

---

## UNIT 9 CSR IN INDIAN CONTEXT

---

### Objectives

After reading this unit you will be able to:-

- Discuss the evolution of CSR in India
- Explain the models of CSR operating in India
- Discuss the current trends and practices of CSR in India

### Structure

9.1 Introduction

9.2 CSR in India: Historical Background

9.3 Models of Social Responsibility Operating in India

9.4 Evolution of Legislation on CSR: Voluntary Practices to Regulatory Mechanism

9.5 Current Trends and Practices of CSR in India

9.6 CSR Initiatives of Indian Companies

9.7 Summary

9.8 Keywords

9.9 Self-Assessment Questions

9.10 References/Further Readings

---

### 9.1 INTRODUCTION

---

In this unit we will read about the evolution of CSR in India over time. India has a long tradition of philanthropy since ancient times. During the preindustrial period, philanthropy was largely motivated by religion. The merchants also used to help the society to get over various natural calamities like famines and floods. During the colonial rule, the industrial families used to contribute to social causes. During independence movement, the notion of ‘Trusteeship’ introduced by Mahatma Gandhi put pressure on the industrialists to contribute towards nation building and social development. Post-independence, with the coming up of Public Sector Undertakings (PSUs), private sector took a backseat and public sector became a key driver of development. However, the limited effectiveness of the public sector, shifted the expectation back to the private sector for socio-economic development of the country. The economic liberalization in the 1990s helped the Indian companies to grow rapidly. This increased their willingness to contribute towards social causes. The companies started getting involved in various CSR programmes like building schools and hospitals, empowering rural youth by providing vocational trainings, organizing health camps etc. Corporates also started joining hands with NGOs to use their expertise in bringing about a positive change in the lives of the people. With the passing of the Company’s Act 2013 and the New CSR Rules 2014 which have come into effect since April 2014, CSR has become binding under legislation.

---

## 9.2 CSR IN INDIA: HISTORICAL BACKGROUND

---

### The Phases of Development of CSR in India

The mention of the concept of CSR in India dates to the Vedic period. Rigveda mentions about sharing of wealth by the rich with the poor. Ancient texts like Manu Smriti also talks of the nature of business done which should be for the good of the society and for the good of the business in the long run. It also instructs that the means of wealth that is acquired should be in line with the principles of *dharma*. One form of giving is through the religious institutions. Prior to the evolution of modern philanthropy, religious institutions were the most important sources serving the poor either through temple trusts, waqfs, gurudwaras and churches.

The book 'Beyond Business: From Merchant Charity to Corporate Citizenship' gives an account of philanthropic practices in India. This section draws on that book. According to Sundar, (2000), the development of CSR in India can be divided into four phases.

**Phase 1 (CSR driven by Charity and Philanthropy):** This phase is from 1850 to 1914. CSR in the initial phase was driven by culture, traditions, family values, industrialization, and religion. Religious obligations and traditions based on charity and philanthropy like dan, seva and zakat have been followed in India since ancient times. In 1850s, the merchants, driven by the purpose of committing themselves to the society for religious purposes made huge donations for construction of temples. During times of famines and epidemics, the merchants also helped the society in overcoming these calamities by donating food and money.

Industrialization was pioneered in India in the 19<sup>th</sup> century by a few families like Tatas, Birlas, Godrej, Shriram, Singhanian, Lalbhai, Sarabhai, Mahindra, Modi, Bajaj and Annamali. These business houses were committed to CSR, however, while doing so they also had motives such as business considerations, supporting of specific communities and political objectives. During this phase, all the donations were done for the construction of schools, hospitals, temples etc. without any consideration of the long-term impact of these donations.

