SUMMARY

The objective of this research has been to critically examine the concept of Corporate Social Responsibility (CSR) principles world over in legal perspective and to suggest the mechanism through which the CSR initiatives can be effectively implemented for the overall benefits of the Indian society.

While concluding this research the researcher summarizes the findings of every chapter. After analyzing Chapter-I, researcher concludes that the meaning of Corporate social responsibility (CSR) includes corporate responsibility, corporate citizenship, responsible business and corporate social opportunity is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. The definition, scope and practice of CSR is a subject of much debate and criticism. Different thinkers have different perception about the term CSR but the pyramid of CSR provided by Carroll is the most appropriate answer to many question about meaning, nature and scope of Corporate Social Responsibility in present scenario as it includes Economic, Philanthropic, Legal and ethical responsibility at same time.
There are thinkers who are in favour of practice of CSR and at the same time there are critics who strongly oppose the concept. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations. Many other arguments both in favour and in against have been given but we can conclude that CSR is the need of the hour and the concept is here to stay and needs support from corporate and government at the same time for the overall benefit of corporate and society at large. After comprehensive analysis of various definitions given by different thinkers, various theories, approaches, guidelines issued by international organizations like ILO, OECD & UNGC from time to time along with the principles laid down for environment protection like Equator Principle, ‘Polluter Pays Principle’ recognised by the Judiciary and the Principles of Corporate Governance, jurisprudential postulates especially ‘Social Engineering’ & ‘Social Solidarity’ and as per the Guidelines issued by government from time to time, can be termed as guiding principles of Corporate Social Responsibility.

Thus researcher in this chapter concludes that in current socio-economic-political & legal scenario, the corporate being legal entity is key element of social set up and draws validity for its existence, survival and development from the society itself.
Thus, the goal of overall social welfare becomes the goal of businesses in the society and thus is businesses’ social responsibility.

Researcher examined the history & development of CSR practices in USA, UK, Japan, India and Brazil in Chapter-II. While summarizing the findings the researcher concludes that CSR is not a new concept, in every society and religion it has its roots in some or other form. It is an ancient activity and was practiced as charity by most of the businessmen all over the world and the concept had it roots in religion, education and society. CSR in modern term is the finding of Britishers and the concept has been well adopted by USA and many other countries including India. Salient points in respect of history and development of CSR in various countries are summarized in subsequent paragraphs.

In UK, the initial glimpses of CSR can be found in the writings of Adam smith’s Book ‘The Wealth of Nations’. The next sign of corporate behavior regulation comes from ‘The Abolitions from 1780-1830’ in which practice of slavery were denounced through legislation. Then during industrial revolution of 1750-1830 several British industrialists and entrepreneurs had indirectly practiced some aspect of corporate social responsibility by providing home to their employees. Titus salt for caring capitalism & Joseph Rowntree for labour welfare are considered pioneer in sowing the seeds of modern CSR. British government initiative like CSR reporting system (1900) & UK National Insurance Act of 1911, which compelled firms to make contribution for unemployment and sickness benefits for all their staff contributed to CSR.
In USA C S R practices are prevalent since 17\textsuperscript{th} century. The first glimpse in USA is seen in the Quaker movement founded in 1652 by George Fox. Afterwards the USA Supreme Court in \textit{Dartmouth College versus Woodward, 17 U.S. (4 Wheat.) 518 (1819)}, declared the role of the state was no longer that of a sovereign over the corporate, but that of a partner in a private contract. Declaration of corporation a Natural person in 1886 and creation of Pioneer fund in 1928, Ralph Nadar’s a shareholders’ revolutions in 1970 on consumer rights minority living, representation on board, creation of interfaith, all centered on Corporate Responsibility. The promulgation of Sullivan principle for promoting social, economic and political justice through corporate codes of conduct encouraged the business world to get involved in ethical and human right concern. The principles which began as a code of conduct for American businesses operating in South Africa were later widened for universal application. So CSR in USA is in the existence since 17\textsuperscript{th} century.

