AN OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY
AND ENVIRONMENTAL SUSTAINABILITY IN INDIA

PREVIEW

This chapter presents a dynamic conceptual development of CSR in India. The discussion is followed by historical development of the CSR in India, models adopted in India. Details of the genesis of Indian philanthropy linking roots with culture has been put across, along with concluding remarks on the current state of CSR in India and its latest policy framework.

The concept of CSR is an old notion but has gained significance in the present century. Now, it has been an important part of corporate culture. Evolving primarily from a philanthropic activity, CSR at present includes the concerns of the societies/communities, environmental and living standards of internal and external stakeholders. Today, increasing number of companies and organizations are trying to focus on these areas.

4.1 HISTORICAL PERSPECTIVE OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

India has the world’s richest, comprehensive and prosperous history of the association of businesses involving in social causes and national development.

CSR in ancient was in the form of a social duty or charity, which have been changes over time. In much of the ancient literature, Kautilya in India and philosophers pre-Christian era in the West dictated ethical principles of helping the poor and disadvantaged and following the ethical principles while doing business.

The idea was also supported by several religions citing the religious laws. “Zakaat” (donation from one’s earnings given to the poor and disadvantaged) in Islam, “Dhramada” in Hinduism, and “Daashaant” in Sikhism (KPMG white paper, 2008). Like western philanthropy
the tradition of corporate philanthropy and industrial welfare has been followed in India since late 1800s. (KPMG white paper, 2008).

In the pre-independence era, the businesses pioneered industrialization charitable foundations, educational and healthcare institutions and trusts for community development, along with fighting for independence set up. In the late 1900s, socially responsible business practices were in various forms such as donations, community services, welfare of employee and promoting religious conduct.

The term CSR itself came into common use in the early 1970s, and fully recognized and practiced by late 1990s. By 1977, less than half of the Fortune 500 firms even mentioned CSR in their annual reports and by the end of 1990, nearly 90 percent Fortune 500 firms adopted CSR as an essential element in their organisational goals, and actively promoted their CSR activities in annual reports (Boli and Hartsuiker, 2001).

*To understand the existing status of Indian CSR can be understood by undertaking the long tradition of India, closely associated to its political and economic history, in which four phases can be distinguished as has been given in the following paragraphs.*

**Table 4.1**

**DEVELOPMENT PHASES OF CSR IN INDIA**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Phase</td>
<td>CSR activities were mainly included charity outside companies through donations to religious social welfare causes</td>
</tr>
<tr>
<td><em>(1850-1914)</em></td>
<td></td>
</tr>
<tr>
<td>Second</td>
<td>Mahatma Gandhi’s theory of trusteeship influenced the CSR</td>
</tr>
</tbody>
</table>
Phase (1914–1960) activities which aimed social development activities geared particularly to abolishing untouchability, empowering women and developing rural areas.

Third Phase (1960–1980) Dominated by the paradigm of the “mixed economy CSR, business activities were legally regulated and/or the promotion of public-sector undertakings (PSUs).

Fourth Phase (1980 until the present) Characterized partly by traditional philanthropic engagement and partly by steps taken to integrate CSR into a sustainable business strategy.

Source: (Chahoud, T., Emmerling, J., Kolb, D., Kubina, I., Repinski, G., &Schlager, C. 2009)

4.2 MODELS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA:

According to “Altered Images: The 2001 State of Corporate Responsibility in India Poll”, a survey conducted by Tata Energy Research Institute (TERI), the evolution of CSR in India has followed a chronological evolution of four thinking approaches or models as depicted in table 4.2:

Table 4.2

<table>
<thead>
<tr>
<th>Model</th>
<th>Focus</th>
<th>Champions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical (1930–1950)</td>
<td>Voluntary commitment by companies to public welfare</td>
<td>M K Gandhi</td>
</tr>
<tr>
<td>Statist (1950–1970s)</td>
<td>State ownership &amp; legal requirements determine corporate responsibilities</td>
<td>Jawaharlal Nehru</td>
</tr>
</tbody>
</table>
Liberal (1970s –1990s)

Corporate responsibilities limited to private owners (shareholders)

Milton Friedman

Stakeholder (1990s – Present)

Companies respond to the needs of stakeholders – customers, employees, communities, etc.

