

# INTERNATIONAL JOURNAL OF LAW MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

---

Volume 6 | Issue 2

---

2023

© 2023 *International Journal of Law Management & Humanities*

Follow this and additional works at: <https://www.ijlmh.com/>

Under the aegis of VidhiAagaz – Inking Your Brain (<https://www.vidhiaagaz.com/>)

---

This article is brought to you for “free” and “open access” by the International Journal of Law Management & Humanities at VidhiAagaz. It has been accepted for inclusion in the International Journal of Law Management & Humanities after due review.

In case of **any suggestions or complaints**, kindly contact [Gyan@vidhiaagaz.com](mailto:Gyan@vidhiaagaz.com).

---

**To submit your Manuscript** for Publication in the **International Journal of Law Management & Humanities**, kindly email your Manuscript to [submission@ijlmh.com](mailto:submission@ijlmh.com).

---

# Corporate Social Responsibility: Joins Hand towards Social Changes and Saving Environment through the Corporation

---

SAMIKSHA SINGH<sup>1</sup> AND DR. ARVIND KUMAR SINGH<sup>2</sup>

## ABSTRACT

*The environment and society are both impacted by corporate social responsibility, and businesses have a responsibility to society. CSR was established to give back to society and the environment in place of what is being drawn because it could be that they generate and distribute wealth in a way that is against nature's norms, social behaviour, or trade and commerce rules. This is remembered to fall under the domain of each organization. a duty to the community. The work and activities that businesses perform to support social causes and development, the environment, disaster relief, and the community are referred to as "corporate social responsibility" (CSR) in their broadest sense.*

*In 2013, a demonstration made the Corporate Social Obligation obligatory for Indian businesses. Under the Companies Act of 2013, businesses are now required to publish their CSR report in addition to their annual report and Business Responsibility Report (BRR). They have made CSR an integral part of their brand image in the hope that customers will be more likely to do business with brands that they perceive to be more ethical. Social responsibility is good because it helps society and the environment by reducing their negative effects. This paper attempts to answer such fundamental questions. It will endeavour to propose manners by which Corporate Social Obligation can help with adjusting social and financial advancement. Paper would also try to highlight existing corporate examples of social responsibility and the benefits they have brought to the company.*

## I. INTRODUCTION

Although corporate social responsibility (CSR) is not new, it is without a doubt the most recent business buzzword. Its popularity has increased over the past few decades. Corporate giving is not new in India. However, CSR encompasses more than merely charitable giving. Corporate social responsibility (CSR) is a way for businesses to offer benefits and promote social benefit. It could be described as businesses feeling a sense of responsibility to the society and

---

<sup>1</sup> Author is a student at Amity University Lucknow, India.

<sup>2</sup> Author is a Professor at Amity University Lucknow, India.

community in which they operate.

A collective term for a variety of practices and theories that all acknowledge the following: a) that companies must monitor their interactions with society as a whole, either through legal compliance or other means; b) that owners of businesses are accountable for the actions of others with whom they conduct business, such as in supply chains; c) that businesses must accept responsibility for their impact on society as a whole and the environment.

Businesses' efforts to give back to society are at the heart of corporate social responsibility (CSR) and raising funds for worthy causes is a crucial component of that. Customers, businesses, and communities all have the right to grow together.

Dr. Bhaskar Chatterjee is widely acclaimed as the Father of Corporate Social Responsibility (CSR) in India. He was instrumental in framing and issuing the CSR guidelines for Public Sector Enterprises (PSEs) in April 2010. Thereafter, he played a major role in the inclusion of Section 135 in the Companies Act of 2013 and in the framing of the rules thereafter. As the Director General & CEO of the Indian Institute of Corporate Affairs (IICA), he spearheaded the National Foundation for Corporate Social Responsibility (NFCSR). Dr. Chatterjee is also a widely acclaimed management practitioner, theorist, and teacher. He has written and lectured over many years on issues of social and sustainable development, corporate responsibility and human resources. He also delivered lectures in many national and international fora and is the primary force for bringing a new paradigm to the realm of CSR and providing it with an innovative and strategic vision.

Howard Bowen, an American economist, and Grinnell College president, is often cited as the “father of CSR.” He connected the responsibility of corporations to society and published a book in 1953, which advocated for business ethics and responsiveness to societal stakeholders called *Social Responsibilities of the Businessman*.

The environmental aspects of CSR work to balance ecological considerations with economic success. In the long term, environmental impact plays a major role in a company’s overall financial stability. Reducing energy consumption, investing in renewable resources and involving employees in waste management efforts are all aspects of environmental CSR that can reduce your carbon footprint. Prioritizing sustainability is not just about being kinder to the planet, it’s about investing in a successful future for your business.