History of Corporate Social Responsibility practices in Japan is divided in to three phases i.e. Meiji Era which was from 1867 to 1911, Pre war period from 1911 to 1945 and post war period 1945 to 1989. Corporate Social Responsibility practices adopted by business in Japan were group specific. They started in Meiji era and in pre war period i.e. from 1911-1945. Zenjiro Yasuda and Zabastu (of Mistui) both contributed a lot towards social welfare. Koyata Iwaski who led Mistui Zabatsu in this period presented the three Corporate principle of Mistui and these principal were firstly, Corporate Responsibility to society

\footnote{Madhumitta Chatterji, Corporate Social Responsibility, Oxford University Press, 2011, P. 292.}
i.e. “Shoki HKO”, Secondly the principle of Integrity and fairness i.e. “Shoji Komei” and the third principle was international understanding through trade i.e. “Ritsugyo Boeki”. Along with Yasuda Zaibastu and Kyoto iwasaki, konoske Matsuskita who founded the Matsushita electric in 1918 also contribute a lot towards social upliftment and welfare. So, CSR in modern form in Japan is post Second World War phenomena.

The history of concept of Social Welfare in India can be traced back to the description of aim of the state found in ancient Indian literature. All round welfare of the public was clearly regarded as the chief aim of the state during the Vedic and Upanishad ages and these relate to periods as old as 1000 BC and 600 BC. Literature on politics describes the promotion of dharma (moral law), artha (wealth) and kama (pleasure) as the aims of the state. Rules were formulated for systematic and extensive working of mines.

The State was the most important player in ensuring social welfare. The activities of the state related to all aspects of human life, Social, economic and religious. The state was administered in a manner that encompassed society as a whole. The state delivered public welfare by maintaining rest houses, charity hall and hospitals to provide relief during distress situations like floods and famines. During the Maurya (C 300 BC) and Gupta (C-500 AD) periods, these socially responsible processes worked extremely well and India experienced its golden era of political strength, socio – economic harmony and stability².

Religion played a major role in encouraging charity and

socially responsible behavior. Hindu scriptures highlighted the concept of using wealth for granting charity, performing sacrifices and discouraging debts. Merchants encouraged learning and opened schools. These thoughts of giving evolved in to the final philosophy of Lokasangraha (Universal brotherhood) and Sarvabhu[tahita (welfare of all being) found in the sacred book of the Hindu- ‘The Gita’. Jainism also promoted charity, Islam popularized Zakat i.e. a certain percentage of the acquired wealth and profit should be dedicated for the purpose of charity. Christianity also popularized charity. In Christianity wealth was considered as a trust and therefore distribution of wealth was also about doing justice to society not just compassion. The Parsi community in India drew its strength from their religion Zoroastrianism. This religion in a way preached a middle path by neither glorifying poverty nor wealth. Prosperity was to be shared through works of beneficence and public well–being. The practices of dasauandh in Sikhism and Dasansh among Hindus i.e. donating 10 % of income for charity\(^3\) are the few of the examples of prevalence of practices of sharing profit/wealth. Merchant charity was mostly related to religion and spirituality but it was often related to business interest and practices also.

During British period many of these families migrated from trade to industries and merchant communities like Malwa’s, Khatree’s, Chettray and Parsis developed in to business houses. They all actively participated in social reforms and ensured for growth of social welfare and during this period itself many other business categories also developed. Families of Birla, TATA were also involved in charity generously. Thus, while concluding

\(^3\) Madhumitta Chatterji, Corporate Social Responsibility, Oxford University Press, 2011, P. 19-20.
researcher summarises that Corporate Social Responsibility is not a modern phenomena and certainly not a discovery that can be credited to the economically developed countries. Thus researcher concludes that the concept of CSR commenced as philanthropic activity in the shape of charity under the influence of religion & state and slowly-slowly business interest also got associated with CSR. With the advent of globalization & liberalization, its nature and scope has changed, in present state it has progressed from voluntary to partial regulation and from being isolated activity now it has been integrated in to business process.

While summarizing the findings of Chapter-III, researcher concludes that CSR is also deeply related to Corporate Governance which demands ethical behavior and efficiency on the part of corporate with the emphasis on responsibility towards Stakeholders. CSR can also be regarded as broad view of Corporate Governance. Adoption of CSR practices are generally seen as the business contribution to sustainable development which has been defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs", and is generally understood as focusing on how to achieve the integration of economic, environmental, and social imperatives. CSR also overlaps and often is synonymous with many features of other related concepts such as corporate sustainability, corporate accountability, corporate responsibility, corporate citizenship, corporate stewardship, etc. CSR commitments and activities typically address aspects of a firm's behaviour (including its policies and practices) with respect to such key elements as; health and safety,
environmental protection, human rights, human resource management practices, corporate governance, community development, consumer protection, labour protection, supplier relations, business ethics, and stakeholder’s rights.