R Edward Freeman

Source: (Corporate Social Responsibility- Towards a Sustainable Future, KPMG India)

(a) **Ethical Model (1930-1950):** The significant characteristic of this model is the promotion of “trusteeship” propounded by Gandhi Ji. This model motivated the businesses to manage their business entity as a trust held in the interest of the community. The initiative encouraged many family run businesses to contribute towards socioeconomic development. The efforts of Tata group directed towards the well-being of the society are also worth mentioning in this model.

(b) **Statist Model (1950-1970s):** Pt. JawaharLal Nehru sponsored this model which came into in the post-independence era. The era was driven by a mixed and socialist kind of economy. The significant attribute of this model was that the state ownership and legal requirements decided the corporate responsibilities.

(c) **Liberal Model (1970s-1990s):** The model was encapsulated by Milton Friedman. As per this model, corporate responsibility is confined to its economic bottom line. This implies that it is sufficient for business to obey the law and generate wealth, which through taxation and private charitable choices can be directed to social ends.
(d) **Stakeholder Model (1990s-Present):** This model came into being during 1990s as an effect of realisation that with growing economic profits, businesses also have certain societal roles to fulfill. The model expects companies to perform according to “triple bottom line” approach. The businesses are also focusing on accountability and transparency.

The above four models, run parallel, describes the India’s CSR history, for which different CSR approaches have been followed. The features of each phase may overlap other phases.

4.3 **CONTEMPORARY POSITION OF CSR IN INDIAN COMPANIES:**

India’s contemporary CSR approach and practices adopted by Indian business industry still mainly utilize its own features and thus fundamentals of the global CSR are being slightly incorporated in Indian companies. Indian companies are still following philanthropic approach which has still widespread among Indian companies, though the Indian understanding of CSR shifted to sustainable business. The community development activities are dominating Indian CSR scenario; which have been viewed as important contribution to their area of operation.

Businesses are accountable today about ensuring the right leadership roles, meeting stakeholder expectations both proactively and reactively, focusing on documentation of CSR policy and voluntary disclosures.

As per the study and ratings of Karmayog.org (a unique free platform for concerned citizens for social and civic issues) a company spends a minimum of 0.2% of its Sales on CSR activities. In 2010, the largest 500 companies had total sales of Rs. 37 lakh crores and 0.2% of this is Rs. 7400 crores that should be spent on CSR activities. The Profit (before tax) of these companies in 2010 was Rs. 4 lakh crores, and 2% of this is Rs.8000 crores, that is recommended by the government to be spent on CSR initiatives (Karmayog, 2010).
Forbes India worked on similar lines and together with csridentity.com compiled a data pack, which showcased the 2% spending of Indian listed companies. It was identified that there are many firms which do not report their CSR spending and do not declare the social activities they support. As per Companies Law 2011, the total amount that Indian corporates have to spend on CSR is approx. Rs 8,700 crore every financial year that is about $2 billion every financial year. This clearly reflects that if CSR is efficiently implemented major problems of our economy like poverty, illiteracy, unemployment, child abuse, infrastructure, water and other environmental problems can be eradicated. The table 4.3 lists out the spending of 2% PAT and shows that actual spending of companies on CSR activities has been far below the minimum requirement. For instance, Indian Oil Corporation’s average profit after tax for three years was Rs. 7,783 crores. It actually spent only Rs. 83 crores on CSR activities, which otherwise could be Rs. 156 crores. Imagine if the difference Rs. 73 crores could also have been spent on CSR activities by IOCL, it would have brought a lot of changes in the country (Jayashankar, Paul&Bhat, 2013).

