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Corporate Social Responsibility and its Legal Aspect in India

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ABSTRACT

Corporate Social Responsibility is now widely recognised as a strategy for ensuring an organisation's long-term success. As a result, it must be acknowledged as an organisational goal. Corporates must donate 2% of their net earnings to CSR under the New Company Law of 2013, which forced Indian corporations to intentionally work towards CSR by requiring a designated class of enterprises to spend a part of their income on CSR operations. Any contribution to the betterment of society is referred to as. Companies can no longer limit how they use society's resources; they must be socially accountable citizens who contribute to the greater good. This research scrutinises whether today's Indian corporations have moved beyond the concept of philanthropy (charity) to a focus on all stakeholders. The paper focuses on numerous features of the new CSR law in the framework of modern corporate philosophy and attract government officials' attention to practical challenges in implementing the new rules.

Keyword: *Corporate Social Responsibility, Philanthropy, Company Law, Stakeholders, Philosophy.*

I. INTRODUCTION

CSR is a management concept and a self-regulating business concept. Companies engage in social and environmental concerns their business works and interactions with their stakeholders making themselves socially accountable.

As the name itself suggests, CSR is anything beneficial for society, and such work must be reflected on the company's website and must have taken approval from the Board. There is no one right method to practice CSR, but companies aim to contribute positively to the public, the economy, and the environment. We live in a socially conscious environment; employees and customers place a premium on working for and spending their money with businesses prioritising and respecting the value of CSR. According to Llaus Schwab, the Executive Chairman of the World Economic Forum, corporate social responsibility is measured for

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businesses improving conditions and welfare for their employees, shareholders, communities, and environment. But moral responsibility goes even further, showing the need for corporations to address fundamental ethical issues such as inclusion, dignity, and equality. A strong CSR program allows companies to showcase their good corporate citizenship and protect the company from outsized risk by looking at the whole social and environmental circle that surrounds the company.

II. History and emergence of corporate social responsibility and its concept in India

Kofi Annan, the then UN Secretary-General, once said we have to make our choice between a selfish, greedy, a universal market which is driven only by the short term profits and, on the other hand, a future in which the strong and successful accepts their social responsibility, a world which offers each individual at least a chance of prosperity, healthy living, showing courage, vision and leadership quality.

The concept of Corporate Social Responsibility (CSR) is not new in India. With the changes and development in the Indian economy, the concept of CSR can be stated in various phases. During the Pre-industrialisation period before 1850, the kings or wealthy businessmen contributed to society by focusing on building temples and gardens for the public. Post-1850, things started changing, the notion of CSR can be seen in Mahatma Gandhi's aim of building a Self-sustaining society; after returning from South Africa in 1915, he observed that the concentration of wealth was only with the one group of people in the society which led to the immense amount of financial inequality and retarding the welfare of the society. When people of our country started uniting for independence from British rule, Gandhiji came up with the concept of Trusteeship, s social and economic philosophy, which aims to cultivate justice, prosperity, and the general welfare. The concept of Trusteeship made it mandatory for the wealthy businessman to invest in the well-being of the society. This idea was to set pressure on the wealthier sections of society and helped the nation's socio-economic development. This Trusteeship model showed good results. Several other models like Statist Model put forward by Pt. Nehru, the liberal model introduced by Friedman and the Stakeholder model given by R. Edward, all these four concepts have simultaneous existence in today's India after India's post-liberalisation phase philanthropy-based model of CSR turned to be more Liberal.

Additionally, after the rise of globalisation, it brought a growing consensus that as economic rights increase, the business has a growing range of social obligations. During the liberalisation of trade reforms phase in 1991, the term sustainability was introduced in the books of modern and corporate companies.

III. The ambit of corporate social responsibility

CSR (Corporate Social Responsibility) is defined as achieving business success while adhering to ethical standards and respecting people, communities, and the environment. It also entails resolving several legal, ethical, and commercial expectations that society has from corporations, whose decisions should balance the claims of all persons interested in the organisation. As a result, a corporation serves its good by ensuring its long-term prosperity by preserving the norms of good behaviour.

