Ch. XVII, Shloka 20.

**The first stage[26]**

In the first phase, charity and philanthropy were the main drivers of corporate social responsibility. Culture, religion, family values, tradition, and industrialization significantly affected corporate social responsibility. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the broader society by setting up temples for religious causes. Moreover, they also help the society during phases of famine and epidemics by delivering food from their godowns and money, thus securing an integral position in society. From the 1850s onwards, with the arrival of colonial rule in India, the approach toward corporate social responsibility was changed. The industrial families of the 19th century, such as Tata, Godrej, Bajaj, Modi, Birla, and Singhania, were strongly inclined toward

[26] Sharma, '*CSR: An Overview of Indian Perspective'* (n 11)

economic and social considerations. However, it was observed that their efforts towards social and industrial development were driven not only by selfless and religious motives but also by caste group and political objectives.[27]

### The second stage[28]

Indian industrialists were pressured to demonstrate their commitment to community development during the second phase of the liberation struggle. During this time, Mahatma Gandhi came up with the concept of "trust," which required business pioneers to manage their assets in a way that would benefit the common man. "I want to end capitalism almost the same way as a very successful socialist, if not. However, our methods are different. My Trusteeship theory is not developed and is not hidden. I am sure it will transcend all opposing ideas." Gandhi used these words to emphasize his point with his concept of "trust." Gandhi's influence compelled many industrialists to take action on nation-building and socio-economic growth. Gandhi said Indian businesses should function as "temples in the new India." Companies create trust at universities and colleges under his influence and help establish training and research institutes. The trustees' activities followed Gandhi's reforms, which aimed to eradicate insecurity, support women's liberation, and promote rural development.

### The third stage

The "mixed economy" sector, the growth of the public sector (P.S.U.s), and legislation related to labor and environmental standards were all features of the third phase of C.S.R. (1960–1980). The private sector was forced to take a back seat at this time. The public sector has proved to be a significant factor in progress. The period was called "years of control and control" because of the strict legal restrictions imposed on the activities of the private sector—corporate misconduct results from industrial licensing policy, high taxes, and restrictions on private companies. As a

[27] Sharma, 'CSR: An Overview of the Indian Perspective' (n 11)
[28] ibid

result, labor laws, corporate governance, and environmental issues were passed. The government established P.S.U.s to ensure that resources (money, food, etc.) are allocated to the needy. However, the effective functioning of the public sector has been complex. Due to the volatility of expectations resulting from this, the active participation of the private sector in the development of the nation's economic well-being became increasingly important. A national reconciliation workshop on reconciliation C.S.R. was organized in 1965 by Indian academics, legislators, and businessmen. Transparency, public accountability, and ongoing discussions with stakeholders were prioritized. Despite such efforts, the C.S.R. was unable to recover power.[29]

**The fourth stage**[30]

In the fourth (from 1980 to the present), Indian companies stopped doing their traditional corporate social responsibility the way they used to and started putting it into a sustainable business strategy. The first steps toward globalization and economic liberalization were taken in the 1990s. Parts of the controls and licensing systems were taken away, which helped the economy. You can see the effects of this today. Indian companies were able to grow quickly because the economy was growing at a faster rate. This made them more willing and able to help with social causes. India has become an important place for production and manufacturing bases because of globalization. As Western markets become more worried about labor and environmental standards in developing countries, Indian companies that export and make goods for the developed world need to pay close attention to ensure they meet international standards.

### 2.10 "Judicial Evolution of the concept of CSR"

The Indian judiciary has, from time to time, interpreted the type of companies and its place in society with many important decisions. In the following sections, we will

---

[29] ibid

[30] Dr. Mohad. Ashraf Ali & Azam Malik, Corporate Social Responsibility: An Indian Perspective, (Indian Journal Of Research , 2012)

look at how, in accordance with the rules of the following historical cases, the concept of the company was perceived as an essential social institution: Due to the current state of the business, the tendency to judge the performance of the business. It has become prominent. From a new socio-economic perspective, the company is a social center with responsibilities and obligations to the community in which it operates, P. N. Bhagwati J. writes in a important Supreme Court case.

The Sachar Committee also states in its chapter on corporate social responsibility that "in the growth of business ethics, we have reached a point where the topic of corporate social responsibility can no longer be despised or taken lightly." The "social" aspect of business has long been accepted by Indian law. For example, Mukherjee, J. states in Chiranjit Lal Vs. The Union of India[31] states that the company that produces the most valuable public goods has its social status and should not be seen as the main concern of the people who invest in it alone. To understand what a business is, it is important to discuss the laws important in business law. How does it work? How does it work with all stakeholders? And the result. Because role models are more effective teachers than theory, these case rules further clarify the point.

## 2.11 Growth of the CSR Program in India via Different CSR Supportive Legislation Instruments

According to Sachar's report, the company's social responsibility should be evaluated according to its specific circumstances. Includes the following examples of CSR.

- The well-being, safety, and health of its employees.
- Stay away from overcrowded, uncomfortable areas.
- Reducing the burden on existing services.
- Establishing new industrial facilities in remote areas.
- Increasing employment in areas of high unemployment.
- To employ members of the poorest and most disadvantaged groups in the community.
- Environmental protection, Health, safety, and well-being of consumers.

[31] [1951] AIR 41

The Labor Act mandates registering union movements (even those affiliated with companies) to ensure the legalization of labor organizations and the availability of trade unions. Additionally, it defends the rights of recognized labor unions. The employer must voluntarily recognize one union movement in the sector under the terms of this Act; it is the company's legal obligation. In addition, there are several moral obligations, such as encouraging the establishment of organizations and collective bargaining and working with these organizations to preserve positive industrial relations. These obligations are a component of the general C.S.R. platform's moral and legal obligations. To determine the actions that corporations could perhaps take in advisement to comply with legal requirements, as well as those that can be included in the scope of C.S.R. initiatives concerning labor welfare, the ideology and goals of various labor contain provisions have become the essential criteria. The business industry's results in employment and finance, according to Report 43, show the importance of business domain health to the community as a whole. Any investment made by the firm should consider the costs and benefits to the community. In addition, the Companies Act of 1956, a piece of broad law governing corporate conduct, helped India build a modern C.S.R. framework.

The principles of the Companies Act of 1956 regarding the minimum level of business ethics and conduct in corporate development and management, the complete and appropriate disclosure of corporate information, the Monitor effectiveness and administration, as well as good business managerial staff of C.S.R. and related, with effective engagement from diverse stakeholders and the preservation of their interests. The S.E.B.I. Act, 1992's regulations aim to safeguard the investors' interests and members of the organization and to advance the growth and control of stock markets and related matters; this, in turn, enhances corporate bond, or C.S.R., in the current perspective. Environmental degradation is stopped by environmental protection laws. The Environmental Protection Act of 1986, as well as several land pollution control laws such as the Water (Prevention and Control of Pollution Act) of 1974 and the Air Pollution Prevention and Control Act of 1981, are important laws relating to environmental protection. All of these laws aim to protect environmental quality by protecting, preserving, enriching, and enriching the environment and ensuring that industrial activities that do not harm the environment are not harmful to society.

These broad rules have helped to create a comprehensive environmental protection framework, which is another important part of corporate ethics.

### 2.12 Development of CSR at International Level

In that sense, according to Carroll (1999), American writers Charles Elliot (1906), John Clark (1916), and Oliver Sheldon (1923) established the first practical manifestation of this idea in the early 20th century. Their timing did not make them welcome, and their investigation was thrown aside despite their defense of the inclusion of a social query among business concerns over the interests of shareholders. Before 1953, when Howard Bowen published his book "Responsibilities of the Businessman" in the U.S.A., the C.S.R. was not widely understood. Bowen's 1993 work has been cited by several authors, including Carroll (1999), as a starting point for research and a discussion of social responsibility.

# CHAPTER – III

## CORPORATE SOCIAL RESPONSIBILITY AND ITS RELATIONSHIP WITH CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT

### 3.1 Introduction

The governance issue has recently received attention as a direct cause of the problems associated with the financial and economic crisis. This is true of management and administration, but especially in business management. As a concerted effort by all stakeholders, including government, the general public, and other groups, professionals, and service providers, as well as the corporate sector, corporate governance can be seen as a place of trust, ethics, ethics, and confidence. The term "corporate governance" is now popular all over the world. In recent years, its value has increased dramatically. Economic liberation and the withdrawal of control of business and industry, as well as the desire for new business principles and strict adherence to the rule of law, are the two leading causes of this increase in profits. Another factor that has contributed to the sudden emergence of the business sector in the new business management perspective is the desire for greater corporate accountability for its shareholders and customers, which is consistent with the changing times.[32]

Corporate governance will deal with managing environmental resources in the same manner as management should manage an organization's financial resources. Good governance is needed for a company to function effectively; another definition of good corporate governance is management. Natural resources, however, differ in that they are widely available outside the organization. Therefore, management in this sense includes both social and organizational resources. The primary goal of such

[32] Bushman R.M. & Smith A.J., *Financial Accounting Information and Corporate Governance* (Journal of Accounting and Economics, 2001)

management is to ensure sustainability when it comes to managing external natural resources.[33]

Future-oriented sustainability is concerned with ensuring that choices made now on resource use will not limit those choices in the future. This inherently suggests ideas like producing and utilizing renewable resources, reducing pollution, and applying new manufacturing and distribution processes. It also indicates that any expenses incurred in the now will be accepted as an investment in the future.

## 3.2 Genesis of Need for Corporate Governance

### 3.2.1 Globalization and Free Market

Globalization and the free market are two characteristics of the modern world. Free markets will promote higher economic growth, and we will all benefit from this economic prosperity. It is a given that is nearly universally acknowledged by the entire planet; people, especially politicians and business leaders, are arguing that restrictions upon world economic activity caused by the regulation of markets are bad for our well-being. And in one country after another, for one market after another, governments are capitulating and relaxing their rules to allow complete freedom of economic activity. So the world is rapidly becoming a global marketplace for corporations, increasingly unfettered by regulation. But the ill effect of the actions of some of these corporations within the United States itself has projected an adverse picture. The global accounting firm Anderson collapsed; Major corporations such as Enron and World.com went bankrupt with thousands of people being thrown out of work, and many lost the savings for their old age for which they had worked so long and hard to gain. The subprime crisis of the U.S. and Eurozone crisis in Europe and the Satyam saga of India are the latest examples of poor or somewhat corrupt/ unethical corporate governance.

One way to describe why this has happened is to acknowledge that there are problems with accounting, auditing, and peoples expectations. Over time, changes

[33] Guler Aras and David Crowther, *A Handbook of Corporate Social Responsibility* (Gower, 2010) 3

have been made to the accounting framework that favors firms gradually over the owners or their community.

Therefore, it is no longer expected that the company's accounting will be carried out promptly by recording potential liabilities while at the same time ignoring potential future profits. Instead, if doing so reduces the current profit, debts (such as replacing the old power distribution network) may be overlooked, and the profit pushed forward to the accounts before it can be recovered. A review of the changes made to accounting standards over time reveals a gradual easing of the need for conservatism in accounting. These rules are changed so businesses can reflect current higher wages. Naturally, this highlights the importance of having effective management systems in place.