**Table 4.3**

**INDIAN COMPANIES’ ACTUAL SPEND ON CSR**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Company</th>
<th>Revenue</th>
<th>Avg Pat</th>
<th>Actual Spend</th>
<th>2% Of Pat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indian Oil Corporation</td>
<td>442,459</td>
<td>7,783</td>
<td>83</td>
<td>156</td>
</tr>
<tr>
<td>2</td>
<td>Reliance Industries</td>
<td>368,571</td>
<td>21,138</td>
<td>288</td>
<td>423</td>
</tr>
<tr>
<td>3</td>
<td>Bharat Petroleum Corporation</td>
<td>223,315</td>
<td>1,438</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>4</td>
<td>Hindustan Petroleum Corporation</td>
<td>195,891</td>
<td>1</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>5</td>
<td>Tata Motors</td>
<td>170,678</td>
<td>8</td>
<td>15</td>
<td>169</td>
</tr>
<tr>
<td>6</td>
<td>Oil &amp; Natural Gas Corporation</td>
<td>151,121</td>
<td>24</td>
<td>121</td>
<td>473</td>
</tr>
<tr>
<td>7</td>
<td>State Bank Of India</td>
<td>147,197</td>
<td>13</td>
<td>71</td>
<td>261</td>
</tr>
<tr>
<td>8</td>
<td>Tata Steel</td>
<td>135,976</td>
<td>4</td>
<td>146</td>
<td>78</td>
</tr>
<tr>
<td>9</td>
<td>Pnb Gilt</td>
<td>104,628</td>
<td>29</td>
<td>Na</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Hindalco Industries</td>
<td>82,549</td>
<td>3,597</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>11</td>
<td>Coal India</td>
<td>78,410</td>
<td>11,759</td>
<td>119</td>
<td>235</td>
</tr>
<tr>
<td>12</td>
<td>Bharti Airtel</td>
<td>71,506</td>
<td>6,511</td>
<td>33</td>
<td>130</td>
</tr>
</tbody>
</table>
Note:

1. These 20 companies are ranked 1-35 based on Net Sales for the Financial Year 2012.
2. All figures are in RsCrore and have been rounded off to the nearest decimal point.
3. Avg PAT refers to the average of profit after tax recorded by a company in the last three financial years (FY10, FY11 and FY12).
4. Revenue figures are indicative of the company’s financial performance in financial year 2011-12 (FY12) only.
5. 2% of PAT refers to the amount that a company needs to spend in CSR activities as per the government mandate.

Though, the companies have CSR agendas in their vision but expenditure on these agendas are short of what is required to be. There are no specific budget allocations by the companies. Till date, the absence of legislation posed restrictions in streamlining the approach of CSR in Indian companies. With the approval of CSR bill 2011, things will improve in CSR arena in India.

4.4 POLICY FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA:

A platform has been provided for companies by regulatory framework thinking strategically about CSR and addressing stakeholder/community needs, ensuring adequate allocation of funds and setting up measurable targets. As there is no legislation in India, Indian companies have been following international codes and a standard for CSR. But lately, the need of legislation on
CSR has been felt by GOI. In 2009, Guidelines on Social, Environmental and Economic Responsibilities of Business were issued by Ministry of Corporate Affairs Companies and Bill 2011 was passed to streamline the approach of CSR in India in December 2012.

The Companies Bill 2011 was passed during the process of research and according to it, Indian companies may have to collectively spend close to $2 billion (about Rs 8,700 crore) a year on CSR programmes. The details of the guidelines and law are as follows:

(a) National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business:

The Guidelines accentuate that businesses have to attempt to become responsible actors in society, so that their each action leads to sustainable growth and economic development. Accordingly, the Guidelines use the terms 'Responsible Business' instead of Corporate Social Responsibility (CSR), as the term 'Responsible Business' encompasses the limited scope and understanding of the term CSR. These guidelines were framed taking into consideration learning’s of various national and international good practices, norms and other international CSR frameworks. Then these were given Indian national and flavor. The principles take cognizance of the fact that all stakeholders like NGOs, local bodies, suppliers and business sector need to collaborate together to ensure wholesome and inclusive development of businesses as well as the economy. The guidelines emphasize that responsible businesses alone will be able to help India meets its ambitious goals and develop sustainability, thereby becoming a powerful global economy by 2020. These guidelines are represented by nine principles. The principles emphasized in the guidelines state that, in order to function profitably, businesses should work to improve the quality of life of people, promote wellbeing of employees, be responsive towards all stakeholders and protect environment, support inclusive growth and equitable development. The table 4.4 showcases these principles (Ministry of Corporate Affairs, 2009):
Table 4.4

NATIONAL VOLUNTARY GUIDELINES (2009)