While summarizing the findings of Chapter IV in respect of role of government and judiciary in fostering CSR the researcher concludes that the government in India has played significant role in fostering CSR by setting up socio-economic goals for the nation and corporate being one of the most powerful component of state shall also envisaged to contribute in realizing the socio-economic goal of the nation. Government also contributed in fostering CSR by determining numerous guidelines for socially responsible behaviour and setting example by implementing these guidelines in public sector undertakings controlled by the government. Government from time to time constituted various committees related to Corporate Governance primarily with the aim of regulating corporate behaviour so as to ensure effective corporate governance by ensuring transparency, efficiency and accountability in overall corporate behaviour. The recommendations and guidelines of these committees also cover many aspects related to CSR and the government also ensures the effective implementation of these guidelines. Formulation of voluntary guidelines on CSR and policies regarding the matters related to CSR is also a key function of the government which helps in fostering CSR. The government’s most significant role is enactment of various legislations covering different aspects related to CSR especially for protection of interests of various stakeholders. The legislations which support CSR mechanism relates to corporate laws, environment protection laws, labour
welfare and protection laws, consumer protection laws and tax laws. The government in India has also played significant role in implementing recommendations / voluntary guidelines related to various aspects of CSR issued by numerous international organizations like ILO, OECD, UNGC and UNDCHR. Thus we see that the government has played an important role in fostering CSR framework.

Researcher further concludes that Judiciary in India has also played significant role in fostering Corporate Social Responsibility in India Firstly; Judiciary has played a key role by ensuring protection of social, economic, interest of society at large. Judiciary over a period of time has contributed a lot in establishing and developing a comprehensive legal framework for Corporate Social Responsibility and this has been achieved by application of jurisprudential postulates of ‘social engineering’, ‘social solidarity’ and ‘social contact theory’ in establishing principle of egalitarian social order, as in Samatha V/s State of Andhra Pradesh and others⁴, further in TS Arumugam V/s Laxmi Vilas bank Ltd. (Madras High court), in these cases the court recognized that company is a social institution and it is very important part of society. In TS Arumugam V/s Laxmi Vilas bank Ltd. (Madras High court) case only, the court explained that new concept of Corporate Social Responsibility is much wider than traditional approach of relationship only between management and shareholders.

The Interpretation of various provisions of fundamental rights in the interest of society also contributed in fostering

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⁴ AIR 1995, SC 3297
Corporate Social Responsibility in India because Judiciary has time and again applied various provisions of fundamental rights to ensure socially responsible behaviour from corporate. The judiciary has integrated various provisions of fundamental rights in the framework of Corporate Social responsibility. In *Reliance Natural Resources Ltd. Vs Reliance Industries Ltd.*[^5] The Supreme Court while examining the issue of ownership of natural resources applied Art. 14 & ordered government to provide complete protection to the natural resources as a trustee of the people at large and directed the use and supply of gas in the context of maintenance of public trust. In National Textile Workers Union vs. P.R. Ram Krishnan,[^6] P. N. Bhagwati J. said: “Company according to the new socio-economic thinking, is a social Institution having duties and responsibilities towards the community in which it functions”. Further the Sachar Committee opens its chapter on Social Responsibilities of companies with prophetic words: “In the development of corporate ethics, we have reached a stage where the question of social responsibility of business to the community can no longer be scoffed at and taken lightly.”

Thus the researcher concludes that Judiciary has played a key role in relating constitutional provisions with CSR thereby identifying the existence of Constitutional mandate for CSR practices in Indian perspective. This constitutional mandate provided by the Judiciary provides sanction to the govt. for effectively regulating CSR mechanism in India.

Therefore researcher concludes that govt. and Judiciary

[^5]: Civil Appeal No. 4273 of 2010.
[^6]: AIR 1983 SC 75.
both have contributed a lot in establishing the field of CSR in India. The Government has enacted many legislations which relate to implementation of CSR practices. All these legislations fall in the category of indirect regulations or can also be termed as related legislations. Judiciary by relating constitutional provisions with responsible behaviour by business has provided established constitutional mandate for implementing CSR practices thus provides base for its effective regulation.