### 3.2.2 Growing size and influence of Corporate

The need for good Corporate Governance is ancient, and fair and transparent regulation of corporations is increasingly essential. The unprecedented size and geographical scope of today's large corporations have created entities' profits that exceed the G.D.P.s of many smaller countries. Wal-Mart and the giant oil-related corporations such as Exxon, Royal Dutch Shell, BP, and General Motors, achieve annual profits in the region of US$10 to 40 billion. The total revenues of the world's 12 largest corporations in 2007, US$ 2.8 trillion, are comparable to the G.D.P. of Germany and exceed the G.D.P. of China or the U.K. Accountants talk of corporate profits as the "bottom line"; as if that were the financial conclusion. In Generally accepted accounting principles (GAAP) terms, it may be; in societal terms, there are many lines below. Who gets these profits, how are they distributed, and how are losers from corporate activities compensated? Without a distribution framework, the large companies of the twenty-first century may not become so many generators as concentrators of economic wealth That could lead to a loss of legitimacy of the corporation, a damaging prospect for all, investors included, even when things are going right for the business. When things go wrong, they may do so on an appalling scale. The Union Carbide explosion at Bhopal is often cited as the world's worst industrial accident; the total death toll came to 15,000, and a further 120,000 continue to live with the effects of gas poisoning.[34]

### 3.2.3 Scope of Corporate Governance

Economists, especially of the neo-liberal persuasion, may define corporate governance narrowly as being concerned with the institutions that influence how business corporations allocate resources and returns", or more widely as "a set of relationships between a company's board; its shareholders, and other stakeholders." From this perspective, the purpose of a business is solely to make money for its owners. The actions of a company will inevitably affect a much more comprehensive range of actors. These include national governments, other companies, the managers and employees, the suppliers and customers of that business, and through the externalities they may suffer at the hands of a corporation, the general public. Sir Adrian Cadbury offered a more comprehensive definition of corporate governance. He quoted in "Global Corporate Governance Forum," World Bank 2000, stating, "Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations, and society."

Corporate governance has likely been the subject of much discussion since the 1980s. The Anglo-American standards of good corporate governance gave the movement its first push. Many other developed and developing market nations produced or modified versions of similar rules for their businesses, encouraged by institutional investors. Supra-national organizations like the "Organisation for Economic co-operation and Development" (O.E.C.D.) and the World Bank didn't sit idly by and created their own set of normative guidelines and suggestions. This kind of personal control was preferred over a system of laws. The formalization of company law has taken center stage in most businesses following the recent major corporate scandals. After the massive, high-profile business failure and scandals, it seems sensible that

[34] Hillary Shaw; *a Handbook of Corporate Governance & Corporate Social Responsibility*, (Gower, 2010) 191-192.

shareholder activism has become a far more essential concern for all financial markets.

### 3.2.4 Principles of Corporate Governance

Companies must be aware of the principles of corporate governance and how their application can enhance strategies since internal control may significantly impact a firm's success. The four guiding characteristics of effective company law are as follows:

- Transparency
- Accountability
- Responsibility
- Fairness

All these principles are related to the firm's corporate social responsibility. Corporate governance principles, therefore, are essential for a firm, but the real issue is concerned with what corporate governance is. Management can be interpreted as managing a firm to create and maintain value for shareholders. Corporate governance procedures determine every aspect of the role of management of the firm and try to keep in balance and develop control mechanisms to increase shareholder value and the satisfaction of other stakeholders. In other words, corporate governance is concerned with creating a balance between the economic and social goals of a company, including such aspects as the efficient use of resources, accountability in the use of its power, and the behavior of the corporation in its social environment.[35]

The definition and measurement of good corporate governance remain debatable. However, good corporate governance will address issues such as building long-term value, meeting the firm's objectives, and balancing economic and social benefits. Of course, strong governance has long-term benefits for a company, such as lowering risk and attracting new investors, shareholders, and equity.

---

[35] Sethi S.P, *Standard for Corporate Conduct in the International Arena: Challenges and Opportunities for Multinational Corporations* (Business and Society Review, 2008) 20-40.

### 3.3 Various theories related to corporate governance

The directors of companies, being managers of other people's money by this, we can anticipate that they will guard it with frantic care that the owners in a private operator usually protect their cash since it is more taxpayer's children from their own. This statement clearly describes the apprehensions of the shareholders when they select the directors and entrust them with the responsibility to ensure higher returns on their investment. Therefore, there are a few theories related to corporate governance that try to resolve the problem of separation of ownership and control:

- Agency theory
- Stewardship theory
- Shareholder versus stakeholder theory
- Transaction cost theory

### 3.4 Relation of Corporate Social Responsibility with Corporate Governance and Sustainable Development

It is accepted that good Corporate Governance is fundamental to the success of any corporation; hence much attention has been paid to the procedures of Governance. Often, however, what is meant by corporate Governance is merely assumed without being explicit; moreover, it is assumed that the concept is connected to managing investor relationships. Similarly, Corporate social responsibility is generally accepted as fundamental in continuing any corporation.

There must be a relationship between these two essential aspects, although little work has been undertaken to explore this relationship. But after analyzing the definitions, it seems that the two concepts are inextricably linked and that it is necessary to take a broader view of Corporate Governance, which encompasses relationship with the whole stakeholder community and necessarily, therefore, incorporates the principles of Corporate Social Responsibility.[36]

Good governance is vital in every sphere of society, whether it be the corporate environment, general society, or the political environment. Good governance levels

[36] Guler Aras and David Crowther, *A Handbook of Corporate Governance and Social Responsibility*, (Gower, 2010) 265

can, for example, improve public faith and confidence in the political environment. When the resources are too limited to meet the minimum expectations of the people, it is a good governance level that can help promote society's welfare. And, of course, a concern with governance is at least as prevalent in the corporate world. [37] It is, of course, no longer questioned that the activities of a corporation impact the external environment and that, therefore, such an organization should be accountable to a broader audience than its shareholders. This is a central tenet of both the concept of corporate governance and the concept of C.S.R. Implicit in this is a concern with the effects of the actions of an organization on its external environment, and there is recognition that it is not just the owners of the organization who are concerned with the activities of that organization. Additionally, there are a wide variety of other stakeholders who, justifiably, are involved with those activities and are affected by those activities. Those other stakeholders have not just an interest in the activities of the firm but also a degree of influence over the shaping of those activities, and this influence is so significant that it can be argued that the power and influence of these stakeholders are such that it amounts to quasi-ownership of the organization.

One view of good corporate performance is that of stewardship, and thus, just as the management of an organization is concerned with the stewardship of the financial resources of the organization, so too would the management of the organization be concerned with the stewardship of environmental resources with the resources of society as well as the resources of the organization.[38]

The difference, however, is that environmental resources are mainly located externally to the organization. Stewardship in this context, therefore, is concerned with the resources of society as well as the resources of the organization. As far as stewardship of external environmental resources is concerned, then the central tenet of such stewardship is surfing sustainability. Sustainability is focused on the future and is concerned with the choices of resource utilization in the future that are not constrained by decisions taken in the present. This necessarily implies such concepts as generating and utilizing renewable resources, minimizing pollution, and using new techniques of manufacture and distribution. It also means accepting any costs

[37] Durnev A & Kim E. H, *To Steal or Not to Steal: Firm Attributes, Legal Environment, and Valuation*, (Journal of Finance, 2014) 1461-1493
[38] Aras and Crowther D: *The Durable Corporation: Strategies for Sustainable Development*; Aldershot; (Gower, 2009)

involved in the present as an investment for the future. Sustainable activities not only impact society in the future but also impacts the organization itself in the future. Thus good environmental performance by an organization in the present is, in reality, an investment in the organization's future. This is achieved through the ensuring of supplies and production techniques that will enable the organization to operate in the future in a similar way to its operations in the present and so to undertake value creation activity in the future much as it does in the present. Financial management also, however, is concerned with the management of the organization's resources now so that future managers can be done in a way that builds value. In terms of future management, the firm's internal management from a financial point of view and its external environmental management are closely aligned. Financial efficiency sets the stage for future environmental performance and vice versa. As a result, there is no difference between financial and environmental performance; they are both troubles. As for the company, this issue, of course, is the management of the future.

### 3.4.1 Conflicts between CSR & Corporate Governance

Disputes over direct limits on business governance and C.S.R. can occur in the following ways: The broad definition of "participants" conflicts with the need to focus on production in less expensive countries; over time, as economic growth and buses make C.S.R. more or less profitable; over space regarding agency structure, as many agencies and players provide conflicting interpretations of the exact scope of the C.S.R. sponsored by shareholders; and Controversy over the opposing philosophical views of the proper use of corporate ownership funds and what constitutes a fundamental corporate role.

## 3.5 Evidence of Relationship between CSR, Corporate Governance and Sustainable Development (Various initiatives) [39]

Corporate Governance Principles, Policies, and Practices are the standard to achieve a competitive advantage. Businesses that perform well in this area can boost profits for

[39] Adapted from Singh S., *corporate Governance, Global concepts and Practices*, 2005: Fernando A.C. *corporate Governance Principles, Policies and Practices, 2006*

shareholders by, among other things, managing risks, predicting enforcement action, or gaining access to new markets, all while promoting the long-term growth of the surrounding society. Additionally, these problems may harm image and trademarks, becoming a more significant component of firm value. In the following paragraphs, we will talk about the function of several governance practice bodies.

As there was a constitutional mandate for social and economic justice given in the introduction, as well as many other social measures included in the Basic Rights and Directive Principles of State Policies, as well as the idea of social welfare gave legislators enough leeway to enact laws. India turned to independence after independence. Initially, Indian law prioritized the welfare of workers and enacted many laws to protect their interests in terms of fair wages, decent working conditions, and the protection of public safety. The institution and countries also often discuss employees and stakeholders within the business organization. Section 246 (2)[40] of the Indian Constitution gives the Federation and the State the authority to pass laws jointly on labor negotiations, state pensions, national welfare, work, and remuneration, particularly pregnancy and old-age benefits.

The government's goal in India is to secure the social welfare of all citizens because the country is, by nature, a welfare state. Corporate entities that are a part of the larger societal structure and have access to significant resources must help the country achieve this aim. The government is tasked with carrying out the Constitution's mandate by bypassing and putting into effect adequate legislative provisions to ensure the social and economic wellbeing of the majority. And to accomplish these goals, various government entities have taken several actions that have helped develop broad norms for the socially responsible behavior of corporations.

[40] Constitution of India (1950) art 242 (2)

CHAPTER - IV

# ROLE OF GOVERNMENT AND JUDICIARY IN FOSTERING CSR MECHANISM IN INDIA

## 4.1 INTRODUCTION

The idea of C.S.R. emphasizes the human component of growth. It serves as a timely reminder to all professionals that they should treat others respectfully, so they are humans first. Innovation must consider all economic, political, and social stakeholders; it cannot be one-dimensional. It is necessary to set a matrix for communication based on trust between growth partners. The term "Corporate Social Responsibility" (C.S.R.) refers to the idea that sharing a part in a successful development process is better than controlling a failed, unsatisfactory social structure. C.S.R. has been in India since ancient times, as was discovered in Chapter II while studying the history and evolution of C.S.R. in India. Government, C.S.R. has been significantly shaped by factors like administration (Legislative branches, Executive, and Judiciary), financial state (i.e., economic structure and laws), execution of the guidelines, and the function of other organizations like N.G.O.s framework, which is a modern form of Corporate Corporate Commitment. Therefore, it is essential to analyze and understand the role played by institutions that are important to the C.S.R. process. To maintain fairness of distribution in the distribution of the benefits of development agreements, each institution may act as a check and balance against the others.

