Corporate Social Responsibility: A Review of Literature and an Empirical Study

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Abstract

Corporate social responsibility (CSR) is a buzzword worldwide. Today many organizations are facing challenge of integration of CSR in business. Stakeholders expect some more from businesses organization than merely pursuing growth and profitability. In the year 1946, the Fortune released a story that said the owners of businesses were answerable to the outcomes of their deeds beyond a much wider scope than their bottom-line figures. This is the time when the term CSR was given so much focus. More than Ninety percent of the owners who read this, agreed to it. Bowen (1953) and Carroll (1999) have also highlighted in their research that the question is, as owners of businesses what kind of rational accountability do they have to presuppose towards the society at large? It was also defined by Bowen that, owners are expected to practice those strategies, resolutions and deeds that put them in an advantageous position and align their goals to all those important purposes which society holds.

Social Responsibility has also gained popularity in academics as well as practical propositions since it has been found that more than ninety percent of the top 500 fortune companies portrayed CSR as a very important goal and vigorously endorse their socially responsible programmes in their annual reports. As per the Legislative bill passed by the Indian Government, all topnotch organizations are obliged to contribute at least 2 percent of their proceeds to Social responsible activities. The concept of Corporate Social Responsibility (CSR) is old in India since many years. It arose from the 'Vedic period' when history was not recorded in India. In those days Kings had a limitation towards society and merchants displayed their own small business responsibility by building places of worship, education, inns and wells.

Key-words: CSR, Sustainability, Philanthropic Approach, Stakeholders.

1. Introduction

Corporate social responsibility (CSR) is also called as corporate responsibility, corporate citizenship, responsible business and corporate social opportunity is a concept whereby business organizations can thinks that the interests of society by taking responsibility for the effect of their activities on clients, providers, staffs, shareholders, societies and other stakeholders, as well as the environment.

According to The World Business Council for Sustainable Development, "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

CSR is an offspring of business ethics. However, business ethics is deal with moral values, while CSR concentrates on the social, environmental and sustainability problems than on morality. In the words of **A.P.J. Abdul Kalam** ─ Corporate decision making and policy making is connected to ethical values, compliance with legal requirements and respect for people, communities and the environment around the world. Corporate social responsibility is certainly a changing term that does not have a definition or a fully recognized set of specific criteria.

The Institute of Directors, UK (2002), ─ CSR is nothing but businesses and other companies going ahead of the legal obligations to handle the effect they have on the environment and community. This could involve how the companies communicate with their staff, providers, clients and societies where they operate as well as the extent, they attempt to save the environment.

The European Union (20042004), "A concept whereby businesses decide willingly to contribute to a society and a better environment, this is done by combining social and environmental concerns in their business operations and in their conversation with their stakeholders voluntarily".

Christina Keiner (2008), "CSR, as a definitional construct, aims at illustrating the connection between business and the larger society around it, and at redefining the role and obligations of private firms with that society, if deemed necessary."

2. Indian Scenario: Phases of CSR

India being a land of ethics has the richest tradition of CSR as compared to other countries. It has made CSR an essential part of the business curriculum but yet in needs to be spread more widely across the nation. This goal can only be achieved if company's adoptee productive measures, have clear objectives and undertake potential investments.

As CSR has been an old concept, we have 4 phases of CSR in India as per the historical data analysed on CSR.

In the initial phase of CSR Charity and philanthropy were the main key points of CSR measures. In 18th century influential merchant's use to build temples and distribute food for those who couldn't afford it. Also, big firm holds like TATA, Birla in 19th century took this forward without having any self-interest.

Second phase of CSR came in action at the time of independence. Our country was facing stress and Indian Industrialists also were asked to show their commitment towards the development of the society. At this point Mahatma Gandhi presented a notion of "trusteeship", according to which the businessmen had to manage their wealth in order to benefit the general public. Gandhi represented India industries as the temple of modern India and they built educational institutions to take the country forward.