## **II. BRIEF HISTORY ON CSR**

Corporate philanthropy is where the current CSR programs come from. In accordance with his

belief in the Gospel of Wealth, businessman and philanthropist Andrew Carnegie urged wealthy individuals to support social causes. John D. Rockefeller donated more than half a billion dollars in the late 1800s, drawing inspiration from Carnegie.

The Committee for Economic Development's declaration of the "social contract" between businesses and society in 1971 marked the beginning of CSR in the United States. The social contract is based on the idea that business exists because of "consent" from the public, so it is obligated to serve society in a positive way. Today, this is commonly referred to as a "license to operate," which means to contribute more to society than just selling products.

Corporate Social Performance Revisited was published by Professor Donna J. Wood in the early 1990s. This study added an important aspect to the two models previously mentioned: impacts and outcomes of the program. In addition to providing a model for evaluating CSR at the institutional, organizational, and individual levels, Wood may have provided an early version of the impact measurement systems that we are familiar with today.

The Corporate Responsibility Handbook: Defining the Profession View as It Is Now During the 1980s and 1990s, many of the businesses you hear about today began to communicate their contributions and developed modern strategies, aided in part by President George H.W. Bush's request for a thousand points of light.

Companies like Johnson & Johnson, whose founder Robert Wood Johnson established their credo in 1943, which stipulates that the requirements of those they serve are prioritized, were among the very first to adopt CSR.

<b>Time period</b>	<b>Economic currents</b>	<b>State role</b>	<b>Corporate CSR</b>
<b>1850-1914</b>	Industrialisation	Colonial, extraction	Dynastic charity
<b>1914-1947</b>	Trade barriers for new industries	Colonial, exploitative	Support freedom struggle
<b>1947-1960</b>	Socialism, protectionism	Five-year plans	Support new state; launch own rural initiatives

<b>1960-1990</b>	Heavy regulations	Licence development failures	raj;	Corporate trusts
<b>1991-2013</b>	Liberalisation	Shrinking production; expanding in social provision	in	Family trusts, private-public partnerships, NGO sponsorship
<b>2013-present</b>	Globalisation	Need to manage inequality; reforms to liberalise further	new	Introduction of mandatory 2% rule

In India, religious practices like daan, seva, and zakat have been in place for centuries and played a role in shaping the relationship between the wealthy and the poor. In India, religious institutions have always received most donations, and this trend continues. In the 19th century, the first industrialists established trusts and endowed institutions that were managed by members of business families.

In the period following Freedom, the job of the Indian State extended enormously, and the corporate area assumed a lower priority being developed endeavours. After some time, the disappointments of the State to end destitution and backing monetary development prompted disappointment. Indian economic liberalization in 1991 ushered in a new globalized economic environment marked by rapid growth in inequality and overall wealth.

The rising hole between the most affluent Indians and those at the base started development in endeavours by the corporate area to resolve social issues. The State also considered ways to increase support from the booming business community as a result. With regards to a contracting State, a more globalized economy, and extraordinary divisions in financial and social universes, the scene of Indian CSR is captivating.

### III. CONCEPT OF CSR

The idea that businesses should give back to society as they grow, and benefit is at the heart of CSR. Organizations take assets as natural substances, HR and so on from the public. Companies

are contributing to society in some way by engaging in CSR activities.

Indian businesses are not unfamiliar with the CSR concept. Famous brands like TATA are built on community trusts based on shared value that the company has created over time. Not only does corporate social responsibility help businesses meet their social responsibilities, but it also helps them achieve sustainable growth, which ultimately leads to customers becoming loyal to the company because of its social responsibilities.

The CSR is not charity or merely donations, as is frequently misunderstood. CSR is a way of doing business that makes visible contributions to the good of society for businesses.

Socially capable organizations don't restrict themselves to utilizing assets to take part in exercises that increment just their benefits. They incorporate social, environmental, and economic goals into the growth and operations of the business through CSR.

Although the practice of corporate social responsibility (CSR) in India continues to fall under the umbrella of philanthropy, it has transitioned from the construction of educational, research, and cultural institutions to the development of communities through a variety of projects. In addition, there appears to be a discernible trend that, even though corporate social responsibility (CSR) remains largely restricted to community development, it is becoming more strategic in nature (that is, becoming linked with business) than philanthropic. Many businesses are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports, and even publishing CSR reports. This is in addition to the fact that communities are becoming more active and demanding because of global influences.