In Chapter-V, the researcher analyzed the recent trends, issues and challenges in field of CSR practice and regulation. The researcher concludes that the CSR in USA is voluntary in nature and is in the form of corporate philanthropy. It is controlled by the American companies themselves. The regulatory guidelines specific to CSR are minimal. CSR in USA is tied to company’s core business and exploited as a strategic management & marketing tool. Kotler and Lee enumerate ‘six initiatives’ which relate to CSR and they are ‘Cause Promotion’, ‘Cause Related Marketing’, ‘Corporate Social Marketing’, ‘Corporate Philanthropy’, ‘Community Volunteering’ And ‘Socially Responsible Business Practices’. But all these initiatives are voluntary in nature. Even though there is no specific regulation on CSR but there is lot of awareness about CSR. Customers are aware about the importance of CSR and associate themselves with those companies who have ethical behaviour beyond legal obligation. There is no specific legislation on CSR but there are many related legislations which govern various aspects of CSR. The Sarbanes-Oxley Act passed in 2000 aims at quality and transparency in financial reporting, independent audit and accounting services for public companies.
The Child Labour Deterrence Act (The Harkin Bill) regulated child labour and aims to safeguard children from exploitation. US corporate constituency law and US Anti takeover laws have also contributed in promoting CSR. In addition to these related legislations there are guidelines on corporate governance which relate to CSR practices. Thus in US the CSR regulations is through related legislations but the trend of regulating various aspects is gaining momentum due to repeated irresponsible behaviour of corporate and rising expectations of public from corporate.

In UK presently there is no law which makes CSR mandatory for corporate but the field is being regulated through related legislations. The provisions of Companies Act, 2006 in respect of directors which relate to directors behaviour, powers and control on decision making contributes in ensuring responsible behaviour from the corporate. CSR activities are also monitored through business reviews and reporting requirements. For ensuring accountability and transparency there accounting standards which are to be adopted by the corporate. However, in UK the administrative mechanism for ensuring adoption of CSR practices by the corporate is very comprehensive and effective. There are reporting guidelines which ensures disclosure on CSR activities and expenses. There are rating indices which rate the corporate on the basis of nature and level of CSR activities. Over and above there is a separate minister in the government of UK to monitor and coordinate the activities of various elements in CSR mechanism.

The CSR in Australia is gaining wide acceptance and support by government, NGOs and by business itself.
Particularly, the large corporations have policies related to community involvement, social responsibility or stakeholder engagement. Over 70% companies have corporate community involvement policies or CSR policies. In Australia the corporate citizenship is regarded as synonyms to CSR and the regulation of CSR has been through soft law initiatives. It basically includes the Corporation Act, 2001, Normative principles and guidelines, rating indices and reporting guidelines.

In France there is substantial body of legislation on CSR. There are two aspects to the CSR situation in France: an important legal framework on the one hand, and a strong political dimension on the other. The first laws on CSR appeared in the middle of the 1970s with a law on social reporting in 1977. However, it was mainly after 2000 that the body of legislation began to develop. The turning point was undoubtedly the law of 15 May 2001 on new Economic regulations. With the adoption of this “NRE” law (*loi Nouvelles Regulations Economies*), which today affects more than 700 listed companies, *France was the first country to make it mandatory for listed companies to account for the social and environmental consequences of their activities.*

This new legal framework was in addition to that of the 1999 directive law concerning territorial planning and sustainable local and regional development (*the “LOADT” law of ’Orientation pour l ’Amenagement Durable du Territoire*) and was an attempt to reorganize relations between the different local authorities by integrating economic and social actors into the procedure. Following on from the NRE law, which to some extent laid down the foundations, more laws were added to complete the
CSR legal framework in France. With regard to controlling major accident hazards, the law of 30 July 2003 ensured that so-called Seveso companies (classified sites)\(^7\) adhere to specific rules regarding prevention, civil responsibility, and victim compensation. Thus we see that the regulatory framework of CSR in France is very comprehensive and can act as guiding factors for other nations.

In India various surveys reflect that trend on CSR is gaining momentum. Most of the companies are reporting about undertaking CSR activities. In India also CSR is voluntary not regulated directly. However various aspects related to CSR are regulated indirectly through related legislations on labour welfare, human rights, environment protection, consumer protection & corporate governance etc. Nearly every aspect of responsible corporate behaviour has been covered by some or other legislation. Constitutional provisions of Fundamental Rights and Directive Principles of State Policies also support the provisions of corporate social responsibility. Even though recent trends on CSR are encouraging but there are many issues which need to be addressed to have a comprehensive, effective & fruitful CSR mechanism. Important Issues and challenges in the field of CSR are many. Firstly, there are many important issues on which immediate focus of CSR practices is needed for having any meaningful influence on Corporate Behaviour and they are Labour Law violations, Human Rights Violation, Environmental Issues, Issues of Consumer Protection, Issues of Socio Economic