In the third phase of CSR which accursed after independence, impacted the Mixed economy badly. Private sector in the country was given a backseat and the major control of economic and social development was forwarded in the hands of the public sector. The public sector undertaking ensured that the necessary resources are distributed equally among the entire population.

Current phase of CSR in India which began in 1980's changed the traditional CSR approach towards development. In introduction of globalization and economic liberalisation gave an excellent boast to the Indian economy. It helped India firms to grow rapidly and also made them meet the compliance set as per the international standards.

3. Corporate Social Responsibility – History and Empirical Evidences

The concept of CSR has a long and diverse past record. It is essential to find out the proof of the business group's concern for society for centuries. A literature review on different studies related to Evolution and Understanding of concept, Awareness, Motivation, Perception and Behavior, Reporting Practices towards Corporate Social Responsibility Practices in SME's specifically has

been made to recognize the current status of research on the topic. The brief summary of these studies have been given below:

Coldwell, D. (2001): The researcher has studied the tendency and beliefs of students towards CSR and what they expect out of it. The study concentrated on students from various ethnicities and cultures and their attitudes towards corporate social performance in South Africa. The researcher has tried to create a base for the development of a framework that can be connected to corporate responsibility and corporate reputation. An expectation of society as well as the relationship between Corporate Reputation and corporate social performance has been looked at through the researcher's point of view. It was found that there does exist a differentiation in the way students belonging to different races and ethnicities approach and have certain anticipations from corporate social performance.

Achua, C (2008): The authors begin by stating that students are the business leaders of the future and hence instilling in them the values of corporate social responsibility and sensitizing them towards it will develop the future of the society at large. The orientation of students towards social responsiveness has been studied. Demographic data was collected and it was found that student's demographic details such as age, gender, preferences, educational background did not have any influence on the inclination of students towards CSR activities. Research questions such as how a student's social sensitivity affects the responsibility of corporations, demographic influence, values of these students, providing assistance to others, exposure to natural calamities etc were tried to be answered through this study. Extensive research was conducted based on published research in the past. An experiment of sorts was conducted by raising a question to the students on what should be done with the proceeds generated from an entrepreneurship of the students. The question was whether to donate the money for a social cause or to divide the money among the students.

Data collection lasted up to three years; every student who took the survey had taken lectures and training on CSR during the tenure of their classroom teaching. Chi square test was applied to the collected data. It was found that among the total students who responded to the survey, only thirteen percent of students were of the opinion that organizations should not conduct CSR activities and donate charity for the benefit of social causes. It was suggested that students must be given lessons on the importance of being socially sensitive which will help them go a long way in finding their purpose as leaders in business organisations.

Helle Anderson (2008): Firms are always on the lookout for the best employers to work with since the successes of their organizations are directly proportional to the performances. This thesis had primarily concentrated on the views of management graduates from Norway universities on the

corporate social responsibility activities conducted by organizations and if it affected their probability of applying for jobs at such organizations, the researcher also tested if the students found such companies attractive compared to their counterparts. Students' preferred to join those organizations that offered management trainee roles instead. Companies that displayed good values, expansion and societal sensitivity caught their eye while taking a decision to join jobs over those that provided monetary benefits.

More than three hundred students responded to the questionnaire which was designed using a seven point Likert scale. Mean, standard deviation, one way ANOVA were the tools used for statistical data analysis. It was also found that they chose to pursue goals with an organization that demonstrated moral values aligned with their own service interests. Students will always make sure that the organizations they join are ethically allied and these factors should be highlighted by organizations for branding purposes when they encourage the finest employees to join them.

Kolodinsky, R.W., Madden, T.M., Zisk, D.S. et al (2010): The authors have tried to study the perception of students towards social sensitivity and corporate social responsibility using 4 factors. A philosophy framework was used to understand the association of ethics with social responsibility. Among the four concepts, the materialism concept depicted to have a pessimistic effect on CSR. This studied paved way for future studies related to students' perceptions towards the concept as well has given insights to future authors and academicians.