#### **IV. PROVISION RELATED TO CSR**

In India, the legal provisions related to Corporate Social Responsibility (CSR) are governed by the Section 135 of Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The key provisions are as follows:

**Applicability:** Companies with a net worth of INR 500 crore or more, or a turnover of INR 1,000 crore or more, or a net profit of INR 5 crore or more in a financial year are required to constitute a CSR Committee and spend at least 2% of their average net profits of the preceding three financial years on CSR activities. There is a List of Permitted Activities To Be Included in Accordance With Schedule VII of the Companies Act, 2013

**CSR Committee:** Every eligible company must constitute a CSR Committee of its board of directors consisting of three or more directors, at least one of whom should be an independent director. Case law: Charan Singh Meena V. UOI Feb 2018

**CSR Policy:** Every eligible company must formulate and publish a CSR policy, specifying the activities to be undertaken as per the schedule VII of the Companies Act, 2013. The policy must be approved by the CSR Committee and the board of directors.

**Areas of CSR Activities:** The activities that can be undertaken as part of CSR include promoting education, eradicating hunger, and poverty, promoting gender equality, reducing child mortality, and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, protection of national heritage, art and culture, and rural development projects.

**Reporting:** Companies are required to disclose the details of their CSR activities in their annual report and on their website.

**Implementation:** Companies can undertake CSR activities through their own foundation or through a registered trust, society, or non-profit company. They can also collaborate with other companies to undertake CSR activities.

**Penalties:** Non-compliance with the CSR provisions can result in penalties and fines for the company and its directors. Case law: Apura Natvar &co. India pvt. Ltd. V. Registrar of companies

It is worth noting that the Ministry of Corporate Affairs has also issued several clarifications and amendments to the CSR provisions to provide further guidance and streamline the implementation process.

There are several examples of companies in India that have implemented the legal provisions related to CSR. Here are some practical examples:

**Tata Group:** Tata Steel has been undertaking several CSR initiatives in its operational areas in Jharkhand, Odisha, and Chhattisgarh, including providing education, healthcare, and livelihood opportunities to local communities. The Tata Group has also set up the Tata Sustainability Group to oversee its CSR activities and ensure compliance with the legal provisions.

**Infosys:** Infosys has implemented several CSR initiatives, including education and skill development programs, rural development projects, and healthcare initiatives. The company has set up the Infosys Foundation to oversee its CSR activities and ensure compliance with the legal provisions.

**Hindustan Unilever Limited:** HUL has undertaken several CSR initiatives, including promoting sanitation and hygiene, providing access to clean drinking water, and supporting smallholder farmers. The company has set up the HUL Foundation to oversee its CSR activities and ensure

compliance with the legal provisions.

**Reliance Industries Limited:** Reliance Industries has undertaken several CSR initiatives, including providing education and healthcare facilities, supporting disaster relief efforts, and promoting sustainable development. The company has set up the Reliance Foundation to oversee its CSR activities and ensure compliance with the legal provisions.

**Mahindra Group:** Mahindra & Mahindra has implemented several CSR initiatives, including promoting education, healthcare, and environmental sustainability. The company has set up the Mahindra Foundation to oversee its CSR activities and ensure compliance with the legal provisions.

These are just a few examples of how companies in India have implemented the legal provisions related to CSR. Many other companies have also undertaken similar initiatives to contribute to social and environmental development.

## **V. CSR POLICIES OF TATA GROUP AND RELIANCE**

### **TATA GROUP**

The Tata Group is committed to corporate social responsibility (CSR) and has a comprehensive CSR policy that is aligned with the legal provisions and international best practices. The Tata Group's CSR policy is aimed at making a positive impact on society and the environment through sustainable development.

#### **The key features of the Tata Group's CSR policy are:**

**Focus Areas:** The Tata Group's CSR policy focuses on six key areas: education, health and nutrition, water and sanitation, income and livelihoods, environment and sustainability, and arts, culture, and heritage. The company's CSR initiatives are aligned with these focus areas.

**Governance:** The Tata Group has established the Tata Sustainability Group to oversee its CSR activities and ensure compliance with legal provisions and international standards. The group is responsible for formulating the company's CSR strategy, monitoring its implementation, and reporting on the impact created.

**Stakeholder Engagement:** The Tata Group's CSR policy emphasizes stakeholder engagement and encourages dialogue with local communities, NGOs, and other stakeholders to identify their needs and develop programs that address them.

**Partnerships:** The Tata Group works in partnership with other organizations, including NGOs, government agencies, and academic institutions, to implement its CSR initiatives. The company



believes that partnerships can help leverage resources and expertise to create a greater impact.

**Monitoring and Evaluation:** The Tata Group's CSR policy includes a monitoring and evaluation framework to measure the impact of its initiatives. The company regularly reports on its CSR activities and their impact on society and the environment.

**Ethics and Transparency:** The Tata Group's CSR policy emphasizes ethics and transparency in all its activities. The company believes in maintaining the highest standards of ethical conduct and transparency in reporting its CSR activities.