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\(^7\) A Seveso company is a company that falls under the Seveso II directive, and there are possible risks of major accidents occurring, it can be distinguishes law and high threshold Seveso companies, depending on the nature and amounts of dangerous substances that may be present in the company.
Development (Inclusive Development), Issues of Challenges arising as a result of Globalization & Unwillingness of Society and Consumer to pay for CSR Expenses. These are issues on which immediate focus of CSR practices is needed. Secondly, there are issues which relate to criticism of Concept of CSR and they are, criticism of Stakeholder theory of CSR, criticism of CSR on other fundamental Principles like CSR seems to be mere Rhetoric Not Action, lack of personal capabilities, theoretically corporation’s structure precludes Social Responsibility & the argument that corporation has no right to purse social goals. These are the issues which need to be clarified conceptually through properly defining the meaning, nature and scope of Corporate Social Responsibility. Thirdly, there are issues & challenges in implementation of CSR mechanism like lack of community participation in CSR Activities, absence of local capacities, issues of transparency, non-availability of well organized non-governmental organizations, visibility factor, narrow perception towards CSR Initiatives, lack of consensus on Implementing CSR Issues, non availability of specialized agency for implementing CSR initiatives, misuse of funds distributed for philanthropy by the corporates, and last but not the least chances of misuse of CSR funds by political & administrative bosses controlling the concerned corporate entity/activity.

All these issues & challenges existing in India are adversely effecting the development of CSR mechanism. The primary reasons for this situation can be attributed to many reasons and they are Firstly, there is no clear definition of CSR, there is ambiguity among managers as to exact meaning, nature & scope of CSR. Secondly, the adoption of CSR practice is
voluntary not mandatory. Thirdly, the field of CSR is regulated by indirect or related legislation not by a specific dedicated legislation. Fourthly, the CSR is undertaken by non-qualified, amateur people and not by specialized personnel i.e. professionals. Fifthly, there is no specialized agency to implement, monitor the CSR activities and audit the CSR expenses thereto.

**CONCLUSION:**

Thus, researcher while summarising the research concludes the following:

1. In Indian perspective the most suitable definition of CSR is of Carroll’ pyramid which include economic, legal, ethical & philanthropic responsibility.

2. The CSR is not a modern phenomenon; it is prevalent in nearly all the parts of the world and not related only to developed countries. In country like India business responsibility through charity is of ancient origin. However, genesis of modern CSR can be attributed to developed countries like U.S.A. & U.K.

3. CSR has not developed in isolation, rather it has deep association with corporate governance & sustainable development and practices of every field strengthens each other in some or other way.

4. In India the Government & Judiciary both have played significant role in developing & establishing the field of Corporate Social Responsibility. Government contributed by enacting many legislations related to CSR. Judiciary
contributed by relating Preamble, Fundamental Rights, Directive Principles of State Policy & other Constitutional provisions with CSR.

5. The Modern trends of CSR globally are encouraging. More & more companies are undertaking CSR practices. There are claims by most of the companies in this respect. Even though in U.S.A., U.K. there is no specific legislation on CSR but various aspects are being regulated through related legislations & through guidelines on corporate governance & reporting. In Australia CSR regulation is through soft laws, reporting guidelines & rating indices. In France there is well established legislative framework & set of reporting guidelines for regulating CSR. The trends of regulation of CSR activities is gaining momentum primarily because of numerous instances of irresponsible behaviour by corporate. Public opinion in respect of more laws for effectively regulating the various aspects of corporate behaviour gaining ground because of increasing frauds like that of Enron in U.S.A., Satyam in India & irresponsible behaviour like of Union Carbide (Dow Chemicals) in Bhopal gas tragedy.