**Phase 2 (CSR driven by Social Development):** The second phase of CSR in India is from 1914 to 1960. This period was dominated by India's struggle for independence. The CSR during this period was greatly influenced by Gandhi's theory of trusteeship. Established family businesses had established trusts for building of schools, colleges, scientific and training institutions etc. These trusts also involved themselves in various social causes initiated by Mahatma Gandhi like abolition of untouchability, women's empowerment, and rural development. During this phase, the business houses were drawn to the political fight for independence. Not only did they participate in the economic and social development of the country, they perceived the economic development of the country as the fight against the British rule. The vision of living in a free country was the driving force which led to involvement of corporate sector in the development of the country.

**Phase 3 (CSR in the Mixed Economy):** The third phase of CSR in India is from 1960 to 1980. The role of state in development increased greatly after independence. This phase was characterized by emergence of several public enterprises. Several legislations on corporate governance, labour and environmental standards also came

into existence during this phase. Heavy regulations and License Raj replaced the self-regulatory activities of the corporate. However, the state failed to eradicate poverty and support economic development. The expectation shifted back to private sector and their involvement in the socio-economic development of the country became very essential. Businesses were expected to be more transparent, socially accountable and have regular stakeholder dialogues. In spite of all these efforts, the CSR failed to match the expectations in its contribution to development.

**Phase 4 (Interface between philanthropic and business approaches):** This phase starts from 1980s till the present day. During this phase, the companies started viewing CSR as a sustainable business strategy and started adopting multi stakeholder approach. With the liberalization of the economy in 1990s, India became integrated with the global markets. With the abolition of the license systems, there was a boom in the economy. The growth in the economy has helped the Indian companies to grow rapidly which has increased their willingness to participate more actively in the socio-economic development of the country. India has now become an important production and manufacturing base for many of the transnational companies as a result of which, the Indian companies involved in production and export of goods to developed countries are required to comply with various international standards of labour, environment etc.

---

### 9.3 MODELS OF SOCIAL RESPONSIBILITY OPERATING IN INDIA

---

A report by The Energy and Resource Institute (TERI) (Kumar et al. 2001) mentions four models of CSR that are present in India.

1. **The Ethical Model:** This is based on the Gandhian Model of Trusteeship. The philosophy of Trusteeship propounded by Mahatma Gandhi believes that the rich should use their wealth for the welfare of the poor and the underprivileged. In India, poverty and inequality still is a structural problem and unless businesses come forward to strengthen the society, these problems will continue to create conflict of interest among different segments of the society. The Gandhian model of Trusteeship is based on the principle that the surplus wealth should be kept in trusts for the greater good of the society. The business while being economically viable should also uphold their ethical values to create sustainable livelihoods for all. The Gandhian model provides directions for transforming an unequal society into an egalitarian society. Some corporate are huge in terms of their size and the number of lives they impact and hence can be instrumental in bringing about structural changes in the society. When the corporate governance and finance are in order, they can generate social reforms.
2. **The Statist Model:** This model came into being with the adoption of socialist and mixed economy by Jawahar Lal Nehru. In this model, the corporate responsibilities were governed by state ownership and legal requirements. The Labour Laws and Management Principles had in them the basic elements of corporate responsibility, particularly those related to community and worker relationships. Most of the public sector companies even today follow the static model of state sponsored corporate philosophy.

**3. The Liberal Model:** This model was propounded by Milton Friedman. According to Friedman, the social responsibility taken up by the corporate distorts economic freedom of the shareholders as they have no say in deciding how their money will be spent in these activities. He argued that corporations should engage in activities that would generate revenue and profit. However, in doing so they should abide by the law and follow ethical customs. Friedman in his article in New York Times in 1970 titled “The Social Responsibility of business is to increase its profits” says that “... there is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays in the rules of the game, which is to say, engages in open and free competition, without deception or fraud.”

In his argument he says that the Directors of corporation or other executives should not take up socially responsible programmes as they do not have any incentive for prudent spending of the shareholder’s money.