<table>
<thead>
<tr>
<th>PRINCIPLES</th>
<th>FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1:</td>
<td>Businesses should conduct and govern themselves with ethics, transparency and accountability.</td>
</tr>
<tr>
<td>Principle 2:</td>
<td>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</td>
</tr>
<tr>
<td>Principle 3:</td>
<td>Businesses should promote the wellbeing of all employees.</td>
</tr>
<tr>
<td>Principle 4:</td>
<td>Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.</td>
</tr>
<tr>
<td>Principle 5:</td>
<td>Businesses should respect and promote human rights.</td>
</tr>
<tr>
<td>Principle 6:</td>
<td>Business should respect, protect, and make efforts to restore the environment.</td>
</tr>
<tr>
<td>Principle 7:</td>
<td>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</td>
</tr>
<tr>
<td>Principle 8:</td>
<td>Businesses should support inclusive growth and equitable development</td>
</tr>
<tr>
<td>Principle 9:</td>
<td>Businesses should engage with and provide value to their customers and consumers in a more responsible manner.</td>
</tr>
</tbody>
</table>

Source: (Ministry of Corporate Affairs, 2009)

These guidelines represents the consolidated viewpoint of essential stakeholders in India, and accordingly lays down the vital requirements for businesses to function responsibly, thereby ensuring a wholesome and inclusive process of economic growth.

(b) **Mandatory Corporate Social Responsibility- Companies Bill 2011:**
The concept of CSR got a new platform after the LokSabha in December 2012 approved the amendments in Companies Bill 2011 which among other things included making CSR spending mandatory for the companies. This way, India is perhaps the first country which mandated CSR spend through a statutory route.

As per this amendment, every company having net worth of Rs.500 crore or more, or turnover of Rs.1000 crore or more or a net profit of Rs.5 crore or more during any financial year shall have to mandatorily spend 2% of its net profit on CSR activities giving preference to the local area, for spending the amount earmarked for CSR activities. Every company having a net worth of Rs. 500 crore or turnover of Rs.1000 crores has to constitute a “CSR Committee of the Board” consisting of at least three Directors and out of these three Directors, one has to be an independent director.

The committee is to formulate and recommend to the Board a CSR Policy, quantum of expenditure to be incurred on these Activities and monitor the CSR of the company from time to time. This is a foolproof provision ensuring that the committee is not just a quasi-committee addressing the whims of the board but is in fact taking up an initiative. In case the company fails to spend such amount, the company has to specify the reasons for not spending the amount and then transferring the unspent amount to the government account (Section 135, Companies Act 2013)

Companies Bill can include the following initiatives by companies, among others:

- Eradicating hunger and poverty;
- Promoting education;
- Promotion of gender equality and women empowerment;
- Reduction of child mortality and improving maternal health;
- Combating HIV/AIDS malaria and other diseases;
- Ensuring environmental sustainability;
• Vocational skills development for enhancing employment;
• Social business projects;
• Contributing to the PM’s National Relief Fund,
• Development of funds for the welfare of the SCs/STs, OBCs, minorities and women

((Companies Act 2013, Section 135).

Though, age old philanthropic approaches are still prevalent in India, CSR agenda is changing and CSR activities are undergoing transformation processes in accordance with worldwide trends. The concept of CSR now is a part of core business processes assigned to corporate departments and formulation of law has created a different Indian business scenario. However, this transformation process will take time; the journey has begun with the instigation of regulatory framework.

4.5 DISTINGUISHED CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN BY INDIAN COMPANIES:

A visible change is seen in the Indian business sector from charitable donations and philanthropy to the issues of ethics, ecology, support for small rural enterprises and consumer education became prominent in decades after independence. CSR in India reflects the initiatives undertaken by business houses. Action both by public and private sector companies mainly spans a diverse set of thematic areas- health, education, livelihood, poverty alleviation, environment, housing, water, women empowerment, child development, infrastructure etc., though most of the corporate houses had philanthropy-centric approach such as Community development as a key element of CSR agenda of India. Through contributing some of their profits to social welfare objectives, NGOs play an important role. Between 50,000 and 100,000 NGOs associate with companies and carry out CSR activities in local area of operations.
There are several companies in India in sectors like automobile, infrastructure, pharmaceuticals, IT, banking, oil and gas, FMCG & consumer durables etc. that have recognized importance of CSR in their operations. They are undertaking various activities, thereby contributing to economic growth of the country. In one of the survey done by (Tatjana Chahoud, 2009) it was identified that community development is a key element of India’s CSR agenda. Indian companies regard their community development projects as a way of contributing some of their profits to social welfare objectives. Companies engage mainly in education, vocational training, health, HIV/AIDS. Among Indian companies, the staff is also widely volunteering staff for social projects.