In Indian perspective as of now regulation of CSR is through related legislation but in the proposed Company’s Bill 2012, keeping in view the recent behaviour of corporate, various issues of CSR and emerging public opinion, one provision i.e. clause 135 has been added which provides for mandatory contributions towards CSR, however the same has been diluted by only requiring reporting of reasons in case of failure to contribute towards CSR. Schedule VII of the same Act provides the details about the set of activities which can be undertaken by the
corporate for being socially responsible. However, considering the non-consequential nature of proposed legislation and enormity of issues & challenges discussed in the research, the researcher concludes that there is need of Firstly, a comprehensive dedicated legislation covering all the issues & challenges in the field of CSR for its effective implementation, Secondly, creation of specialized agency to function on PPP basis under that CSR legislation for meaningful contribution in the overall welfare of the society at large. Researcher while analyzing the theoretical basis in Chapter-I and the history & development of CSR in Chapter-II provided the details of jurisprudential postulates which provide sufficient basis for effective regulation of various aspects related to CSR in overall interest of society. In addition to theoretical basis & jurisprudential postulates there is Constitutional mandate through provisions of Preamble, Fundamental Rights & Directive Principle of State Policy for effective regulation of CSR practices for achieving Constitutional goal of social security, justice & social welfare. There may be an argument that when in most of the countries except in France, discussed in this research, there is no specific & dedicated legislation and it is being regulated either through related legislation or through corporate governance guidelines or through voluntary guidelines on CSR itself then what are those special circumstances in Indian perspective under which there is need for specific legislation and specialized agency. The answer lies in the difference in the socio-economic status of the nations. U.S.A., U.K., Australia, France & Japan are developed economy and all these countries have well established social security mechanism which looks after the social needs of majority of population of these countries and the left over aspects of CSR framework like ethical
behaviour, environment protection & labour welfare can be regulated through related legislations. Whereas the Indian economy is still developing and there is huge requirement of social spending in the country for uplifting the social status of masses, which the government alone can’t undertake. In addition Indian economy is not a traditionally liberalized economy but it has transformed into it but still retains the character of mixed economy in which the corporate need to play significant role in realizing socio-economic objective of the nation. Therefore, there is need of regulation in Indian perspective.

In view of conclusion of the research the researcher submits few suggestions which can contribute in having an effective & meaningful CSR mechanism.

Suggestions for Corporate and various Stakeholders

In India, the Corporate Social Responsibility is still being taken and exercised as a charity based activity due to various contributing factors and circumstances. Stakeholders will have to develop positive approach and consider the following issues:

- Community participation in CSR activities.
- Need to build local capacities.
- Issues of transparency.
- Need of well organised non-governmental organizations.
- Need for change of perception towards CSR initiatives.
- Need of consensus on implementing CSR issues.
- Need to create awareness among general public.
- Need to have partnership between all Stakeholders.
- Need to encourage participation of Small and Medium Enterprises in the CSR domain.
• Need to Pool the Resources of Corporate, Government and Non Government Organisation.
• Direction of CSR initiatives towards rural areas.

**Suggestions for Government for Effective Implementation of CSR Mechanism**

• Need of clearly defining meaning, nature & scope of CSR.
• Recognising and rewarding corporate houses and NGOs.
• Introduction of CSR as a subject at business school.
• Establishment of Independent Agency for Mainstreaming and Institutionalising CSR.
• Need for Co-ordinating the overlapping CSR activities of many Corporate Entities.
• Need to have Partnership between the Government, the voluntary sector and the private sector.
• Need to have effective Audit Mechanism of CSR expenses.
• Need to have an item adoption policy.
• Imposition of CSR Cess.
• Making CSR reporting mandatory.
• Last but not the least, Enactment of Suitable Legislation on CSR.

The issues & challenges brought forward by the researcher in the field of CSR in Chapter-V along with the conclusions & nature of suggestions given in the Chapter-VI, it is amply clear that there is need of enacting a comprehensive dedicated legislation for regulating all these aspects related to CSR ensuring that it maintains the fine balance between the economic freedom and promoting social welfare. The proposed legislation should clearly define the meaning, nature & scope of CSR, cover
the item adoption subject, CSR reporting and auditing of CSR expenses.

**Lastly while summarizing this thesis the researcher concludes as following:** Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them.

These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the companies’ business expertise. Employees become the backbone of these initiatives and volunteer their time and contribute their skills, to implement them. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc.

CSR has come a long way in India. From responsive activities to sustainable initiatives, corporate have clearly exhibited their ability to make a significant difference in the society and improve the overall quality of life. In the current social situation in India, it is difficult for one single entity to bring about change, as the scale is enormous. Corporate have the expertise, strategic thinking, manpower and money to facilitate extensive social change. Effective partnerships between corporate, NGOs and the government will place India’s social development on a faster track and this will ultimately prove beneficial for Corporate itself.
SOCIAL RESPONSIBILITY OF CORPORATE SECTOR- A LEGAL STUDY

SUMMARY
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