**4. The Stakeholder Model:** The Stakeholder Model was propounded by Edward Freeman. The theory argues that the company should be driven by the welfare of the stakeholder and not stockholders alone. Stakeholders include shareholders, employees, consumers, suppliers, competitors, related government agencies and local communities. This model considers itself with not just profit earning but also the impact upon major stakeholders. In support of this model Freeman argues that when a firm is responsive towards the concerns of the stakeholders, they become more resilient themselves. It also results in better long- term performance of both the firm as well as the society.

**Activity 1**

Discuss with elderly members in your family/society and discuss with them how philanthropy was carried out during their times. Ask if they had contributed to any of the philanthropic/charity activities. Write about it.

.....

.....

.....

.....

.....

---

**9.4 EVOLUTION OF A LEGISLATION ON CSR:  
VOLUNTARY PRACTICES TO REGULATORY  
MECHANISM**

---

The corporations in India, have a long tradition of philanthropy and have been engaged in social activities. CSR started becoming a topic of interest for the policy makers and corporate in the late 1990s. At policy level, CSR was first formalized in India with the issuance of Corporate Social Responsibility Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs. It included the basic elements of CSR like

ethical functioning, human rights, worker's right, environmental considerations, stakeholder welfare etc. This was followed by other guidelines called the National Voluntary guidelines of Social, Environmental and Economic Responsibilities of Business, issued in 2011 by the Ministry of Corporate Affairs. These guidelines urged the corporate to adhere to the nine principles of CSR and the adherence to the guidelines was based on the 'apply or explain' approach. With the enactment of Section 135 of the Company's Act 2013, India became the first country to make CSR spending and disclosure mandatory for large companies with specific turnovers.

The Department of Public Enterprises (DPE) has also been issuing guidelines on CSR for Central Public Sector Enterprises (CPSE) from time to time. The guidelines on Corporate Governance for CPSEs was given in 2010 to bring more transparency and accountability in the functioning of CPSEs. These guidelines pertain to both listed and unlisted CPSEs and give clear directions in terms of the composition, functional roles of Board of Directors, Audit Committee, Remuneration Committee, Subsidiary Companies, Disclosures, Report, Compliance and Schedule of implementation. DPE also issued the guidelines on Corporate Social Responsibility and Sustainability for CPSEs. These guidelines spell out the sustainability initiatives the CPSEs are expected to take. The CPSEs Conclave held in April, 2018 recommended utilization of CSR funds in a focused manner by adopting a theme-based approach. It was proposed that a common theme be identified each year for undertaking CSR by CPSEs. School education and health care were identified as the theme for focused intervention. Sixty percent of the annual CSR expenditure of the CPSEs was required to be for the thematic program. A list of 112 aspirational districts was identified by NITI Aayog which was to be given preference.

#### **9.4.1 The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business**

The National Voluntary Guidelines were laid down by the Ministry of Corporate Affairs to provide guidance to the companies to work in accordance with the national policies of inclusive growth and climate change. The guidelines help the corporate to formulate objectives keeping in consideration their impact on stakeholders and environment.

The NVGs are based on nine principles which are as under

##### **The Nine Principles of National Voluntary Guidelines**

1. Businesses should conduct and govern themselves with ethics, transparency, and accountability.
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycles.
3. Businesses should promote the wellbeing of all the employees.
4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
5. Businesses should respect and promote human rights.
6. Business should respect, protect, and make efforts to restore the environment.

7. Businesses when engaged in influencing public and regulatory policy should do so in a responsible manner.
8. Businesses should support inclusive growth and equitable development.
9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Source: mca.gov.in

## 9.4.2 The Companies Act 2013 and CSR

### *The Act*

The inclusion of the CSR mandate under the Companies Act, 2013 is an attempt to supplement the government's efforts of equitably delivering the benefits of growth and to engage the Corporate World with the country's development agenda. The Companies in India are governed by Clause 135 of the Companies Act 2013 for performing their CSR activities.