Carroll Archie has attempted to categorise CSR into duties that cover economic, legal, ethical, and philanthropic dimensions. The last two categories, which require a large amount of discretion on the part of the corporation, have occupied a prominent place in CSR over the years. The other two, on the other hand, are nevertheless compelled by some forces. The evolving nature of ethics had driven the force behind the formation of CSR regulations; this concept has come even before the development of law. The environmental, civil, and consumer rights movements, for example, highlighted fundamental transformations in society's attitudes, eventually leading to their ethical demands becoming the foundations of future policy.[3]

Philanthropic obligations entail a company taking an active role in efforts that promote general well-being and human goodwill. Even if communities expect businesses to donate resources to humanitarian programs, businesses are not considered unethical if the required levels of such efforts are not met. It is essential to differentiate between them since some businesses assume that they can satisfy their social responsibilities by being friendly citizens. It also leads us to believe that CSR can include, but is not limited to, philanthropic efforts. A company's activities are expected to meet the needs of a variety of stakeholders. As a result, CSR may be defined as the extent to which a company can go ahead and achieve a condition in which all of these claims are relatively fair. As part of its social obligation, the corporation is expected to do all it takes to achieve this equilibrium condition.[4]

IV. Corporate social responsibility and its legal aspect

The Companies Act 2013 has served as a catalyst of corporate governance as part of the government's attempt to facilitate regulations. The Act has fundamentally altered how CSR has traditionally been carried out in India. CSR is now necessary for all organisations (private

[3] Anirudh Narain Bhatt, 'Corporate Social Responsibility: Rationale, Scope and Legislation regarding Environment Issues in UK and India' (2013) PL January 50

[4] Id.

or government-owned) that meet one or more of the following financial criteria, according to Section 135 of the Act, a net worth of ₹500 crores or more; An annual turnover of ₹1000 crore or more; Net profit exceeding ₹ five crores or more.[5]

The Board of Directors would be required to form a Corporate Social Responsibility Panel. This review panel will be made up of three or more directors (one of whom should be an independent director).[6] This Panel's function encompasses developing a detailed policy to carry out its legally mandated CSR activities; these activities must adhere to Schedule VII of the Act. [7]Furthermore, it would recommend the amount of money needed for various CSR purposes. [8]Under the company's CSR policy, the Board must monitor the utilisation of the company's average net profit every once in a while, ensuring that at least 2% of the same is spent each fiscal year. It is also stated that if the Board fails to spend this amount on CSR activities, the Board must explain why in its report under section 134(3)(o) of the Act. According to the company's CSR policy, the Panel is expected to regularly measure the company's average net profit usage, ensuring that at least 2% of the same is spent each financial year. If the Panel does not spend this amount on CSR activities, the Panel must clarify why per section 134(3)(o) of the Act in its report.[9]

Companies are free to conduct these activities under the 2014 Companies (Corporate Social Responsibility) Rules by establishing a registered trust or a society or through subsidiaries or collaborations with other companies[10]. Outsourcing has even been approved as a means of fulfilling this obligation. Individual acts of charitable works, events that are strictly 'one-time,' and lawful duties performed under other statutes are all excluded from the scope of CSR. As a result, the codification of the CSR provisions in the Act and Rules mandates a Comply or Explain mechanism. The expenditure of 2% of average net profit is optional, but reporting on it is required. The company's financial statements can easily explain the failure to invest the amount needed. There is no specific provision in section 135(5) for the punishment for failing to invest the necessary amount. Although, failure to comply with reporting rules, two types of penalties are mentioned in section 134(8): fine for the company between 50,000 and 25 lakh and its officers fine between 50,000 and 5 lakh, imprisonment up to three years, or both.

The National Company Law Tribunal has the capacity under Section 441 of the Act of

[5] Companies Act 2013, s 135(1)
[6] Id.
[7] Companies Act 2013, s 135(3)(a)
[8] Companies Act 2013, s 135(3)(b)
[9] Companies Act 2013, s 135(5)
[10] Companies (Corporate Social Responsibility) Rules 2014, r 4

compounding offences punishable only with fines before or after the initiation of court proceedings. This implies that the company's liability for failure to comply with the reporting provisions can be waived only to a limited extent – and even then, this remediation would depend only on whether the firm's standard financial practices meet the required legal standards. Its officers, on the other hand, would continue to be personally accountable for non-compliance. The legislation ensures that such provisions are followed by fostering solid and transparent financial policies and avoiding uncertainty.