Table 4.5 gives a snapshot of Indian companies who are winners of National Golden Peacock Awards for CSR 2012. Golden Peacock Awards, instituted by Institute of Directors in 1991 are now regarded as Holy Grail of Corporate Excellence Worldwide. GPACSR also known as Golden Peacock Awards CSR, instituted in the year 2003, are given to companies which are enduringly to behave ethically and contribute to economic development, and to improve the quality of life of the work force, their families and of the local community and society at large.

<table>
<thead>
<tr>
<th>Company and Sector</th>
<th>Thematic Areas</th>
<th>Star Initiatives</th>
</tr>
</thead>
</table>

Table 4.5

CSR INITIATIVES BY CSR NATIONAL GOLDEN PEACOCK AWARD 2012-WINNING COMPANIES
<table>
<thead>
<tr>
<th>Company</th>
<th>Sector</th>
<th>Focus Areas</th>
<th>Activities</th>
</tr>
</thead>
</table>
• **The resolve campaign:** manage non-hazardous solid waste, increase awareness amongst employees and communities and to enhance livelihoods.  
• **Talent management:** awards and recognition to employees.  
• **M-Education:** Adult Learning’ – a state wide literacy programme, conducted by the Education Department of the government.  
• **Sharing of education content via mobile.**  
• **M- Health:** mobile health is an effective tool to make round-the-clock healthcare facility available for all.  
• **Railway Helpline:** Empowering railway passengers in Tamil Nadu.  
• **Reducing E-Waste Footprint:** adequate measures to ensure that generation wastes such as batteries and e-Waste is disposed effectively. |
| Eureka Forbes Ltd. Part of ShapoorjiPalonji Group of Companies (Consumer Durables) | | Improving employability and providing sustainable livelihoods, Health, education, Skills Training, Environment Preservation | • **Sustainable Livelihoods:** Construction Skills training center, a Construction Skills training cum placement programme exclusively for under privileged rural youth.  
• **Livelihood opportunities for the challenged:** EuroAble is one of India's first call center operated by physically challenged youth.  
• **Supporting the mentally-challenged:** supporting an institute in Mumbai that works with mentally challenged children and adults.  
• **Healthcare and safe drinking water**  
• **Education and Child-Care:** he company has consciously cultivated and set up non-formal education centers and creche facilities at all major project sites. Children from age group below 1 year to 13 years are offered nutrition, meals, medical check-up and interactive learning at these centers.  
• **Environment Preservation:** EFIE is an independent association set up to constantly work on environment preservation and rain water harvesting projects.  
• **Disaster Support:** In times of calamities provide safe drinking water thru filters and community water plants, blood donation drives. |
<p>| LancoInfratech Ltd. (Infrastructure) | | | • <strong>Education:</strong> Lanco Merit Scholarships-Financial support is provided to meritorious students studying preferably in |</p>
<table>
<thead>
<tr>
<th><strong>Oil India Limited (Oil)</strong></th>
<th><strong>Educational, Health and Infrastructural Development</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Education, Health, Safe Drinking Water, Empowerment of the Physically Challenged, Neighborhood Community Development and Environment</strong></td>
</tr>
</tbody>
</table>