### *Section 135*

Section 135 of the Companies Act 2013 lays down that:

- The companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more shall constitute a CSR Committee of the Board consisting of 3 or more directors of which one will be an independent director.
- The CSR Committee will be responsible to:
  - i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - ii. recommend the amount of expenditure to be incurred on the activities referred to in i.; and
  - iii. monitor the Corporate Social Responsibility Policy of the company from time to time.
- The Board of every company shall:
  - i. after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and place it on the company's website, if any, in such manner as may be prescribed; and
  - ii. ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- It is also the duty of the Board to ensure that the company spends two percent of the average net profits made by the company in the preceding three financial years and while spending the CSR amount, giving preference to local areas where it operates.

- If the company fails to spend the amount, the Board in its report shall specify the reasons for not spending the same.

Though section 135 makes CSR spending and reporting mandatory, it gives flexibility to the companies to choose the CSR activities from the list of activities that the corporate can potentially undertake.

### **The CSR Rule, 2014**

**Source:** mca.gov.in Companies Act Notification 2014, Ministry of Corporate Affairs

A set of rules framed under section 135 of the Act, came into force on 1<sup>st</sup> April, 2014. It lays down rule for the following:

#### *CSR Activities*

- The CSR activities taken up by the companies will be as per the stated CSR policy and activities taken up by the company under its normal course of business will be excluded from CSR activities. A company can implement the CSR activities approved by the CSR committee either on its own or through a non-profit foundation set up by the company to facilitate this initiative or through an independently registered non-profit organization that has a record of being into such activities for at least three years or in collaboration with other companies.
- The activities undertaken in India will only be considered under the CSR activities.
- Spending on activities that benefit only the employees of the company, also known as self-serving expenditure will not be considered as CSR spending. The companies are free to spend on capacity building of their employees but the expenditure should not be more than 5 percent of the total CSR expenditure in any particular year.
- Contribution to political parties will also not be considered as CSR activity.
- The income generated from the CSR activities should be credited back to the community or CSR corpus and this would be over and above the mandatory 2% of profit.

#### *CSR Committee*

- The companies which are bound by the CSR clause are required to constitute a CSR Committee of the Board consisting of 3 or more directors of which one will be an independent director. A private company with only two directors on its Board will have only two directors in the CSR Committee and in case of foreign company, the Committee will have at least two persons of which one will be an authorized person residing in India and the other will be nominated by the foreign company.

#### *CSR Policy*

- The CSR policy of a company will include:
  - List of projects or programmes within the Schedule VII of the Act which

the company will undertake, along with the implementation schedules and other modalities.

- Monitoring process of these programmes
- The policy will also specify that the surplus generated from the CSR programmes will not be a part of the business profit of the company.

#### *CSR Expenditure*

- All expenses including contribution to the corpus for programmes relating to CSR activities approved by the board will be included as CSR activities provided, they are in conformity with the activities which fall within the purview of Schedule VII of the Act.

#### *CSR Reporting*

- The rules also provide a format for the board report on CSR which includes reasons for spending of less than 2 % of the average net profits of previous three years and a responsibility statement stating that the company's CSR policy, implementation and monitoring mechanism are in accordance with the CSR objectives. The report is signed by the CEO, MD, or Director of the company.

#### *Display of CSR Activities on its Website*

- The Board of Directors shall disclose the content of the CSR policy in its report as well as on the company's website as per the particulars specified.

### **Companies (Corporate Social Responsibility) Amendment Rules, 2021 (the "new CSR Rules")**

Ministry of Corporate Affairs notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("Amendment") which provides amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") in relation to the corporate social responsibility ("CSR") obligations required to be complied with by the companies under the Companies Act, 2013 ("Act"). The Amendments have been made with the objective of bringing transparency and increase the accountability of the companies undertaking CSR activities. Some of the important amendments have been discussed below:

- **Amendment to Rule 2 ('Definitions')**
  - o Under the Amended Rules "Administrative overheads" will now mean expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
  - o Corporate Social Responsibility (CSR)" will now include activities undertaken in pursuance of normal course of business of the company provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new



vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23.