However, throughout the years, large corporations have taken the lead in attempting to do their part and boost their goodwill in society by being socially responsible and acting in a way that meets their expectations. The current legal provision may be aimed at making this ethical behaviour ubiquitous. The law, however, attempts to apply only to those large enterprises with its specified budgetary standards, while Small and Medium Enterprises maintain their discretion in selecting parameters of social behaviour. However, the section's exceedingly mandatory and obsessive nature has drawn criticism from India Inc. CSR's fundamental concept, spirit, and nature and community involvement may have been thrown into disarray. Suppose such commitments are to be met under such legal duress. In that case, there may be no discernible difference between a company's ordinary contracts and its CSR-related programs since both would be regulated by law. This might reverse the beneficial work done by these more giant corporations and perhaps act as a deterrent to the broader public good.

The provision has also been described as posing an inherent threat to economic liberty. In attempting to address companies' apathy or unwillingness to give back to society, it appears that the legislation overlooks several market-related forces and reasons that result in low CSR projects across the country[11]. In that sense, it may raise concerns about India's economic environment's 'liberal' nature. The new provisions have only been in effect for a short time. Several instances have come before the NCLT concerning these provisions in its first few years, where it has noted various flaws in the Statute while compounding certain offences for the firm.

There was a deficiency of expenditure necessary to be provided under these provisions in the case of **M/s. Chintamani Estates Pvt. Ltd.** This loss, however, was not reported in the company's financial filings. The firm claimed that it had no malicious purpose in doing so and that it had made a change to the Directors' Report to reflect this. As a result, the Mumbai Bench took many things into account when compounding the penalty:

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[11] Sidharth Kaushik and Stuti Bhatnagar, 'Corporate Social Responsibility" in the New Companies Act: A Critical Analysis' CNLU LJ (4) [2014] 181

"*…This CSR provision was recently added to the Statute, and multiple circulars were issued as a result. As a result of those circulars, the Company and its Directors are unable to record a clear clarification of the clause..*"

"*…Only after the finalisation of accounts at the closing of the Books of Accounts of a particular financial year can the Quantum of CSR duty be determined/quantified. As a result, the sum to be donated for a charity purpose as part of CSR obligation can only be informed to the appropriate authorities after that, i.e., after the financial year's accounts have been finalised....*"[12]

While compounding the penalties in a comparable case, the above conclusions were also weighed and upheld in the case of ***M/s. Eversmile Construction Co. Pvt. Ltd.***[13]

Overregulation in an issue as Corporate Social Responsibility has resulted from too many circulars and notices. There are also other obstacles that businesses must face when it comes to quantifying the amount spent. Since a corporation can be subject to section 135 based on its net worth/turnover, it is unclear how a loss-making company can contribute to CSR without eroding its share capital, especially when the reserves are inadequate. The other area of uncertainty is the status of surpluses generated as a result of CSR initiatives. Because they entail both outflows and substantial inflows of capital, this could lead to a situation where non-operating surpluses are ploughed back into the business without being disclosed, so avoiding the tax net. The Act and the Rules are both silent on the subject. [14]Due to ambiguities like these, many academics are sceptical that the law would reduce CSR to a "tick the box" compliance. The 'cooking up' of balance sheets, when firms discover ways to discount CSR spending in their accounting practices, could become a craze despite having the capability to do so.[15]

V. Impact of Corporate Social Responsibility

1. CSR's impact is not limited to a single sector of society but rather to assisting businesses and nurturing society over time. Companies can participate in CSR in any field like education, healthcare, the environment, societal upliftment, etc., that they find most appealing and helpful to their business.

2. Every firm should conduct CSR activities to help make the world a better place to live, and it will also help corporations grow their goodwill.

[12] In re: M/s, Chintamani Estates Pvt. Ltd. 2017 SCC OnLine NCLT 11240
[13] In re: M/s. Eversmile Construction Co. Pvt. Ltd. 2017 SCC OnLine NCLT 11276
[14] Debansu Das, 'Corporate Social Responsibility in India: Legal Issues and Challenges' GE-IJMR vol 3, issue 11, Nov 2015
[15] Kaushik and Bhatnagar (n 12)

3. Corporate entities should participate efficiently and effectively in CSR contributions because they deal with various stakeholders such as employees, customers, the government, suppliers, creditors, and financial institutions, amongst many others. As a result, they have a responsibility to protect the interests of all stakeholders for their long-term success.

4. An adequately regulated CSR concept can provide several competitive advantages, including improved access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, a more efficient human resource base, improved brand image, increased customer satisfaction, and improved policy and risk assessment processes.

5. Neither the centre nor state governments have the authority to tell companies how to spend money on social welfare. The Panel will decide how much money should be spent on various CSR activities.