For example, the government could curb profit-driven, destructive growth in the private sector. The media and N.G.O.s can expose corruption and errors in the system of government. The system must violate rules and regulations and replace values to promote beneficial relationships between all stakeholders. The law, the executive branch, the legal department, and non-governmental organizations all play a vital role in C.S.R., directly or indirectly. Hence, the researcher attempted to analyze the part of these various government agencies in this chapter. Other smaller institutions also contribute but may be included below the larger ones shown above responsible behavior of corporations.[41]

### 4.2 Role of Government in Fostering CSR mechanism

The government's goal in India is to secure the social welfare of all citizens because the country is, by nature, a welfare state. Corporate entities that are a part of the larger societal structure and have access to significant resources must help the country achieve this aim. The government is tasked with carrying out the Constitution's mandate by passing and putting into effect adequate legislative provisions to ensure the social and economic well-being of the majority. And to accomplish these goals, various government entities have taken several actions that have helped develop broad norms for the socially responsible behavior of corporations. The critical steps done are discussed in the paragraphs that follow.

### 4.3 National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011

The Guidelines presented herein are a refinement over the Corporate Social Responsibility Voluntary Guidelines 2009, issued in December 2009 by the "Ministry of Corporate Affairs" (M.C.A). Significant suggestions made by numerous stakeholder groups from across the nation have been duly taken into account, and the Guidelines Drafting Committee has made the necessary revisions to the original draught Guidelines as a result. In order to ensure a healthy and inclusive process of economic progress, this paper lays forth the fundamental conditions for businesses to operate responsibly. It thus represents the consolidated position of important stakeholders in India.

### 4.4 Formulation of National Competition Policy (At drafting stage)

The Government of India (G.O.I.) has developed a National Competition Policy aimed at achieving high levels of economic stability, trade, employment, and high

[41] ibid (n 4) 15

living standards for citizens and protecting economic rights for justice, equality, inclusion, and protection of economic rights for justice, equality, inclusion, economic development, and sustainable livelihoods. And fostering economic democracy and supporting good governance by reducing rental practices.

**The goal of this strategy** is to bring about the second round of financial transformation. The following list summarizes key aspects of the policy:

1. To ensure customer welfare by promoting efficient resource allocation and giving economic agents the right incentives to achieve productivity, quality, and innovation

2. To eliminate current laws' anti-competitive effects, align federal and state laws and policies, and actively promote the principles of competition.

3. Work towards an exclusive national market.

4. Provide competitive neutrality to level the playing field.

The terms of this strategy are created to protect the stockholders and consumers, who are both external and internal stakeholders. The goal of this strategy was to encourage business ethics.

### 4.5 Enactment of various legislative provisions for stakeholder protection

As there was a constitutional mandate for social and economic justice, many other social measures were included in the Basic Rights and Directive Principles of State Policies, and the idea of social welfare gave legislators enough leeway to enact laws. After independence, India initially prioritized the welfare of workers. It enacted many laws to protect their interests in terms of fair wages, decent working conditions, and the protection of public safety. The institution and countries also often discuss employees and stakeholders within the business organization. Section 246 (2)[42] of the Indian Constitution give the Federation as well as the State the authority to pass laws jointly on matters pertaining to labor negotiations, state pensions, national welfare, work, and remuneration, particularly pregnancy and old-age benefits.

[42] ibid 63.

### 4.6 Salient Feautures of some important legislation are discussed here as follows:

#### 4.6.1 The Factories Act, 1948[43]

The Factories Act of 1948 Section 63 regulates working conditions in the industry and provides the standards required for industrial workers' safety, health, and well-being. The Act also aims to reduce the employment of children, women, and youth. In addition, it requires safety measures in establishing dangerous industries and security guards against using and handling hazardous substances. The Act's provisions develop the company's responsibility for the safety and well-being of employees at the legal and ethical levels.

#### 4.6.2 The Workmen's Compensation Act, 1923[44]

The Labour Compensation Act was passed in 1923, marking the beginning of workers' social security. Before the Act's passage, the company was only responsible for compensating injured workers if the fault was established. Even if his carelessness was demonstrated, the employer might escape culpability by advancing any of the following arguments. The termination of individual action occurs with dying, the notion of accepted risk, general labor, personal carelessness, and the philosophy of common full-time work, to name a few. The Act's primary goal is to establish a system for compensatory payments. According to the purpose behind workmen's insurance, the price of the finished product must cover the "death of workers." The Act views the payment that a company must provide to its employees in the event of an accident as a kind of comfort and welfare benefit. It makes it possible to get compensation regardless of negligence. In accordance with the kind and severity of the harm, it also specifies the different sums that may be due in the event of an accident. The employer is now shielded from uncertainty, although he was exposed before and knew the payment level he must pay. The Act covers workers in India who are working in industries, mining, farms, transportation facilities, building sites, railroads, boats, shows, and other dangerous industries and jobs.

[43]The Factories Act 1948, s 63.
[44]The Labour Compensation Act 1923, s 8.

### 4.6.3 The Employees' State Insurance (ESI) Act, 1948[45]

The Employees State Insurance Act of 1948 is a piece of social security law designed as a tool for eradicating social ills. It is a significant moment in Indian history. Its purpose is to provide social insurances by offering specific benefits to employees in the event of sickness, maternity, work-related accident, and other related circumstances. One of the mandatory state insurance programmes, the Act provides for a number of benefits that are paid for by financial payments made to the programme by both employers and workers. Comparatively speaking, it has a significantly larger range of coverage than the Workmen's Compensation Act of 1923. Only those employees who meet the definition are covered by this. All people who are paid a salary are protected by the ESI Act, but only up to the legal maximum. The ESI contribution made by both employees and the employer is the employer's legal obligation, and many associated concerns fall under the category of ethical obligation as well. This Act, which affects internal stakeholders like labour, is a key piece of social security law.

### 4.6.4 The Employees' Provident Fund (EPF) and Miscellaneous Provisions Act, 1952[46]

The E.P.F. Act is social security legislation to provide provident funds, family pension funds, and insurance to employees.

The scheme induces the employees to save a portion of their present earnings by contributing to the provident fund for a hard day ahead. The employer also pays an equal contribution. The employee gets a lump sum amount when he retires.

The Act applies to factories and establishments employing 20 or more persons. This Act also contributes to EP Fund by the employer for workmen a legal responsibility towards internal stakeholder, i.e., labor and being social security legislation also forms part of C.S.R. framework. Firstly, it leads to the firm's denial of Fiduciary Responsibility: Stakeholder theory has some significant disadvantages. For instance, stakeholder theory runs directly counter to corporate governance. Since shareholders

---

[45] The Employees' State Insurance (ESI) Act 1948, s 34.
[46] The Employees' Provident Fund (EPF) and Miscellaneous Provisions Act 1952, s 19.

are firm owners, the firm should be operated to maximize its returns. Stakeholder theory transfers the corporation's focus from shareholders to the needs of stakeholders. Firms deny their fiduciary Responsibility to shareholders by implementing unprofitable C.S.R. programs.

Fiduciary Responsibility Secondly, Stakeholder Theory oversimplifies social problems & remedies: Society has numerous issues that have existed for years, such as poverty and pollution. If these problems were as simple to solve as Stakeholder Theory advocates, they would have been remedied long ago by profit-seeking firms focused on benefiting society (Karnani, 2010) . Many businesses have discovered, however, that the pursuit of society's Profits frequently suffers due to assistance. Executives would probably lose their jobs if they pushed C.S.R. initiatives that hurt revenues. The shareholders of a company want to see value for money and, therefore, would probably terminate management who obstructively pursued this goal. Stewardship theory understates how complicated social issues are.

Finally, the focus on burdensome regulations in the legitimacy theory: The overregulation issue is another objection raised against corporate governance. According to this claim, pursuing C.S.R. would result in organizations' stricter global ecological and sustainability rules. Therefore, it would be more challenging for developing countries to keep up with industrialized countries due to these restrictions. Richard Henderson (2009), a Visiting Professor at the Westminster Business School and the London School of Economics, asserted, "when conditions differ widely between countries, as they do, prescribing and enforcing such common standards...restricts the scope for mutually beneficial trade and investment flows. It holds back the development of developing countries by suppressing employment opportunities within them". The potential for over-regulation strikes a formidable blow to stakeholder theory.

Fourthly, Stakeholder Theory is criticized due to competing interests: The existence of conflicting interests inside and outside a corporation is one of the main issues with stakeholder theory. The Stakeholder Theory's proponents argue for a multi-fiduciary connection between corporate management and all of a company's stakeholders. By definition, a fiduciary relationship entails putting one group's interests ahead of those of other parties, yet "as everyone realizes, the stakeholders of a company, clients, suppliers, workers, and communities in the administration of a statement of financial position conflict" (Marcoux, 2003). Investors desire the best return possible in the form of dividends or capital gains with the least risk. Customers seek high-quality goods, affordable rates, and superior services. High pay, excellent working conditions, and a generous benefits package are what most employees desire. Stakeholder theory is unworkable due to these conflicting stakeholder needs. In reality, balancing these desires would be challenging. While some stakeholders might be happy, others would be unhappy (Jensen, 2002).

### 4.6.5 The Payment of Gratuity Act, 1972

A gratuity is a retiring payout, similar to retirement or pension benefits. The Equal remuneration Act outlines a system for distributing gratuities to personnel employed in sweatshops, mining, gas fields, railway firms, etc., outlined in the Equal remuneration Act. This is a form of compensation for the services provided.

A welfare spending of local government action is now a legally required corporate obligation thanks to this Act. Given that worker well-being is the priority, it is appropriate to call this law a well-being law by abiding by the principles of law, which indicates the legal responsibility of corporate in their social responsibility towards society.

### 4.6.6 The Industrial Disputes Act, 1947[47]

The Industrial Disputes Act was enacted to secure industrial peace and harmony by providing machinery and procedure for investigating and settling industrial disputes through negotiations instead of trial strength through strikes and lockouts. This legislation is calculated to ensure social justice for employers and employees and thereby promote industrial progress.

Additionally, this Act requires leaders and workers to uphold good industrial relations. The upkeep of labor relations is currently a legal obligation and a

[47] The Trade Unions Act, 1926, s 14.

comprehensive framework component of the Provides. Implementing these types of social laws ensures that employers and workers always have teamwork, which is advantageous for both the general growth of industrialization and the personal training of people. The observance of the law demonstrates that businesses are willing to uphold labor regulations, which are a component of their obligations.

### 4.6.7 The Trade Unions Act, 1926[48]

The Trade Union Act mandates registering Trade Union (even those affiliated with companies) to ensure the legalization of labour organization. Additionally, it defends the rights of recognized labor unions. The employer must voluntarily recognize one Trade Union in the sector under the terms of this Act.

This is the company's legal obligation. In addition, there are several moral obligations, such as encouraging the establishment of organizations and collective bargaining and working with these organizations to preserve positive industrial relations. These obligations are a component of the general C.S.R. platform's moral and legal obligations. To determine the actions that corporations could perhaps take in advisement to comply with legal requirements, as well as those that can be included in the scope of C.S.R. initiatives concerning labor welfare, the ideology, and goals of various labor contain provisions have become the essential criteria.