- o CSR will also include any activity undertaken by the company outside India provided it is for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

➤ **Amendment to Rule 4 (CSR Implementation)**

- o The Board shall ensure that the CSR activities are undertaken by the company itself or through specified companies.
- o Every entity having an established track record of at least three years in undertaking similar activities which intends to undertake any CSR activity, must register itself with the Central Government, Ministry of Corporate Affairs (MCA) by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021.
- o For implementing CSR, a company may also engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

➤ **Amendment to Rule 5 (CSR Committee)**

- o The CSR Committee formulates and recommends to the Board, an annual action plan in pursuance of its CSR policy. Thus, amendment to Rule 5 has introduced impact assessment for the projects undertaken by the company and companies may engage with International Organisations for the same.

➤ **Amendment to Rule 7 (CSR Expenditure)**

- o The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- o In case the CSR project is income generating by way of fees etc., such income should be ploughed back into the same project but not form part of the business profit of the company.
- o Excess CSR spend in any particular year can be set off against CSR expenditure over the immediate succeeding three financial years and the Board of the company passing a resolution to that effect.
- o CSR assets (e.g., schools, hospitals, skill development centers etc.) can be held by a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under Rule 4(2) and not just Section 8 Companies as was proposed earlier in March 2020.

➤ **Amendment to Rule 8 (CSR Reporting to include Impact Assessment)**

- o Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact

assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

- **Amendment to Rule 9 (Display of CSR activities on its website)**
  - o The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- **Amendment to Rule 10 (Transfer of unspent CSR amount)**
  - o Companies that spend more than the mandatory two per cent on CSR in a particular financial year may carry it forward as credit for fulfilment of CSR obligations for the block of the next three years.

**Schedule VII**

**Source:** www.mca.gov.in

The Schedule VII of the Companies Act provides a list of activities which can be included by companies in their CSR policies where the CSR spending can be done. These activities relate to:

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Reducing child mortality and improving maternal health;
- (v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria, and other diseases;
- (vi) Ensuring environmental sustainability;
- (vii) Employment enhancing vocational skills;
- (viii) Social business projects;
- (ix) Contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women; and
- (x) Such other matters as may be prescribed.

**Activity 2**

Visit a CSR office of a company in the city of your residence. Find out the various CSR projects undertaken by the company. Identify which of the activities mentioned in Schedule VII do these projects correspond to.

.....  
.....  
.....  
.....

## 9.5 CURRENT TRENDS AND PRACTICES OF CSR IN INDIA

Prior to Companies Act 2013, CSR clause was voluntary for companies, they were however required to disclose their CSR spending to their shareholders. After the amendment to Companies Act 2013, made in April 2014, India became the first country in the world to make CSR mandatory.

Some of the emerging trends that the CSR in India is expected to witness are:

### 1. NGOs Will Adapt and Get Better at Working with the New Type of Funders – Corporates

Traditionally, the NGOs have been collaborating with government agencies and the international aid agencies. However, in recent years NGOs have found new collaborators in the large Indian companies and multinational corporations. There is an increasing trend of MNCs partnering with the NGOs to execute their social responsibility initiatives in areas like education, sanitation, sustainability, health, water etc. This partnership with corporates has better equipped the NGOs not just in terms of higher funds but also with the required technological and intellectual resources required in implementing the projects. The role of NGOs has become more focused on aspects like impact, deliverables, adhering to timelines, doing diligent reporting etc. Now the focus is more on measurable outcomes.

### 2. Corporates Will Start Thinking of CSR as Another Pillar of Their Corporate Strategy, instead of as Philanthropy

Sustainability issues and social responsibility have become a key consideration for business leaders and decision-makers in the corporate sector, in the last couple of years. Companies these days think of CSR as an integral part of their managerial process, decision making and overall strategy with an aim to position themselves not just as philanthropic but also as socially responsible organizations. Companies view CSR as an investment to build sustainable societies which have a significant positive impact on the societies. Companies have seen a shift from having a separate CSR strategy to having a corporate strategy which incorporates CSR.