In the latest case of ***Technicolor India (P.) Ltd. v. Registrar Of Companies*** met the net profit criteria set out in Section 135 of the Companies Act, 2013, and had a CSR committee. Still, it spent some money following its CSR policy during the fiscal year 2017-18, which fell below the threshold set out in Section 135 (5) of the Act, for which the company provided a reason in its Director's Report. However, the amount spent on the CSR and related details were improperly recorded in the Director's report. Therefore the company applied with the NCLT Bangalore. The tribunal granted the company's plea to alter its report, allowing it to submit for compounding under section 441 of the Act.[16]

VI. Companies and their amounts spent for CSR

According to the data provided by the Ministry of Corporate Affairs for the financial year 2019-20:

Company Name	*Amount spent (INR Cr.)*
1. RELIANCE INDUSTRIES LIMITED	908.71
2. TATA CONSULTANCY SERVICES LIMITED	602.00
3. OIL AND NATURAL GAS CORPORATION LIMITED	582.07
4. TATA SONS PRIVATE LIMITED.	548.83
5. HDFC BANK LIMITED	535.31

[16] 2020 (7) TMI 423

6.	INDIAN OIL CORPORATION LIMITED	518.49
7.	INFOSYS LIMITED	359.94
8.	BHARAT PETROLEUM CORPORATION LIMITED	346.46
9.	POWER GRID CORPORATION OF INDIA LIMITED	346.21
10.	ITC LIMITED	342.24

VII. TOP INDIAN COMPANIES AND THEIR WORK FOR CORPORATE SOCIAL RESPONSIBILITY

1. *INFOSYS LIMITED:-*

The Chairperson of Infosys Foundation, Sudha Murthy stated that CSR couldn’t merely be taken as a job; it is a passion. I was spending almost Rs. 360 crore by focusing towards various CSR schemes like COVID-19 relief work, education and health-related programs, 100-bed quarantine centre was set up in Bengaluru, restoration of water bodies in Karnataka, enabling the pursuit of access and excellence in sports through the GoSports Foundation, and disaster relief efforts were made in Tamil Nadu, Karnataka, and Kerala.

2. Mahindra & Mahindra Ltd.

Mahindra initiated Project Nanhi Kali in 1996, which became the biggest CSR program in India for providing free education to poor girls in rural and urban areas and empowering their families. Mahindra and Naandi Foundation came together to feed over 1.3 million government school children every day and worked with smallholder farmers on environmentally friendly farming practices.

3. *ITC Ltd.*

ITC spent Rs. 326.49 crores on CSR initiatives in 2019-20, the introduction of ITC Choupal, a gold standard program on community development in an international environment, influencing lakhs of farmers over the years through the medium of digital literacy and economic empowerment. The company leads with social initiatives with a mix of humility and ambition showing active social projects in education, environmental protection and conservation, sustainable agriculture, healthcare infrastructures, digital literacy, sports, and culture.

4. *Tata Chemicals and Tata Steel Ltd:-*

The establishment of Tata Chemicals Society for Rural Development (TCSRD) in 1980 as a society and trust focused on the spirit of participatory development by involving the beneficiaries at each stage of the development process, ensuring viability and sustainability of the programs. Their philosophy revolves around improving the quality of life and fostering sustainable and integrated development in the communities where they operate. The TCSRD spends 30 % of their budgets on wildlife conservation.

Further, Tata Steel Ltd. was the first company in India to include social responsibility towards its customers and the society in their Articles of Association (AoA) and the first to set up a social audit committee in the year 1979 for measuring social performance. Tata steel had started the 1000 schools project based on the model of Right to Education with its core objectives to ensure that every child gets primary education, focusing and developing the quality of education in government schools and improving regulations of schools through School Management Committees and gram panchayats.

Tata initiated 'PROJECT MANSI 'in maternal healthcare and newborn care to check newborn deaths. This project was unique and one of a kind that helped reduce the Neonatal Mortality Rate and the Infant Mortality Rate.

5. Bharat Petroleum Corporation Limited (BPCL):-

Bharat Petroleum Corporation Limited (BPCL) is a Government of India controlled Maharatna oil and gas company. BPCL employees collectively contributed a sum of INR 4.27 Crores from their salaries when the country faced a global pandemic. They organised the 'SwachhtaPakhwada 2020' mission from July 1 to 15, 2020, which was also part of its corporate social responsibility for COVID-19 relief, supporting the Indian government's Swachh Bharat Abhiyan. Enabling quality, holistic education through technology, providing adequate infrastructural facilities, creating and maintaining toilets, associated sanitation facilities, and waste management initiatives leading to overall health and hygiene for the communities are amongst the company's major works towards corporate responsibility.