## 4.7 Environmental Laws

Comparable to this, lawmakers have passed several laws to conserve the Earth, and these laws' combined goals have greatly aided in the establishment of a robust set of regulations that not only defend and protect the Earth but also refill, boost, and boost continue to develop it. The scientist has examined some of the critical laws for pollution prevention to determine the foundation they laid for the preservation of the world.

---

[48] The Trade Unions Act, 1926, s 16.

### 4.7.1 The Environment (Protection) Act 1986[49]

According to the Environmental (Protection) Act of 1986, the federal authority can safeguard and enhance air protection, manage and lessen environmental damage from all references, and forbid or restrict the construction, use, or procedure of any manufacturing area for reasons related to the environment. Therefore, environmental conservation is the only means through which this universe may be protected. Every citizen is responsible for conserving the environment for future generations, both legally and naturally. Corporate interests may contribute to the country by effectively adhering to the environmental protection act's requirements and upholding their moral and legal obligations to citizens and the state.

### 4.7.2 The Environment (Protection) Rules 1986

Methods for defining pollution regulations or releasing chemical pollutants are outlined in the Environmental (Protection) Rules of 1986. In this connection, it is essential to note that the firm needs to set up the appropriate infrastructure in its workplaces that may aid in minimizing environmental damage when handling dangerous waste in its factories.

### Consumer Welfare Legislations

### 4.8 The Prevention of Food Adulteration Act, 1954

Food is one of the necessities for the sustenance of life. A pure, fresh, healthy diet is essential for people's health. It is no wonder to say that community health is a national wealth. Adulteration of foodstuff was so rampant, widespread, and persistent that nothing short of a somewhat drastic remedy in the form of comprehensive legislation became the need of the hour. To check this kind of anti-social evil, the Government launched a concerted and determined onslaught by introducing the Prevention of Food Adulteration Bill in Parliament to herald an era of much-needed hope and relief for the consumers. The Bill replaces all local food adulteration laws where they exist

[49] The Environment (Protection) Act 1986, s 29.

collecting relevant to those States without local legislation on the matter. It includes provisions for a Central food laboratory (clause 4)[50], a Governing Board for Guidelines composed of State and Central Governments members. Other things like one in a Central Food Lab where food samples can be submitted for a definitive verdict in disagreement[51] (clause 3), and The Centralized State receives the authority to make rules on nutritional requirements and other concerns and no prosecution or legal proceedings shall lie against any person for anything done in good faith.[52] (clause 22).

### 4.9 The Consumer Protection Act, 1986[53]

The Act's primary goal is to advance and defend the rights of consumers. This Act applies to all goods and services. The Act provides for the establishment of the Central level and State level Consumer Protection Councils to promote and protect the rights of the consumers. The Act defines the composition of the Councils and provides for its objects. The Act also establishes a Consumer Disputes Redressal Forum in each district of the States to be known as "District Forum" and a Consumer Disputes Redressal Commission to be known as the "State Commission" in each State. It excludes the sale of real estate, including land and buildings. Its key characteristics involve that it applies to all goods and services unless expressly excluded from federal law. Includes all sectors, including commercial, governmental, and collaborative ones.

It grants buyers specific rights; and envisions the creation of product safety. National, Provincial, and divisional governments Authority's features are in addition to, not in contravention of, anyone else Act's requirements.

Buyers' liberties are The need for safety, The right to information, Freedom of choice, to be represented, seek remedy, and market training.

---

[50] The Prevention of Food Adulteration Act 1954, s 4.
[51] The Prevention of Food Adulteration Act 1954, s 3.
[52] The Prevention of Food Adulteration Act 1954, s 22.
[53] The Consumer Protection Act 1986, s 68.

### 4.10 Competition Act, 2002[54]

The competition in India must be fair, and no unfair means is allowed under the Competition Act, 2002. It outlaws business activities that have a noticeable negative impact on competition in domestic markets. To do this, it calls for creating the Competition Commission of India (CCI). This quasi-judicial organization would also advocate for raising public knowledge of competition-related issues and providing training in this area. The Bill also intends to reduce harmful features of rivalry by using CCI as a vehicle.

**Purpose of the Act**:

The Act states to provide the CCI. And the CCI is "to prevent anti-competitive practices creating a negative impact on competition in India, and to encourage sustainable, competitive pressure in marketplaces, to prevent discrimination, and to ensure access to markets.

As a result, the Act's primary goal is to guarantee accessible and equitable competitiveness. The following specific objectives of the Act are to ensure that the interests of consumers are protected against anti-competitive practices, promote and sustain market competition, protect consumers' interests, and provide other participants in markets in India carry out the freedom of trade.

### 4.11 The Standards of Weights and Measures Act, 1976

A norm for scales and measurements used in international commerce is intended to be established under the Standardization of Units of Measurement Act of 1976. Serving the consumers' interests is the end objective. This Act's goals are to:

- Adopt guidelines centered on the measurement plan to accommodate the country's confusing array of masses and measurements.
- Increase public safety by assuring the precision of scales and measurements.

---

[54] The Competition Act, 2002, s 12. of 2003.

## 4.12 The Agriculture Produce (Grading and Marketing) Act, 1937[55]

The Central Government's first piece of law for the quality monitoring of agricultural produce was the A.P. (G&M) Act, passed in 1937. Under this Act, the administration has established grading criteria. These are frequently referred to as Agriculture Grades. The department carries out the grade-programmed assessments with the Government Authorities' full involvement.

**Objective:**

- To alert producers of agricultural products about which grade requirements are to be developed in accordance with this act.
- To create what are referred to as "Agmark standards," which are norms for farm commodities.
- To put into practice rating agricultural products in accordance with Agmark criteria.
- To create regulations to implement this act's requirements.
- altering any planned study's grade label to reflect its value

After examining the goals of the regulations as mentioned above, it is increasingly clear that the government intended to safeguard the interests of consumers from a company for customer satisfaction, public health, skin and emergency management, and protection of private individuals from bullying and bribing by a company (production, maker, provider, and phone company, etc.) concerning the act of adhering to these rules results in the discharge of legal responsibilities, and they only set the criteria that corporations must meet in their interactions with customers to become socially conscious. They may indeed be summarized in the following points:

- Reasonable pricing of product i.e. pricing not with the aim to make Profit
- Provision of excellence aids in brand building
- Meeting everything after promises in terms of funding and attaining the greatest customer satisfaction level.

[55] The Agriculture Produce (Grading and Marketing) Act, 1937, n 1.

- Attempting to avoid misleading prices and adhering to the standards of a complete statement.

The Indian government has passed laws that encourage corporate assistance in the form of donations and charitable giving for welfare benefits because it understands the value of C.S.R initiatives. The Income Tax Act of 1961 has provisions that allow for a tax refund on money donated or used to deal with social welfare activities. The following steps for encouraging social improvement programming have been included in the appropriate provisions of section Act of 1961.

**4.13 Role of Judiciary in fostering CSR**

The Indian Constitution provides a system of checks and balances between the Judiciary, legislative, and executive. The Government of India is the guardian of the Law, which has sovereignty. In line with the legislation, India is a Sovereign, Socialist, Secular, and Democratic nation. A provision for Social Justice and Economic Justice is there in the preamble.

The court is responsible for interpreting, giving precise meaning, and determining the proper legislative purpose behind each piece of Law. Until now, the judicial has performed this duty quite skillfully while maintaining the laws' spirit on social justice, environmental preservation, and wellbeing. The court has also widened the reach of Article 21[56].

The preamble's goals of social and economic equality, the requirements of Articles 21 and 23[57], and 24[58] of the Constitution. Fundamental Rights and Directive Principles of State actions are all related to the issue of C.S.R initiatives. The supreme court has played a significant role in constructing this connection and ensuring that the state adopts the necessary laws to make corporations conscientious. The Judiciary's attitude regarding personal accountability may be determined by examining its stance in

[56] Constitution of India (1950) art 21.
[57] Constitution of India (1950) art 23.
[58] Constitution of India (1950) art 24.

numerous instances relating to the earlier rules, which actively or passively embrace the theory of corporate citizenship.

- Applying social responsibility-related constitutional postulates.
- The court's stance on fundamental clauses that favor C.S.R. initiatives.
- The judicial perspective to lower taxes for charitable giving costs.

# CHAPTER-V

## CURRENT TRENDS IN CSR PRACTICES: ISSUES & CHALLENGES IN ITS IMPLEMENTATION & REGULATION

After analyzing the meaning, nature & scope of C.S.R., its historical background, and its relationship with corporate governance & sustainable development in Chapter-I, II & III, respectively, bring to the forefront the importance and significance of C.S.R. in the current socio-economic environment created by liberalization & globalization and changing nature of State. The irresponsible behavior on the part of Corporate is diminishing their social acceptance, and they are losing faith & credibility in society. This situation, coupled with corporate fraud & rising gap between rich & poor as a result of privatization, may one day force populist governments in the welfare state to reverse the trend of Liberalization/Privatization, which may threaten the existence of corporate itself. So, by now, we are aware of the critical importance of having socially responsible behavior by Corporate. Now the next question that arises is how to make the corporate accountable? The historical background suggests that historically Corporate Social Responsibility practices are voluntary and in the nature of philanthropy, i.e., charity, which means that it is not obligatory and can't be forced upon them. But when we examined the role of government (legislature & executive) and judicial approach towards C.S.R., we noticed a comprehensive legislative framework supporting C.S.R., which means indirect regulation. Judiciary also seems to favor regulating C.S.R. by searching the roots of C.S.R. in jurisprudential postulates and relating corporate behavior with the constitutional mandate. However, till now, there has been no specific regulation on C.S.R. There are some voluntary guidelines. The provision of C.S.R. in the proposed Company Bill, 2012 is also not purely mandatory; instead, it is only about C.S.R. reporting.

So, presently in India, C.S.R. is voluntary and not yet regulated. The debate about regulating and non-regulating is continuing. In the ongoing chapter, the current trends in regulating C.S.R. practices in some important countries like the U.S.A., U.K., Australia, and France are being examined to ascertain the current trends in regulating C.S.R.

### 5.1 Recent Trends in United States of America

The concept of C.S.R. arose in the U.S.A. as corporate philanthropy. The American companies themselves control the concept. Consequently, C.S.R. in the U.S.A. seems somewhat ambiguous as there are limited guidelines for companies to follow in their work with C.S.R. However, scholars have followed the development of C.S.R. in the U.S.A. and contributed to the discussion on the matter. It is evident from these contributions that C.S.R. is still, to a great extent, regarded as corporate philanthropy. Corporate philanthropy, however, goes beyond the concept of modern C.S.R., as it can be dated back to the seventeenth century. Back then, prominent business people made donations, not the actual company. It was not until the late 1800s that corporate philanthropy was linked directly to the company. However, at this stage, it was not at all tied to the company's strategy.[59]

Today, C.S.R. is used as a proactive branding and business strategy connected to a government's primary business. Kotler and Lee, among others, contend that corporate giving is still a component of American C.S.R. This appears to be stressed in the six C.S.R. strategies listed by Kotler and Lee in their book, "Corporate Citizenship Responsibilities Who does the Greatest Excellent for Your Organization and Your Cause," which serves as a manual for company leaders, executives, and other staff as they engage in C.S.R. activities. The following paragraph provides an overview and discussion of the six projects: Promotional Reason, Connected Advertising, Social Responsibility Advertising, Commercial Charity, Local Volunteer, and Ethical Business Activities. Nevertheless, two distinct concepts of generosity appear in the scholarship, raising the question of whether these projects are all focused on generosity. One idea focuses on charitable giving and charity.