### 3. More Companies Will Comply and Engage in Long-term Partnerships with NGOs

NGOs have the expertise and experience in working in a variety of development sectors like environment, education, health, gender issues etc. Each of these sectors is different from the other and needs a different approach to deal with its set of challenges and issues. Also, measurable impacts of various interventions take a long time to achieve. With companies having very little or no knowledge of working in the development sector, they seek to engage in long term collaborations with NGOs to be able to make a greater on-ground impact.

### 4. For-Profit Social Ventures Will Emerge as a Major Force of Social Good

Other than the non-profit organizations working in the social sector, there are several for-profit ventures that have emerged in the past few years that are tackling social issues through innovative products and services. One such example

is of women entrepreneurs manufacturing low cost articles which are made accessible to semi-rural and urban areas. For-profit ventures are also equipped with better managerial and technical skills needed to address some major issues in the social sector. They are also helping corporate sector to build effective organizational and governance models.

### **5. Technology and Innovation Will Play a Major Role in Addressing Structural Issues in the Social Sector and Building NGOs' Organizational Capabilities**

Technology has proven to be useful to both social sector as well as the corporates. Technology has helped the social sector to move away from the traditional mode of operating to a more efficient and transparent way by digitizing and automating workflows and streamlining the way the organizations interact with each other. Technology can also help corporate to assess the consistency between the ethical value the company endorses and their actions supporting the same by collating, accessing and analysing relevant data.

---

## **9.6 CSR INITIATIVES OF INDIAN COMPANIES**

---

Some of the CSR initiatives of Indian companies are listed below:

### **1. Tata Chemicals Ltd.**

Tata Chemicals Ltd. has spent on improving the quality of life and fostering sustainable and integrated development in the communities where it operates is central to Tata Chemicals' corporate philosophy. In order to do so Tata Chemicals established Tata Chemicals Society for Rural Development (TCSRSD) in 1980 as a society and trust. It lays emphasis on the spirit of participatory development by involving the beneficiaries at each stage of the development process which ensures viability and sustainability of the programmes (Fernandes, 2019). Around 30 percent of the TCSRSD funds are spent on wildlife conservation. The amount is distributed over three places the company operates - Mithapur in Gujarat, Haldia in West Bengal and Babrala, Uttar Pradesh.

### **2. Infosys Ltd.**

Infosys Limited had established the Infosys foundation in 1996 to implement its social development projects. The major works of the Foundation's works included the introduction of Aarohan Social Innovation Awards, restoration of water bodies in Karnataka, supporting the construction of a metro station in partnership with Bangalore Metro Rail Corporation Limited, enabling the pursuit of access and excellence in sports through the GoSports Foundation, and relief efforts in Tamil Nadu, Karnataka, and Kerala (Fernandes, 2019).

### **3. Bharat Petroleum Corporation Ltd.**

BPCL as a part of its CSR initiatives, focuses on imparting holistic education by facilitating usage of technology and infrastructural facilities. Additionally, BPCL's CSR philosophy also includes participation in projects of national importance like the Swachh Bharat Abhiyan involving creation and maintenance of toilets, associated sanitation facilities, Waste Management initiatives leading to overall health and hygiene for the communities.

**4. Mahindra & Mahindra Ltd.**

Among the various development programmes supported by Mahindra and Mahindra are Nanhi Kali programme to provide educational support to underprivileged girls in India. It sponsors Lifeline Express (hospital on train) to provide medical care, treatment, and surgical intervention to individuals. Through Mahindra Hariyali 0.95 million trees were planted which contributed to improving green cover and protecting bio-diversity in the country.

**5. Vedanta Ltd.**

The CSR portfolio of Vedanta has diverse projects based on 10 broad thematic areas running across various locations. The Nandghar project is the flagship initiative which aims at rebuilding Anganwadis to ensure health and learning of children in rural areas and for skilling and empowering women.