Overall, the Tata Group's CSR policy is comprehensive and aligned with international best practices. The company's CSR initiatives have had a positive impact on society and the environment and have helped create a sustainable future for all stakeholders.

## **RELIANCE GROUP**

Reliance Group, headed by Mukesh Ambani, is committed to corporate social responsibility (CSR) and has implemented several initiatives to create a positive impact on society and the environment. Here are some highlights of the Reliance Group's CSR initiatives:

**Education:** The Reliance Group has undertaken several initiatives to promote education and skill development. The company has set up the Reliance Foundation to provide education and vocational training to underprivileged youth. The foundation has also set up schools and educational institutes to promote quality education.

**Healthcare:** The Reliance Group has implemented several healthcare initiatives, including setting up hospitals and healthcare centers in rural areas. The company has also undertaken several initiatives to promote preventive healthcare and raise awareness about health and hygiene.

**Rural Development:** The Reliance Group is committed to rural development and has implemented several initiatives to promote livelihoods and income generation in rural areas. The company has set up the Reliance Foundation to provide vocational training and create employment opportunities for rural youth. The foundation has also undertaken several initiatives to promote sustainable agriculture and empower women in rural areas.

**Disaster Relief:** The Reliance Group has provided disaster relief and rehabilitation support to communities affected by natural disasters. The company has set up the Reliance Foundation to provide immediate relief and rehabilitation support to affected communities.

**Sustainable Development:** The Reliance Group is committed to sustainable development and has implemented several initiatives to reduce its environmental impact. The company has

undertaken several initiatives to promote renewable energy and reduce greenhouse gas emissions. The company also focuses on sustainable sourcing of raw materials and has implemented several initiatives to conserve water and reduce waste.

Overall, the Reliance Group's CSR initiatives are aligned with its core values and principles and have had a positive impact on society and the environment. The company is committed to creating a sustainable future for all stakeholders and is continuously looking for ways to improve its CSR initiatives

## **VI. HIGHLIGHTS OF ADITYA BIRLA GROUP WITH THE PERSPECTIVE OF CSR**

The Aditya Birla Group is committed to corporate social responsibility (CSR) and has implemented several initiatives to create a positive impact on society and the environment. Here are some highlights of the Aditya Birla Group's CSR initiatives:

**Education:** The Aditya Birla Group has undertaken several initiatives to promote education and skill development. The company has set up the Aditya Birla Education Academy to provide training and development opportunities to its employees. The Aditya Birla Group also runs schools and provides scholarships to underprivileged students.

**Healthcare:** The Aditya Birla Group has implemented several healthcare initiatives, including setting up hospitals and healthcare centres in rural areas. The company has also undertaken several initiatives to promote preventive healthcare and raise awareness about health and hygiene.

**Sustainable Development:** The Aditya Birla Group is committed to sustainable development and has implemented several initiatives to reduce its environmental impact. The company has undertaken several initiatives to promote renewable energy and reduce greenhouse gas emissions. The company also focuses on sustainable sourcing of raw materials and has implemented several initiatives to conserve water and reduce waste.

**Community Development:** The Aditya Birla Group has undertaken several initiatives to promote community development. The company has implemented several initiatives to promote livelihoods and income generation in rural areas. The company also provides disaster relief and rehabilitation support to communities affected by natural disasters.

**Stakeholder Engagement:** The Aditya Birla Group believes in engaging with its stakeholders, including local communities, NGOs, and government agencies, to identify their needs and develop programs that address them. The company works in partnership with other organizations to implement its CSR initiatives and leverage resources and expertise to create a

greater impact.

Overall, the Aditya Birla Group's CSR initiatives are aligned with its core values and principles and have had a positive impact on society and the environment. The company is committed to creating a sustainable future for all stakeholders and is continuously looking for ways to improve its CSR initiatives.

## **VII. CONCLUSION**

Corporate Social Responsibility (CSR) is a vital aspect of modern business practices, whereby corporations take responsibility for the impact of their operations on society and the environment. By implementing CSR initiatives, corporations can create a positive impact on society and contribute to the sustainable development of the communities in which they operate.

CSR initiatives range from providing education and healthcare to promoting sustainable development and supporting disaster relief efforts. Such initiatives not only benefit society and the environment but also contribute to the long-term success of the corporation by enhancing its reputation and brand image.

In recent years, there has been a growing recognition of the importance of CSR, and many corporations have made it an integral part of their business practices. CSR is no longer viewed as a mere legal obligation but as a fundamental moral responsibility towards society and the environment.

By joining hands towards social changes and saving the environment through the corporation, CSR can play a crucial role in creating a sustainable future for all stakeholders. It is important for corporations to continue to invest in CSR initiatives and work towards creating a better world for present and future generations.

\*\*\*\*\*