### 5.2 Recent Trends in United Kingdom

Two factors are directly connected to the breadth of alternative definitions of "C.S.R." in the United Kingdom.

[59] Susan Vangedal, *Corporate Social Responsibility; A comparative Analysis of Denmark and the USA* (lambert academic publishing, 2010).

First, how much emphasis is given to the "business case" for acting responsibly regarding identifying the range of C.S.R. actions. The second factor is how much one believes the government has a role in setting the agenda, notably through law.

If establishing the bounds of the Reform agenda depends on the "business case" for C.S.R., then all those limits will increase as the "value proposition" does. But there are other methods for defining limits than "business model" considerations. Some companies decide to balance "values-based" and "individual enterprises" justifications for C.S.R. While it is frequently argued that since charity is not incorporated into core company operations, it will not legitimately be regarded as "C.S.R.," there are companies that view charitable efforts as a manifestation of C.S.R. Additionally, there are more subtle ways to examine the connection between "strategic plan" and "philanthropic" conceptions of C.S.R.: "You need much more than C.S.R. whenever significant quantities of cash ought to be spent. For instance, even if a big pharma corporation agrees to invest £X million on crucial medical access, that still only amounts to double a modest charitable expenditure. But it's another matter if you ever want that corporation to invest 10% of its R&D budget. To do this, you need a solid business rationale.

Many companies believe that C.S.R. solely refers to "Voluntary" corporate action that goes "above conformity" with required by law baselines. C.S.R., for instance, is defined as "a paradigm wherein corporations temporarily incorporate societal issues in their company operations and in their relationship with their users" by the European Commission. Contrarily, many quasi-organizations (N.G.O.s) have opted to concentrate on gaining support for a separate initiative on "Corporate Responsibility" thru the law. Just a few N.G.O.s have also tried to argue that the lawful responsibility of business owners should be helped to bring extra centralized into the Reform agenda to incorporate the two.

Wide-ranging viewpoints on the significance of C.S.R. in shaping the knowledge of the impact of the company are reflected in the many methods of its definition. For instance, C.S.R. might be viewed as a cooperative Endeavour to modify attitudes of the workplace in a community or as a strategic asset. The disagreement between the position that "C.S.R. is the corporate commitment to the wider goal of sustainability" and the claim that businesses don't "do" sustainability but rather play a part mirrored a similar attitude.

Varied perspectives on the issue "Whose goal is it?" might be linked to the methodology for various methods and Concepts. How much should the narrative Centre on corporations, what they can do, and what they are prepared to do? Some individuals emphasize how crucial it is to prioritize business: "C.S.R. is only significant when corporations have alternatives." Or, "C.S.R. is about corporate social, which corporations can decide to adopt or not. If C.S.R. is no longer driven by business, it becomes meaningless." Although there may be broad agreement that the core of C.S.R. sees corporations as individuals, there is considerably less agreement on the specifics of the true extent of these social commitments. This lack of clarity is seen in the structure of C.S.R. law in the U.K., which is now under review.

**5.3 Recent Trends in Australia**

“Corporate Social Responsibility” (C.S.R.) is currently one of the most discussed topics by business people and scholars alike. The concept has been enthusiastically supported by three very disparate groups of government, non-government organizations (N.G.O.s), and by the business itself, in particular large corporations.

In Australia, a growing number of businesses have projects and strategies that they claim to represent their dedication to the environment, culture, and society. However, there are few evidence-based studies that examined if, and if not then, to what degree and under what way Australian companies are replying in practice to the work to change surrounding C.S.R. This is true despite the abundance of literary works on C.S.R., specifically in the context of businesses taken by the individual as well as from professionals in the booming business of C.S.R. advisory. Here, the investigator summarizes and analyses the few investigations into these concerns which have been carried out in Australia during the previous ten years by universities, industry groups, the state, quasi-organizations, and consultants.

### 5.4 Recent Trends of CSR in France

In the phrase "business social responsibility," the word "social" presents a linguistic and conceptual challenge. The term "social" appears in the English statement and is frequently translated into French using the same word. Still, the word "social" in French has a more limited meaning since it is primarily limited to the social aspect of sustainable development. Therefore, the term "social" in French does not inherently include the three characteristics fundamental to this idea—"economic efficiency," "social equality," and "management of resources." As a result, this linguistic issue could cause people to misunderstand what "social responsibility" actually means. Some observers even contend that this term is to blame for the industry's strong and triangular opposition to C.S.R. The researcher explains the research's findings in each chapter as it comes to a close. The significance of C.S.R. initiatives, which gives companies obligation, ethical business practices, financial wealth, and good corporate possibility, is a notion by which organizations take into account the interests of the public by looking at the effect of their actions on clients, distributors, staff, stockholders, societies, and other interested parties, and also the surroundings. This is according to the study's analysis of Chapter-I. Companies are considered to be under a voluntary commitment to go over and above the legislative requirement to abide by the law to ensure the efficiency of life for workers, their families, the surrounding area, and humanity as a whole. C.S.R.'s concept, application, and implementation are hotly contested and criticized topics. Although various philosophers have varied perspectives on the phrase "corporate citizenship," Carroll's pyramid of C.S.R. offers the best response to many inquiries' beliefs about the nature and extent of C.S.R. in the modern world. Because it simultaneously reflects the economic, humanitarian, and political and take the appropriate steps.

Some people have strong opinions in favor of C.S.R. activity, while others have strong views against it. According to supporters, there is a compelling financial case for C.S.R. because businesses gain in various ways when they operate with a broader vision except for their own direct, brief profitability. Opponents say that C.S.R. serves as a diversion from the essential socioeconomic function of companies, that it is only cosmetic political posturing, and that this is an effort to get authorities to assume the position of the monitor over large, global solid firms. There have been several more reasons made pro and con C.S.R., but both companies and governments must work together to promote the idea to be effective for both the private sector and the broader community. The information included in the C.S.R. disclosure is not uniform. There are just some criteria for C.S.R. reporting's substance; however, they are frequently discretionary in terms of both substance and publication since they are binary.

The identical C.S.R. operations of several business organizations cannot be coordinated. The ground of corporate social responsibility is currently unregulated in India, and there is no process to oversee and collaborate the efforts of local big businesses. However, to make any significant contributions in the area of C.S.R., it is necessary to allocate the assets of various large corporations, but this is not currently happening due to the lack of a system to manage C.S.R. fund catalog and utilization.

**5.5 Current State of Corporate Social Responsibility in Indian Perspective**

India has a long, rich history of close business involvement in social causes for national development. In India, C.S.R. is known from ancient times as social duty or charity, which through different ages is changing its nature in broader aspects, now generally known as C.S.R. In the 1950s, the notion of C.S.R. was predicated mainly on the idea that business had a responsibility to society. Initiatives for social responsibility in India were not well-documented in the beginning. Since then, increasing awareness of the need to participate in global social activities and a desire to better the immediate environment have emerged (Shinde, 2005). Additionally, it has been observed that consumers are increasingly more likely to choose businesses that adhere to the ethics of socially responsible conduct for their products and services. The idea of C.S.R. was born out of this.

After Independence, J.R.D. Tata, who always placed a strong focus on encouraging people to go beyond just acting honorably as citizens, drew attention to the numerous ways that businesses and industries might improve society in addition to carrying out their regular duties. He said that, in addition to the apparent action of giving money to charitable organizations, which has been their custom for years, they should have utilized their resources—financial, administrative, and human—to create task teams for implementing direct relief and rebuilding measures. The idea that businesses must contribute to some of the social overhead expenses started to gain traction over time, at least in principle. Historically, it has fulfilled its social obligation by providing grants for scientific research, hospital facilities, and educational programmers. The most significant development at that time was that business management began to include social responsibility. The first Tata Company, Tata Iron and Steel Company, pioneered the idea of "Social Responsibility" via its community development and social welfare program. (Gupta, 2007).

Sethi (1975) was the first to use the phrase "business social performance," Carroll (1979) built on it, and Wartick and Cochran then further developed it (1985).

The idea of corporate social performance was examined, and differences were established in Sethi's three-level model from 1975 between various corporate behaviors. Sethi's three tiers are:

The last decade of the twentieth century witnessed a shift away from charity and traditional philanthropy towards more direct business engagement in mainstream development and concern for disadvantaged groups in society. This has been driven internally by corporate will and externally by increased governmental and public expectations (Mohan, 2001). This was evident from a sample survey conducted in 1984 reporting that of the amount companies spent on social development, the most considerable sum, i.e., 47 percent was spent through company programs, 39 percent was given to outside organizations as aid, and 14 percent was spent through company trusts (Working Document of India C.S.R., 2001). In India, as in the rest of the world, there is a growing realization that business cannot succeed in a society that fails. An ideal C.S.R. has ethical and philosophical dimensions, particularly in India, where a wide gap exists between sections of people in terms of income and standards as well as socio-economic status (Bajpai, 2001). According to Infosys founder Narayan Murthy, "Social Responsibility is to create maximum shareholders value working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government and the environment." Commission of the European Communities 2001 stated that being socially responsible means not only fulfilling legal expectations but also going beyond compliance and investing "more" into human capital, the environment and the relation with stakeholders ( Bajpai, 2001).

Over time, four different models have emerged, all of which can be found in India regarding corporate responsibility (Kumar,2001).

### 5.6 Important Issues and challenges in the field of CSR

The following is a discussion of the crucial concerns that must get CSR practices' urgent attention in order to have any real impact on company behavior:

#### 5.6.1 Labor Laws violation

A significant issue in Indian industry, particularly the textile sector, is the breach of labor rules. "Workers are not being paid even statutory wages, as payment is linked to reaching unreasonably high production targets puts, unpaid overtime." In summary, the field of export growth still has a ways to go to achieve commitment. C.S.R. programs and their proponents could confuse the issue when consultants who are already monitored continually break local labor legislation. The lobbying group supports inspiring wage costs, such as the need for freelancers to receive a "livable wage." But advocating for international companies to pay more significant salaries assumes that they are already doing so. E.P.F.O. and E.S.I. obligation breaches. The need, though, is to go beyond that.

#### 5.6.2 Human Rights Violation Issues

Civil rights lawsuits often result from severe molestation, but the current societal definition of "violations" is expected to increase further. If trading partners are aware of the failure to abide by labor regulations, this may theoretically be termed "unfair enhancement and enriching," All these inequitable enrichments, by definition, involve infringements.

### 5.6.3 Environmental Issues

Compared to, say, ethical concepts, ecological precepts are less clearly defined in corporate social responsibility (C.S.R.) policies. The majority of guidelines include environmental responsibility. Nevertheless, their behavior demonstrates that they will have put into effect specific conservation policies and that ecological practice appears to be more advanced than societal theory and legislation, including among small companies. The fact that many carbon emissions are governed by legislation is justifiable. Consequently, firms are expected to take action. This same holds for what is done in India. Indian ecological law is likewise fairly established; however, several businesses and others have noted that compliance is a significant roadblock. These environmental concepts, which are drawn from trade conventions and accords, are only sometimes used by businesses.