- **Education, Health, Safe Drinking Water,**
- **Empowerment of the Physically Challenged,**
- **Neighborhood Community Development and Environment**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>School Kits</strong></td>
<td>To motivate children in the rural schools, <strong>School Solar Energy</strong>-Solar energy panels were installed in 5 schools.</td>
</tr>
<tr>
<td><strong>Lanco Mobile Health Service (LMHS):</strong></td>
<td>Free primary healthcare facilities are provided at the village level and at the doorstep of the communities, <strong>Special Health Camps</strong>- These camps are aimed at creating health awareness and screening for common but critical diseases such as eye ailments, cancer, tuberculosis, women and child diseases and disability.</td>
</tr>
<tr>
<td><strong>The Lanco Foundation operates five Artificial Limb Fitting Centers (ALFCs) in five states serving over 6,000 people every year.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Promotion of the traditional art of Kondapalli toy making where the artisans make beautiful toys from wood that come to life with bright colors. Foundation is supporting to protect and promote the traditional art and also helping in creating a provision for improved livelihoods for more than 140 families involved.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tree plantation drives.</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Health:** **OIL’s Mobile Dispensary Services**
- **Education:** provided financial assistance towards construction of school building, libraries, auditoriums, teachers’ common room etc. in over 350 institutions, Merit Scholarships to students who excel in their 10th and 12th Board exams, OIL has sponsored two prestigious Chairs (KD Malaviya Chair in Geosciences at Dibrugarh University &Sankardeva Chair in Literature at Guwahati University). Recently, the Company has extended a onetime financial assistance of Rs 3.68 Crore to Business and Centre of Management Studies, Dibrugarh University and Rs 1.5 Crore to Assam Engineering College, Guwahati. |
- **General Nursing Midwifery (GNM) training in OIL Hospital, Duliajan.**
- **Financial Assistance to Socio-Cultural/Sports/Youth organizations /MahilaSamities.**
- **Oil India Rural Development Society (OIRDS):Agriculture Development Programme, Handicraft Training & Production Centre (HTPC).**
4.6 CORPORATE SOCIAL RESPONSIBILITY ISSUES AND CHALLENGES IN INDIA:

IN INDIA: The CSR is on expedition in India but companies have yet to realise its complete potential. Dasgupta A. writes that Individual and collaborative initiatives continue to be dominated by self-assertion rather than accountability. In the view of Kapur and Sen Gupta, (2010) there is indeed no lack of CSR activities and projects, distinct goals embedding of a CSR culture and practice and metrics for evaluating their social impact in improving the plight of many are absent.

The voyage of CSR in India is not a swift ride obstacles come in the form of unplanned approach by the top management, there is also a lack of agreement on priorities and agenda within the firm regarding the CSR policies and programmes and also the measurement and evaluation of CSR activities accounting for the return of investments. “Unclear policies, bureaucracy, poor monitoring, complicated tax systems, and poor infrastructure are a few more hindering factors” (Kapur & Sengupta, 2010). Thus, CSR in India is reeling under various issues and challenges which can be summed as follows:

(a) **Lack of Awareness and Society’s Role:** There is a lack of awareness of the community in participating and contributing to CSR activities of companies. This is basically due to the fact that society and general public are not aware of the concept and thus they do not support and contribute for such initiatives.

(b) **Need to Build Strong Relationship with NGOs and Local Bodies:** There is a need to build strong relationship with the local non-governmental organizations as there is severe shortage of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies.
(c) **Absenteeism of Media’s Role:** In India, business sector has always faced lack of media’s role in highlighting CSR initiatives of Indian companies. Media highlight is significant as it promotes and aware general public about various ongoing excellent stories and CSR initiatives of companies.

(d) **Constricted Perception of NGOs:** Non-governmental organizations and government agencies in India have perception that CSR practices are mainly philanthropic centered and donor driven. Therefore, they are unable to decide whether they should participate in such activities at all in medium and long run.

(e) **Duplication of CSR Activities:** In India is has been observed that companies are practicing CSR initiatives in almost similar fields. The initiatives are duplicated, thus most of the fields of improvement remain neglected. The agencies of implementation in most of the cases are same, therefore creating a gap among coverage areas.

**To sum up,** Corporate Social Responsibility is not a whim or a momentary phase, it is a vital business notion that many Indian companies are engaging with and practicing. CSR has been a significant strategy for organizations to be successful. CSR in India is an old concept. Companies like TATA and BIRLA, business icons, have been practicing on CSR long before CSR become a popular. CSR in India is in a very infant stage for SMEs but some public and private companies have maturely handled the issue. In India, there is lack of understanding among sectors, lack of CSR policy framework and strategies, lack of trained personnel, non-availability of data and information on the kinds of CSR activities, coverage, policy etc. But, the situation will surely improve with the implementation of Companies Bill 2011, forcing companies to implement CSR out of the purview of 'doing social good' and becoming a 'business necessity' (Indu Jain, 2009). The Companies Bill, 2011 will make Indian companies to willfully work towards society’s development, as it requires an approved category of companies to spend a portion of their profits on CSR activities. There is a need to increase the
understanding and active participation of business in fair social development as a fundamental part of fine business practice.

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