**6. Indian Oil Corporation Ltd.**

Indian Oil has been involved in various social development activities across the nation. Most of these projects are for improving the quality of life of the marginalized and underprivileged sections of the society. The key thrust areas of the company include Safe drinking water and protection of water resources, Healthcare and sanitation, Education and employment-enhancing vocational skills, Empowerment of women and socially/economically backward groups.

**7. Hindustan Unilever Ltd.**

Hindustan Unilever Limited (HUL), believes in long term sustainable growth achieved by reducing environmental footprints and increasing its positive social impact. The various CSR programmes of the company include Handwashing Behaviour Change Programme, Plastic Waste Management, Project Prabhat, Water Conservation Project, Swachh Aadat Swachh Bharat, Project Shakti, Domex Toilet Academy, Asha Daan, Sanjeevani and Supporting Healthcare.

**Activity 3**

What does Section 135 lay down?

.....

.....

.....

.....

.....

---

**9.7 SUMMARY**

---

In this unit you have read about the evolution of CSR in India. You read about how CSR evolved from being driven by charity and philanthropy in the 19th Century to CSR being a sustainable corporate strategy. You have also read about the four models of CSR present in India – The Ethical Model, the Static Model, Liberal Model and Stakeholder Model. You have also read about how Indian CSR shifted

from voluntary practices to a regulatory mechanism with the inclusion of CSR mandate in the Company's Act 2013. Further, the unit discusses some of the emerging trends that the CSR in India is expected to witness. Finally, the unit briefs about some of the CSR initiatives by few leading companies.

---

## 9.8 KEYWORDS

---

- Philanthropy** : The desire to promote the welfare of others, expressed especially by the generous donation of money to good causes.
- Schedule VII** : This provides a list of activities which can be included by companies in their CSR policies where the CSR spending can be done.
- National Voluntary Guidelines** : The National Voluntary Guidelines were laid down by the Ministry of Corporate Affairs to provide guidance to the companies to work in accordance with the national policies of inclusive growth and climate change.

---

## 9.9 SELF-ASSESSMENT QUESTIONS

---

1. Discuss the static model of social responsibility.
2. List out the emerging trends of CSR in India.
3. What are the characteristics of the third phase of development of CSR in India?
4. List down activities which can be included in companies CSR policies under Schedule VII of the Company's Act.
5. Elaborate on The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA).

---

## 9.10 REFERENCES/ FURTHER READINGS

---

Adopted from School of Extension and Development Studies, Programme Post Graduate Diploma in Corporate Social Responsibility, Course MEDS-051 Fundamentals of CSR, Vol 1, Block 4, Evolution and Concept of CSR, Unit3, Perspective in Indian Context, pg 54-68

Arora, B.& Puranik, R. (2004). A Review of Corporate Social Responsibility in India. Development. 47. 93-100. 10.1057/palgrave.development.1100057

Dadrawala, N. H. (2021, January 25). *Analysis of Companies (Corporate Social Responsibility Policy) amendment rules, 2021*. Centre For Advancement of Philanthropy. Retrieved September 8, 2022, from <https://capindia.in/analysis-of-companies-corporate-social-responsibility-policy-amendment-rules-2021/>

Fernandes, K. (2019). Top 20 Indian Companies for CSR in 2019.<https://thecsrjournal.in/top-indian-companies-for-csr-2019/>

Sood, A. and Arora, B. (2006). The Political Economy of Corporate Responsibility in India. UNRISD

Sundar, P. (2000). Beyond Business: From Merchant Charity to Corporate Citizenship. Indian Business Philanthropy through the Ages. Tata McGraw-Hill Publishing Company, New Delhi.

Sharma, J. and Gupta, S. (2019). 5 Trends that will Redefine CSR Sector in 2019. <https://www.entrepreneur.com/article/327657>



ignou  
THE PEOPLE'S  
UNIVERSITY