## 5.7 Criticism of Concept of CSR

### 5.7.1 Criticism of Stakeholder Theory of CSR

Firstly, it leads to the firm's denial of Fiduciary Responsibility: Stakeholder theory has some significant disadvantages. For instance, stakeholder theory runs directly counter to corporate governance. Since shareholders are firm owners, the firm should be operated to maximize its returns. Stakeholder theory transfers the corporation's focus from shareholders to the needs of stakeholders. By implementing unprofitable C.S.R. programs, firms deny their fiduciary responsibility to shareholders. Denies Fiduciary Responsibility. Secondly, Stakeholder Theory oversimplifies social problems & remedies: Society has numerous issues that have existed for years, such as poverty and pollution. If these problems were as simple to solve as Stakeholder Theory advocates, they would have been remedied long ago by profit-seeking firms focused on benefiting society (Karnani, 2010). Many businesses have discovered, however, that the pursuit of society's Profits frequently suffers because assistant Executives would probably lose their jobs if they pushed C.S.R. initiatives that hurt revenues. The shareholders of a company want to see value for money and, therefore, would probably terminate management who obstructively pursued this goal. Stewardship theory understates how complicated social issues are.

Finally, the focus on burdensome regulations in the legitimacy theory: The overregulation issue is another objection raised against corporate governance. According to this claim, pursuing C.S.R. would result in stricter global ecological and sustainability rules for organizations. Therefore, it would be more challenging for developing countries to stay up with industrialized countries due to these restrictions. Richard Henderson (2009), a Visiting Professor at the Westminster Business School and the London School of Economics, asserted, "when conditions differ widely between countries, as they do, prescribing and enforcing such common standards restricts the scope for mutually beneficial trade and investment flows. It holds back the development of developing countries by suppressing employment opportunities within them". The potential for over-regulation strikes a formidable blow to stakeholder theory.

Fourthly, Stakeholder Theory is criticized due to competing interests: The existence of conflicting interests inside and outside a corporation is one of the main issues with stakeholder theory. The Stakeholder Theory's proponents argue for a multi-fiduciary connection between corporate management and all of a company's stakeholders. By definition, a fiduciary relationship entails putting one group's interests ahead of those of other parties, yet "as everyone realizes, the stakeholders of a company, clients, suppliers, workers, and communities in the administration of a statement of financial position conflict" (Marcoux, 2003). Investors desire the best return possible in the form of dividends or capital gains with the least risk. Customers seek high-quality goods, affordable rates, and superior services. High pay, excellent working conditions, and a generous benefits package are what most employees desire. Stakeholder theory is unworkable due to these conflicting stakeholder needs. In reality, balancing these desires would be challenging. While some stakeholders might be happy, others would be unhappy (Jensen, 2002).

Fifthly, Stakeholder Theory is criticized as it leads to competitive disadvantages: The following argument against stakeholder theory is the competitive disadvantage argument. This argument is that "because social action will have a price for the firm, it also entails a competitive disadvantage" (Smith, 2002). Therefore, advocates of this argument deem that businesses should not initiate social actions. The problem with this argument is that social activities may foster a corporation's public support. The ethical action of Johnson and Johnson executive David Collins serves as a prominent example. In 1982, Collins recalled the entire Tylenol product line after cyanide-laced capsules of the brand had caused several deaths in Chicago. As an article in Workforce, a famous human resource magazine, proclaimed, "To this day, Collins" response is cited as the textbook example of how decisive action, grounded in sound ethical values, can avert a crisis and even bolster a company's support over the long run" (Fandray, 2000).

Contrary to the argument, social responsibility may provide a competitive advantage. Even if social Responsibility results in short-term losses, it can engender loyal employees and communities and consequently reap long-term dividends: "C.S.R. is also proving to benefit companies. This concept recognizes that environmentalism requires societal well-being and sustained socioeconomic development. It highlights how locally, regionally, and worldwide ecological challenges are interrelated, making it crucial for companies to discuss global warming, wildlife protection, and climate variability thoroughly and systematically. It motivates companies to recognize and take responsibility for their activities, goods, and operations' effects on the ecosystem and to work to reduce those effects. The Guideline encourages enterprises to adhere to the protection of the environment and refrain from doing a particular activity if they are unclear of its adverse effects.

This notion acknowledges that companies function within the current government's specific statutory and regulatory structures. It recognizes that in a representative democracy, all parties, including companies, participate in the joint development of these 370 legal structures. The guiding principle stresses that advice must increase the social purpose instead of reducing it or limiting access to a small group of people.

The most commonly identified corporate advantages include maintaining and improving reputation or brand image, government relations, brand differentiation, customer loyalty, and employee recruitment and retention" (Walton, 2010). However, proponents of stakeholder theory go too far in their support of discretionary social expenditures. The benefits of profitable C.S.R. initiatives must be balanced with the fact that unprofitable C.S.R initiatives may put a firm at a competitive disadvantage.

Sixthly, the Stakeholder Theory is criticized as it forces 'Greenwashing,' i.e., it is reactive instead of proactive and shifts the focus from the flaws or business failure.[60]

### 5.8 Issues & Challenges in Implementation of CSR mechanism

The absence of terminology clarity causes ambiguity regarding the nature, purpose, and reach of C.S.R. initiatives. Even if the investigator agreed that Caroll's concept of C.S.R. was the most appropriate and comprehensive one, there is still a great deal of uncertainty over its meaning, character, and extent when C.S.R. is put into practice. Better assessment from this circumstance regarding the techniques and substance businesses should adopt towards becoming morally sound. Mystery breeds complexity, and misunderstanding makes it challenging to put C.S.R. concepts into practice. And then there's the crossover between financial regulation and C.S.R. activities. Additionally, it causes management uncertainty as a result.

The information included in the C.S.R. disclosure is not uniform. There are just some criteria for C.S.R. reporting's substance; however, they are frequently discretionary in terms of both importance and publication since they are binary.

The identical C.S.R. operations of several business organizations cannot be coordinated. The ground of corporate social responsibility is currently unregulated in India, and there is no process to oversee and collaborate the efforts of local big businesses. However, to make any significant contributions in the area of C.S.R., it is necessary to allocate the assets of various large corporations, but this is not currently happening due to the lack of a system to manage C.S.R. fund catalog and utilization.

[60] Zachary Cheers, *The Corporate Social Responsibility Debate* (Oxford University Press, 2011)

## CHAPTER VI

## LEGAL FRAME WORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

### THE COMPANIES ACT, 1956

The Companies Act of 1956 in India does not include any provisions about the responsibility of businesses toward their communities. Section 135[61] of the Companies Act of 2013 brought about a sea change in India's corporate social responsibility landscape. The gaping hole left by the outdated Companies Act of 1956 in the field of actions related to corporate social responsibility has been filled by the new Companies Act. Recently, the government has been considering making actions related to corporate social responsibility mandatory. India is the only nation in the world to have mandated corporate social responsibility (C.S.R.) spending thresholds of up to $2.5 billion after the country's new company law went into effect on April 1, 2014, making India the only country in the world to achieve this distinction (Rs. 15,000 crores). Under the terms of the new rule, practicing corporate social responsibility (often known as C.S.R.) is not only required but also punishable if companies fail to do so.[62]

### THE COMPANIES ACT, 2013[63]

The approximately 60-year-old Companies Act of 1956 has been replaced with the Companies Act of 2013. C.S.R.'s potential has been recognized by businesses that perceive social good as being linked to a firm's long-term business performance and believe it is necessary to integrate it with business ethics and corporate citizenship. Wealth inequality worldwide, along with an economic slowdown and existing caste,

[61] The Companies Act 2013, s 135.
[62] Sharma, 'CSR: An Overview of the Indian Perspective' (n 11)
[63] Ritu Dutta, 'New Companies Act comes into force' <https://www.livelaw.in/new-companies-act-comes-force/> accessed on 8 July 2022

religion, region, and gender divisions, may contribute to increased disparities that more mindful C.S.R. might help alleviate.

With the addition of Section 135 of the Companies Act 2013, India embarked on a risky experiment in mandating C.S.R. for large corporations. While it is required that these organizations spend at least 2% of their income on C.S.R., this is a soft mandate in that they can choose to report why they may have fallen short of that level. Nonetheless, the Act requires that these companies establish a C.S.R. Committee at the board level that develops and maintains a C.S.R. Program and prescribes C.S.R. spending. The Board must also finalize and fully explain the C.S.R. scheme, as well as report on C.S.R. expenditure in the annual report in a stipulated format. Large enterprises in India (including 17 P.S.U.s and eight non-Indian origin companies in 2019) are thus wrapped into a commitment to play an influential role in tackling the country's major development concerns.

**WHO ARE COVERED UNDER SECTION 135 OF COMPANIES ACT, 2013?**

The scope of Section 135 includes three types of businesses. These companies have a worth of at least 500 million rupees or more, a turnover of at least 1 crore or more, or a net profit of at least 5 crore rupees. They must constitute a C.S.R. committee consisting of at least three directors, with at least one acting independently. Following its Corporate Social Responsibility Policy, such a corporation must allocate at least two percent of its average net income from the three most recent fiscal years.[64]

**WHAT ARE THE ACTIVITIES OF CSR COMMITTEE?**

The Companies Act's Section 135(5) stipulates that the C.S.R. committee is responsible for formulating and monitoring the company's C.S.R. policy. Additionally, the committee is tasked with discharging the responsibility of recommending the total amount of money that should be spent on such activities. This all-encompassing clause includes the provision that the formed C.S.R. Committee

---

[64] Sidharth Kaushik and Stuti Bhatnagar, *Corporate Social Responsibility in the New Companies Act : A Critical Analysis* (EBC Publishing Pvt.Ltd., 2014)

must indicate the activities to be carried out by the companies as specified in Schedule VII of the Act. Schedule VII includes ten activities, some of which include the promotion of education, eradicating extreme hunger and poverty, promoting gender equity, and other similar activities.[65]

**PUNISHMENT FOR DEFAULTERS**

The Board of Directors (B.O.D) will be responsible for seeing that the company spends money for C.S.R. Any company that fails to comply with these provisions has to give the reasons for the same in its report. Such an explicit statutory provision has made India the first to mandate obligatory C.S.R. The Act, set to replace the existing Companies Act, 1956, also seeks to make independent directors more accountable and has brought steps to improve corporate governance practices. This Act has provided a new set of norms defining corporate social responsibilities.[66]

---

[65] ibid.
[66] Ibid.

# CHAPTER VII

## THE CSR IMPLEMENTATION OF INDIAN COMPANIES- CASE STUDIES

C.S.R. has been an active instrument in working toward the Sustainable Development Goals (S.D.G.s), which can be observed in the companies' C.S.R. projects. The S.D.G. is a Global call for action to safeguard the environment, end poverty, and end hunger.

And North-east India has been the most neglected region regarding corporate social responsibility. However, the tide is turning. C.S.R. investment in the northeastern area has increased dramatically over the last five years, with corporate and public sector organizations prioritizing northeastern states in their C.S.R. planning and budgeting.

### TATA GROUPS

"I do believe that we, in the Tata group, have held a view and sense of purpose that our companies are not in existence just to run our business and to make profits but that we are responsible and good corporate citizens over and above our normal operations". Ratan N. Tata, Chairman, Tata Group.