6. *COCA-COLA:-*

One of the country's leading beverage companies, which offers its consumers a wide range of beverages, advocated much sustainable development and has been consistently working towards solving issues of water supply, sanitation, environmental pollution, and women empowerment so that they can stand up for themselves. Along with several NGOs like Self Employed Women Association (SEWA), institutions such as IRRAD and FORRAD works together to achieve their CSR goals. Coca-cola initiated programs like "ALAG KARO HAR DIN TEEN BIN." This program built an efficient waste management system through simple and easy solutions like segregation of wet and dry waste and recycling. It collaborated with 50 schools and 50 commercial outlets, reaching 150000 people by creating public awareness and fending off waste from being dumped in landfills polluting groundwater, and eliminating the burning of waste. The other program initiated by Coca-Cola is “SUPPORT MY SCHOOL CAMPAIGN.” Several Indian institutions in rural areas across the country starve for basic requirements that children must be entitled to because of non-availability of funds; this campaign of Coach-cola and NDTV successfully built infrastructure at schools and created a sense of ownership and responsibility among teachers. This campaign created a difference in 3,72,919 lives across the country.

7. *Ultratech Cement:-*

While doing its duty for Corporate Social, India’s biggest cement company, the Ultratech Cement company, is involved in social work across 407 villages in the country, aiming to create a sustainable and self-reliant environment for the people of our country. Their CSR activities focus on healthcare, environment and family welfare programs, education, infrastructure development, social welfare, and sustainable livelihood. The Ultratech Cement Company has been organising medical camps, immunisation and sanitisation programs, school enrollment, safeguarding the mother earth by eco-friendly initiatives and programs like plantation drives, water conservation programs, and structuring industrial training and organic farming programs.

8. Vedanta Ltd announced on Thursday that it spent Rs 331 crore on corporate social responsibility (CSR) programs in the 2020-21 financial year, benefiting 4.23 crore people. The organisation said it spent Rs 331 crore on various CSR activities in the previous financial year, with a focus on Covid relief, children’s well-being and education, women empowerment, healthcare, sustainable agriculture and animal welfare, environmental protection and restoration, and community infrastructure development, among other things.

9. ***NCL,*** a subsidiary of Coal India, plans to spend Rs 132.75 crore on corporate social responsibility (CSR) operations this fiscal year, according to the coal ministry. In 2020-21, the company spent roughly Rs 130 crore on CSR. Northern Coalfields Ltd (NCL), a coal ministry firm, would provide plastic engineering training to 500 youngsters living in and around NCL’s working areas, ensuring their employment readiness in the competitive market. According to the government, the training will be organised with the Central Institute of Petrochemicals Engineering and Technology (CIPET) in Chennai.

VIII. Current scenario of CSR in India

On January 22, 2021, the Government of India issued revisions to the Companies (Corporate Social Responsibility) Rules, 2014, and Section 135 of the Companies Act, 2013, making them effective immediately.

Impact on corporates

1. *Eligible CSR spends*: The following activities are not eligible for inclusion in a company's CSR budget: Activities that are carried out in the normal course of a company's business or that benefit exclusively its personnel, Contributions to politics, Activities involving sponsorship, Completion of legal obligations, and actions carried out outside of India (except for training of sports personnel representing a state or country at the national or international level).

Activities that can now be included as CSR:

The COVID-19-related activity carried out in the ordinary course of business: This includes companies conducting research and innovation into COVID-19-related vaccines, medical equipment, and pharmaceuticals, even if such activity is carried out in the ordinary course of business. This exemption is valid until the end of the fiscal year 2022-2023. However, the corporation must make separate notifications in their annual report and conduct such research and development in partnership with one of the institutes listed in Schedule VII of the Act.

Acquisition or creation of a capital asset by a corporation that does not own it: The asset generated with CSR funding must be owned by the organisation that is being supported, the individuals served by the project (for example, self-help groups), or a public body.

2. *Unspent, excess, or surplus CSR amounts are handled differently*.

CSR money that hasn't been spent: Unspent CSR money should be transferred in one of the following methods at the end of the fiscal year:

- Transfer to an Unspent CSR Account
- Transfer to a Schedule VII fund

3. *Impact assessment*:- A new requirement for required impact assessments of CSR projects has been implemented.