"We believe Corporate Social Responsibility (CSR) is a critical mission that is at the heart of everything we do, how we think and who we are. At the Tata group we are committed to integrating environmental, social and ethical principles into our core business, thereby enhancing long-term stakeholder value and touching the lives of over a quarter of the world's population. That is our guiding philosophy that ensures we remain an employer of choice, a partner of choice and a neighbour of choice."

The TATA group's corporate policy encompasses the stakeholders' sustainable development. The significant points included in the corporate policy are the following:

- Show sensitivity and responsibility for biodiversity and the environment.
- Comply with environmental guidelines and regulations.

- Constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements to combat larger issues like climate change and global warming.
- Create sustainable livelihoods and build community through social programs pertaining to health, education, empowerment of women and youth, employee volunteering,
- Find a strategy to enhance economic, human, social, and natural capital to achieve and sustain balance in business, society, and the environment.

**Contributions to the National Development by TATA group Highlights:**

**Tata Health Infrastructure**

- TATA main hospital in Jamshedpur
- ICU in Joda and Balangpur
- CHC in Bari and Kuhika
- Hospitals in Gobarghati, Sukinda, Joda, Belpahar, Belipada and Bamnipal
- Lifeline Express
- The hospital on wheels
- Mobile health clinics
- Centre for hearing impaired children

**Tata Educational Infrastructure**

- Institute of mathematics
- Sukinda college
- Joda college centenary Learning centre at XI MB
- J N Tata Technical Education centre
- School of hope
- Shishu Niketan
- Balwadi schools assisted by Tata Steel

**Tata Sports Infrastructure**

- Tata athletics academy

- Tata archery academy
- Tata Football academy
- Tata steel adventure foundation
- Sports feeder centres
- Stadium at Keonjhar

**Preservation of culture and Heritage**

- Contribution to setting up national Center for performing arts Mumbai.
- Tribal cultural centers showcases legacy of nine tribes Jharkhand and Orissa.
- Gramshree mela activities.
- In July 2004, B. Muthuraman, Managing Director, Tata Steel Limited (TISCO) announced that in future TISCO would not deal with companies, which do not conform to the company's Corporate Social Responsibility (CSR) standards. Speaking at the annual general meeting of the Madras Chamber of Commerce and Industry, He stated, "We will not either buy from or sell to companies that do not measure up to Tata Steel's social responsibility standards."

**Healthcare Projects:**

Plantation activities, the creation of awareness of AIDS, and other healthcare projects are included as part of Tata Steel's healthcare initiatives. These initiatives include the facilitation of child education, immunization, and childcare.

**Assistance to government**

In collaboration with the Ministry of Railways, the Impact India Foundation, and the Government of Jharkhand, Tata Steel has hosted 12 different Lifeline Expresses. More than seven lakhs of people living in rural areas and another seven lac in urban areas have benefited from Tata Steel's corporate social responsibility efforts.

## C.S.R Contributions of The Companies During COVID-19 Pandemic[67]

India has suffered significantly more damage from the COVID-19 pandemic's second wave than in the first. The infection is much more deadly, and the number is overgrowing. There was a shortage of beds and oxygen due to the collapse of healthcare institutions. Doctors around the country are fighting to keep the pandemic under control. They feel helpless as they watch so many people die in front of them. Companies have stepped up to support the healthcare system's attempts to combat the pandemic, and they are as follows[68].

- **TATA GROUP**
  Twenty-four cryogenic containers were imported to deliver liquid oxygen and help the nation's oxygen shortage. Tata Steel has volunteered to provide hospitals with up to 300 tons of medical oxygen daily from its facilities to treat Covid-19 patients.

- **RELIANCE GROUP**
  Under its Corporate Social Responsibility (C.S.R.) initiatives, it pledged to increase oxygen supply to areas like Maharashtra, Madhya Pradesh, and Gujarat, where Covid-19 cases are rising, to over 700 tons per day.

- **Indian Oil Corporation (IOC)**
  One hundred fifty tons of oxygen was distributed free to various hospitals in Delhi, Punjab, and Haryana.

## C.S.R Contributions of Companies towards Assam

### TATA GROUP

[67] Avani Bansal, Just CSR Will Not Do – India Needs A Law On 'Individual Social Responsibility' (ISR) < https://www.livelaw.in/just-csr-will-not-india-needs-law-individual-social-responsibility-isr/> accesed on 7 July 2022

[68] Hency Thacker, 'Tata Group Comes To The Rescue Again - The CSR Journal' (*The CSR Journal*, 2022) <https://thecsrjournal.in/tata-group-reliance-bpcl-ioc-oxygen-covid19/> accessed 8 July 2022.

“I dedicate my last years to health” Ratan Tata

An affordable network of cancer care facilities is being established across the state of Assam by the Assam Cancer Care Foundation, a partnership between the state government of Assam and the Tata Trusts. There will be 17 cancer care institutions in all. That will be the most comprehensive and cost-effective network for cancer care in South Asia. The cancer hospital will be finished in stages. Phase 1 includes ten hospitals ou of which seven cancer hospitals in Kokrajhar, Barpeta, Darrang, Tezpur, Lakhimpur, Dibrugarh, and Jorhat are completed and were dedicated to the country, while three are in various stages of construction. The second phase entails the construction of seven new cancer hospitals.[69]

The flagship water stewardship program of Tata Consumer Products, known as Project Jalodari, has recently achieved essential milestones in the creation of sustainable water sources and raising awareness about water conservation and sanitation in rural communities in rural communities in Himachal Pradesh and Assam. This project is being carried out as a part of Tata Trusts' WASH (Water, Sanitation, and Hygiene) initiative, which aims to assist about 2.5 million people residing in 4000+ villages across 12 states. In the Paonta Block of the Sirmaur District in Himachal Pradesh and select estates in the **Jorhat and Golaghat districts in Assam,** there have been positive developments in the implementation of holistic strategies to conserve and recharge water sources, improve rural water quality, water usage practices, as well as sanitation and hygiene. These are two of the critical areas of intervention that Project Jalodari is working on. In addition to water conservation and management, the project also offers the sanitary infrastructure to rural communities through the Toilet Board Coalition, and it promotes menstrual hygiene management programs in conjunction with local non-governmental organizations (N.G.O.s). Project Jalodari is to develop eco-sustainable water sources, increase people's understanding of the importance of water conservation, and construct water and sanitation infrastructure. It accomplishes this by an intervention involving several stakeholders, including Tata Trusts, Tata Consumer Products, government entities, non-governmental organizations (N.G.O.s) operating at local levels, and community

[69] BusinessToday, PM Modi, Ratan Tata inaugurate 7 state-of-the-art cancer hospitals in Assam (BusinessToday 28 Aprill 2022) <https://www.businesstoday.in/latest/story/pm-modi-ratan-tata-inaugurate-7-state-of-the-art-cancer-hospitals-in-assam-331639-2022-04-28> accessed 8 July 2022.

action, and because of this, combining many aspects of people's livelihoods will be easier, such as water and food security, sustainable agriculture, renewable forestry, and renewable energy.[70]

[70] 'Tata Consumer Products' Project Jalodari To Help Conserve 183 Million Litres Of Water - CSR Mandate' (CSR Mandate, 2022) <https://www.csrmandate.org/tata-consumer-products-project-jalodari-to-help-conserve-183-million-litres-of-water/> accessed 8 July 2022.

## CHAPTER - VIII

## CONCLUSION AND SUGGESTIONS

### 6.1 CONCLUSION

The goal of this study was to provide a thoughtful evaluation of corporate social responsibility (C.S.R.) concepts from a legal standpoint and to provide a method for establishing practical C.S.R. efforts for the advantage of the Indian community as a whole.

The researcher explains the research's findings in each chapter as it comes to a close. The significance of C.S.R. initiatives, which gives companies obligation, ethical business practices, financial wealth, and good corporate possibility, is a notion by which organizations take into account the interests of the public by looking at the effect of their actions on clients, distributors, staff, stockholders, societies, and other interested parties, and also the surroundings. This is according to the study's analysis of Chapter-I. Companies are considered to be under a voluntary commitment to go over and above the legislative requirement to abide by the law to ensure the efficiency of life for workers, their families, the surrounding area, and humanity as a whole. C.S.R.'s concept, application, and implementation are hotly contested and criticized topics. Although various philosophers have varied perspectives on the phrase "corporate citizenship," Carroll's pyramid of C.S.R. offers the best response to many inquiries' beliefs about the nature and extent of C.S.R. in the modern world. Because it simultaneously reflects the economic, humanitarian, and political and take the appropriate steps.

Some people have strong opinions in favor of C.S.R. activity, while others have strong views against it. According to supporters, there is a compelling financial case for C.S.R. because businesses gain in various ways when they operate with a broader and more expansive vision than their own direct, brief profitability. Opponents say that C.S.R. serves as a diversion from the crucial socioeconomic function of companies, that it is only cosmetic political posturing, and that this is an effort to get authorities to assume the position of the monitor over large, strong global firms. There have been several more reasons made pro and con C.S.R., but both companies and governments must work together to promote the idea to be effective for both the private sector and the wider community. The information included in the C.S.R. disclosure is not uniform. There are just some criteria for C.S.R. reporting's substance; however, they are frequently discretionary in terms of both importance and publication since they are of a binary nature.

In India, Several business organizations take identical C.S.R. operations and initiatives that cannot be coordinated. The ground of corporate social responsibility is currently unregulated in India, and there is no process to oversee and collaborate the efforts of local big businesses. However, to make any significant contributions in the area of C.S.R., it is necessary to allocate the assets of various large corporations, but this is not currently happening due to the lack of a system to manage the C.S.R. fund catalog and utilization.

The principles established for environmental regulation, such as the Tropics Concept, the "carbon pricing theory," which is acknowledged by the judicial process, precepts of Business Conduct, and jurisprudential posits, mainly "Networking And building," have been thoroughly analyzed, together with conflicting ideas, reaches, and instructions provided by human rights organizations like I.L.O., O.E.C.D., and U.N.G.C. from period to period & "Economic Harmony, and in accordance with the rules periodically publicly released, the necessary action can be referred to as business socially responsible fundamentals.

**I. Businesses should conduct and govern themselves with Ethics, Transparency & Accountability**

This concept acknowledges that the foundation of proper corporate is an organization's ethical behavior in its operations and procedures. It also understands that corporate choices and activities must be transparent and available to interested parties. The guiding concept stresses that companies should communicate operational risks to all relevant parties and handle any concerns that are brought up. The idea acknowledges that a mindset of honesty and integrity is established across the company via the activities, judgment processes, and management conduct; it relates to a stakeholder-based strategy and encompasses moral obligations.

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

This notion stresses that companies should aim to enhance people's health to run smoothly and economically. It acknowledges that all phases of a project's lifecycle, from conception to complete elimination after usage, affect environmental and social. Therefore, ethical enterprises should design their items/solutions with these effects in mind. Encourages companies to expand their procedures to span the complete value cycle, from either the raw material procurement or processing resources through marketing and waste, while acknowledging that organizations are becoming more conscious of it and be domestically productive and ethical.

**III. Businesses should promote the well-being of all employees**

The idea covers all behaviors and regulations pertaining to the worth and wellness of workers involved in a company's operations or value chain. The vision encompasses work done by people, especially work done under lease and progress made from home, and it applies to all kinds of workers working in areas supporting the company, both in and out of its limits.