- Companies with an average CSR spend of INR 10 crore or more in the previous three financial years are subject to this obligation.
- It must be carried out for all CSR projects with INR 1 crore and above budgets and finished one year before the impact assessment.
- An "independent" body must carry out the impact evaluation. The costs of such an agency must not exceed INR 50 lakh or 5% of the entire CSR expenditure for that fiscal

year (whichever is lower).

4. *Governance and transparency:*

- Mandatory disclosures on the website
- CSR committee
- CSR policy
- Annual disclosures
- Monetary penalties for non-compliance

Impact on nonprofits

1. *Implementing organisations' eligibility:* The government suggested only designating Section 8 companies as those who might undertake CSR programs in the draught revisions to the CSR Rules issued in March 2020. This project, however, has been abandoned. Public trusts and societies that have been registered are now able to be appointed for this objective. The following organisations can now raise CSR funds:

A Section 8 corporation, a registered public trust, or a registered society are registered under the Income Tax Act of 1961's Sections 12A and 80G. These entities can include the following:

- Founded by a corporation that engages in CSR activities.
- Independent organisations have a minimum three-year track record of implementing similar programs or projects.

Under Sections 12A and 80G of the Income Tax Act, registration is required for the two groups above. Any entities founded by the federal or state governments and those established under a law passed by Parliament or a state legislature are also eligible. Registration under Sections 12A and 80G is not necessary in the case of these two categories.

2. Registration of CSR-implementing organisations is required.: Every entity listed above will be required to register with the Ministry of Corporate Affairs beginning April 1, 2021. (MCA). Such organisations must submit an application in the prescribed format (including information about their legal entity, directors, trustees, and so on) and receive a unique CSR registration number. In the future, corporations that hire such agencies must include this unique number in their yearly reports. This rule has no bearing on projects that were approved before April 1, 2021.

IX. Conclusion

As it was practised in India many years ago, CSR has transformed due to its exposure to the Western approach pursued by transnational corporations on Indian soil. Another reason for the change in that approach can be attributed to Indian companies venturing into the global arena to compete with the rest of the world. The trends followed worldwide have created awareness and put pressure on Indian companies to reevaluate their CSR endeavours and align them with the global trends. Through corporate philanthropy and community development remain a vital aspect of India's CSR, globalisation has led to the emergence of the multi-stakeholder approach. Under such an approach, companies are responsible for all stakeholders, including employees and both community and financial stakeholders. This approach requires that CSR be integrated into a sustainable business strategy. "The key to being 'sustainable' is for a business to adapt, practice, and demonstrate a more holistic approach towards business, as in financial moves along with sustainable development (i.e., social equity, environmental protection, and economic growth) and performance is incorporated into mainstream business strategy and embedded in organisational values. "Triple Bottom Line" or "Triple P-people, planet and profit" is the mantra of the day for success. Indians have enormous expectations for companies, both global and domestic. They would like them to step forward and take responsibility in the societies or communities they are operating by adopting responsible practices.

Moreover, by ensuring good quality products at reasonable prices, companies should make their operations environmentally friendly, adhere to high labour standards, reduce human rights abuses, and mitigate poverty. Adopting these practices is critical to businesses because businesses cannot survive, let alone succeed, in a society that fails. Moreover, public acceptance of the operations of any business, particularly in an alien culture, often determines the corporation's success; and blessing will come only when the company in question is seen as having empathy for the aspirations and values of the society in which it functions. Investors now often consider the social performance of the company when making investment decisions. They do not want to put their money into the operations of a corporation that is neglecting its social responsibility. Hence, the social report card of the corporation has become an essential factor in attracting potential investors.

Additionally, even though the public expectations in India of the corporations might seem excessive at first, they are not too different from the changes in people's attitudes taking place elsewhere in the world. These expectations are in no way unreasonable or unjustified because the socio-economic condition of India is such that "CSR in India has considerable potential for improving corporate environmental and social conduct," and the corporations have the resources to contribute and make a difference. That being said, the contribution does not have to be substantial, and it is not simply the responsibility of large and international companies with enormous resources at their disposal. Small and medium-sized companies can also chip in, even if in a limited way. The idea is to have corporations feel responsible and adopt a more liable and open approach to the market and concerned stakeholders by integrating CSR into their business strategies, discouraging abusive practices, and making efforts irrespective of the size or volume to promote community and social development.

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