**IV. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

The notion acknowledges that companies have an obligation to consider and act in ways that feel for all of their constituents in addition to the objectives of individual owners. The Guideline urges firms to interact effectively and react to underprivileged, poor, and marginalized individuals while acknowledging that not every user is highly educated or informed.

**V. Businesses should respect and promote human rights**

This concept emphasizes that people's rights are the consensus and definition of what it means to respect people with integrity and dignity. Underneath the legal, economic, artistic, and women's development categories, they have developed over time. The comprehensive and widely accepted character of civil rights provides corporate executives looking to manage risk, capture economic potential, and operate ethically with a realistic and valid foundation.

**VI. Business should respect, protect, and make efforts to restore the environment**

This concept recognizes that environmentalism is required for societal well-being and sustained socioeconomic development. It highlights how locally, regionally, and worldwide ecological challenges are interrelated, making it crucial for companies to discuss global warming, wildlife protection, and climate variability thoroughly and systematically. It motivates companies to recognize and take responsibility for their activities, goods, and operations' effects on the ecosystem and to work to reduce those effects. The Guideline encourages enterprises to adhere to the protection of the environment and refrain from doing a particular activity if they are unclear of its harmful effects.

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

This notion acknowledges that companies function within the current government's specific statutory and regulatory structures. It recognizes that in a representative democracy, all parties, including companies, participate in the joint development of legal systems. The guiding principle stresses that advice must increase the social purpose instead of reducing it or limiting access to a small group of people.

## 7.2 SUGGESTIONS:

In light of the above study's result, the researcher offers a few recommendations that might help create a C.S.R. system that is both relevant and practical.

**Suggestions for corporate and various Stakeholders**

Owing to several subcomponents and situations, business ethics is still viewed and practiced in India as a charitable organization activity. Participants will need to adopt a proactive stance and think about the matter.

**Community participation in CSR activities**: The citizens don't show much active interest in or contribute to businesses' C.S.R. initiatives. As no real people have tried to make people aware of C.S.R. and inspire trust in the surrounding people about such activities, this is mainly because there seems to be little to no information about C.S.R. among the local populations. The problem is worsened by a communication breakdown between the corporation and the local community. Therefore, civic engagement in C.S.R. systems development is necessary.

**Suggestions for Government for effective implementation of CSR mechanism:**

**Need of clearly defining meaning, nature & scope of CSR**: There is a lot of disagreement and debate around the concept of C.S.R., as well as its objectives and extent. Every government is required to clearly define corporate social responsibility (C.S.R.) from a local viewpoint to identify the literal definition, structure, and scope of C.S.R. and apply C.S.R. mechanisms efficiently.

**Lastly while summarizing this Research we can conclude as following:**

C.S.R. is being tackled in India in a somewhat more structured way and goes beyond simple almsgiving and gifts. It is now a crucial component of the company strategy. Businesses have C.S.R. departments that create specialized C.S.R. policies, plans, objectives, and finances to fund such programs.

These initiatives frequently have a dialectical materialist that is well-defined or directly related to the business competence of the firms. The implementation of these programs is supported by workers who give their experience and talent. C.S.R. initiatives might focus on assisting a society's general growth or more specialized issues like medical, ecology, or education which in mentioned in the Schedule VII of the Companies Act, 2013.

In India, C.S.R. has advanced significantly. Corporate has amply demonstrated its potential to make a big difference in the community and raise living standards through reactive actions and environmental stewardship. It is challenging for one individual to effect change in India's existing social climate because of the size of the problem. Corporate organizations have the knowledge, foresight, resources, and cash necessary to promote massive social change. Successful collaborations between businesses, N.G.O.s, and the administration would hasten India's sustainable integration, eventually profitable for companies.

The companies in India have contributed towards the PM’s National Relief Fund, PM CARE Funds, and CM Relief Funds during Pandemic and Natural calamities.

# BIBLIOGRAPHY

## Books

19 Samuel O. Idowu, The United Kingdom of Great Britain and Northern Ireland (Springer, Berlin, Heidelberg, 2009).

Adam Smith, The Wealth of Nations(Fingerprint Publishing 2018)

Adefolake O. Adeyeye, Corporate Social Responsibility of Multinational Corporations in Developing Countries: Perspectives on Anti-Corruption (Cambridge University Press 2012)

Andrew Crane and Dirk Matten, Corporate Social Responsibility (1st edn, Universal publication 2015) 1

Berle, A.A. Jr., Foreword to The Corporation in Modern Society by E.S. Mason, (Harvard University Press , Cambridge, 1959)

Dr. Humayun Rahman and Dr. Ram Singh, An overview of CSR taken by TATA Group, (International Journal of Development Research, 2019)

Guler Aras and David Crowther, A Handbook of Corporate Social Responsibility (Gower, 2010)

Guler Aras and David Crowther, The Durable Corporation: Strategies for Sustainable Development (1st edn, Routledge 2009)

Hillary Shaw; a Handbook of Corporate Governance & Corporate Social Responsibility, (Gower, 2010)

Howard R Bowen, Social Responsibility of the Businessman (New York, Harper 1953)

Kalpana Sharma, CSR: An overview of Indian Perspective, (EBC Publishing Pvt.Ltd., 2016)

Madhumita Chatterji, Corporate Social Responsibility, (Oxford University Press, 2011)

Michael Blowfield. Alan Murray, Corporate responsibility: A Critical Introduction, (Oxford University Press, 2008)

Rajdip Bhandra Chaudhuri, Corporate social responsibility and COVID-19 crisis: analyzing the Role of Indian Companies (EBC Publishing Pvt.Ltd., 2020)

Renu Jatana and David Crowther, Corporate Social Responsibility: Theory and Practice with Case Studies (Deep & Deep 2007)

S.O. Idowu and W.L. Filho, Global Practices of Corporate Social Responsibility, (Springer, 2009) 12

Sanjay K. Agarwal, Corporate Social Responsibility in India, (Response Books, Business books from SAGE, 2008)

Sarayu Satish, Corporate Social Responsibility in the Companies Act, 2013: Voluntary or Mandatory? (EBC Publishing Pvt.Ltd., 2014)

Seema Sharma, Corporate Social Responsibility in India, (Shri Ram Centre for Industrial Relations and Human Resources, 2011)

Sidharth Kaushik and Stuti Bhatnagar, Corporate Social Responsibility in the New Companies Act : A Critical Analysis (EBC Publishing Pvt.Ltd., 2014)

Susan Vangedal, Corporate Social Responsibility; A comparative Analysis of Denmark and the USA (lambert academic publishing, 2010).

Zachary Cheers, The Corporate Social Responsibility Debate (Oxford University Press, 2011)

**Reports**

Adapted from Singh S., corporate Governance, Global concepts and Practices, 2005: Fernando A.C. corporate Governance Principles, Policies and Practices, 2006

Aras and Crowther D: The Durable Corporation: Strategies for Sustainable Development; Aldershot; (Gower, 2009)

Bowen H.R., Social Responsibility of the Businessman, Harper & Row, (New York, 1953)

Mariana leema Bandeira and Fernando lopez, Brazil CSR under construction (Springer Verlag Berlin Heidelberg, 2009)

Ritu kumar, David F Murphy, Viral Balsari,"Altered Images: the 2001 State of Corporate Responsibility in India Poll (TERI, 2001)

Sethi S.P, Standard for Corporate Conduct in the International Arena: Challenges and Opportunities for Multinational Corporations (Business and Society Review, 2008)

Tata Consumer Products' Project Jalodari To Help Conserve 183 Million Litres Of Water - CSR Mandate' (CSR Mandate, 2022) <https://www.csrmandate.org/tata-consumer-products-project-jalodari-to-help-conserve-183-million-litres-of-water/> accessed 8 July 2022

**Online Journals and Articles**

(2022) <https://www.businesstoday.in/latest/story/pm-modi-ratan-tata-inaugurate-7-state-of-the-art-cancer-hospitals-in-assam-331639-2022-04-28>

2019 Amendment To Companies Act 2013 Provisions Relating To Corporate Social Responsibility Comes Into Force; CSR Rules Amended < https://www.livelaw.in/news-updates/csr-companies-act-2013-rules-amended-mea-comes-into-force-168772>

Avani Bansal, Just CSR Will Not Do – India Needs A Law On 'Individual Social Responsibility' (ISR) < https://www.livelaw.in/just-csr-will-not-india-needs-law-individual-social-responsibility-isr/>

Contributions By Corporates To PM CARES Fund To Be Considered As CSR Activity: Centre Amends Schedule VII Of Companies Act < https://www.livelaw.in/news-updates/contributions-by-corporates-to-pm-cares-fund-to-be-considered-as-csr-activity-centre-amends-schedule-vii-of-companies-act-157386?infinitescroll=1>

Corporate Contributions Towards CM Relief Funds/ State Relief Funds For COVID-19 Do Not Qualify As CSR Expenditure, Clarifies MCA < https://www.livelaw.in/news-updates/corporate-contributions-towards-cm-relief-funds-state-relief-funds-for-covid-19-do-not-qualify-as-csr-expenditure-clarifies-mca-read-faqs-155109?infinitescroll=1>

Eklavya Dwivedi, 'A Critique Of MCA Circular Excluding Donations To State COVID-19 Funds From CSR Expenditure' < https://www.livelaw.in/columns/a-critique-of-mca-circular-excluding-donations-to-state-covid-19-funds-from-csr-expenditure-155157>

Hency Thacker, 'Tata Group Comes To The Rescue Again - The CSR Journal' (The CSR Journal, 2022) <https://thecsrjournal.in/tata-group-reliance-bpcl-ioc-oxygen-covid19/>

Jai Anant Dehadrai, Exclusion Of CM And State COVID Relief Funds From CSR Is Patently Unconstitutional < https://www.livelaw.in/columns/exclusion-of-cm-and-state-covid-releif-funds-from-csr-is-patently-unconstitutional-156105>

Parina Katyal, 'CENVAT Credit Cannot Be Claimed On Expenses Incurred On CSR: Delhi CESTAT' < https://www.livelaw.in/news-updates/cestat-cenvat-credit-corporate-social-responsibility-csr-cenvat-credit-rules-201599>

Sonali Jain, 'CSR Amendment Rules, 2021: A New Paradigm' < https://www.livelaw.in/columns/csr-corporate-social-responsibility-csr-amendment-rules-2021-companies-act-169801>

Sudhanshu Chandra, ‘Analysis Of Corporate Social Responsibility With Special Reference To India’ <https://www.livelaw.in/analysis-of-corporate-social-responsibility-with-special-reference-to-india/>

'Tata Consumer Products’ Project Jalodari To Help Conserve 183 Million Litres Of Water - CSR Mandate' (CSR Mandate, 2022) <https://www.csrmandate.org/tata-consumer-products-project-jalodari-to-help-conserve-183-million-litres-of-water/>

Thacker H, 'Tata Group Comes To The Rescue Again - The CSR Journal' (The CSR Journal, 2022) <https://thecsrjournal.in/tata-group-reliance-bpcl-ioc-oxygen-covid19/ >

Ritu Dutta, ‘New Companies Act comes into force’ <https://www.livelaw.in/new-companies-act-comes-force/>