Being spiritual did not affect the perspective of management graduates towards the idea and implementation of corporate social responsibility activities. More than two hundred and ninety students responded to the survey, they belonged to different ethnicities and races and were studying at various American universities. Students from diverse specializations in management itself were administered the questionnaire. Demographic data as well as data related to the economic status was collected for analysis. The study was empirical in nature and one of its kinds; it can be used as a basis for further studies in the same field by both academicians and ardent researchers.

Li, Z., Pomering, A. & Noble, G. (2011): The authors have studied the views of Chinese and Australian students being educated in Australian universities. It is an empirical research. A well-structured questionnaire was designed to compare what students of different races and ethnicities understood about CSR and what was the impact on their thinking in terms of addressing social issues in business. They also studied what was their view on the social exchange of creativity that was happening there. Demographic data was collected; however, the study did not conclude any real significance and comparison between CSR views and demographics.

Burcea & Marinescu (2011): There has been a lot of discussion pertaining to adopting CSR practices by a lot of colleges and organizations and its importance in today's society. A lot of research has also been done related to the sensitizing of institutions with relation to their responsibility towards the society at large. The authors agree that the need for conducting CSR activities and adopting practices needs to be highlighted and making students as well as organizations aware is the need of the hour. The study also aims at analyzing the perception of students towards being socially sensitive and how adoption of them could lead to a better world to live in. Students from Romania, taking education in various colleges were targeted for the study.

The outcome of the study is empirical in nature and data was analysed using SPSS. A well designed questionnaire was designed and administered to the students who belonged to the said universities. It was found that students did perceive the necessity of conducting a lot of CSR activities and gave a lot of importance to them; they also took time to involve themselves personally to be a part of such activities.

The study was conducted in the year 2010. Typical open ended questions were also asked to the students and the frequency as well as percentage of the data was measured and analysed.

Seto Pamies et al (2011): In their study, the authors have chosen a few Spanish universities for the study, their websites as well as brochures were studied to analyse how many of the universities have incorporated subjects related to CSR or ethics in their curriculum. It was found that of the Sixty two universities, more than 11 universities that included the term CSR or ethics in their syllabus. A lot of past literature written on the subject was taken into consideration for in depth analysis for studying the research gap and choosing the most apt variables for their study. Public, Private and Catholic universities were studied for in depth curriculum analysis. It was found that very less focus is given to inclusion of CSR related subjects in the curriculum of the chosen Spanish universities. Results of the study were similar to the studies previously conducted in Universities over the world.

A time when all the management students from universities over the world would have undergone training on subjects related to CSR is still quite far away. It is also implied that a lot of management universities over the world should give priority to including CSR subjects in their curriculum and teach the topic of CSR as a strategic move towards business decision making and increasing brand image of the organization in the eyes of the society. It was also found that the concept of CSR is a very significant issue in the corporate world and needs to be addressed to students through cases and relevant literature in order to prepare them to take the most ethical and socially responsible decisions for the places they will build their careers in.

Gholipour, T., & Nayeri, M., & Mehdi, S., Mehdi, M. (2012): The authors have felt the need to do research on the concept of CSR and its awareness since it is one of the most strategic decisions from business as well as for the benefit for the society. This study was conducted using responses from business student in Iran. The need for making students aware about the importance of being socially sensitive has been highlighted. The authors also set out to conduct this research with a purpose to analyse what are the factors that determine the concept of social responsibility for a firm. Age, gender, Machiavellianism and relativism, religion and background were the variables used to define corporate social responsibility.

More than three hundred students responded to the questionnaire, they were Iranian students belonging to different years of their managerial education at the University. Stratified sampling technique was used for the data collected. More than sixty percent of the students did not have any prior work experience. There was no relationship found between CSR and demographical data however concepts such a relativism, Machiavellianism and religiosity did affect social responsibility. Similar results were found from students conducted aboard as well as in Iran.

González-Rodríguez, M et al (2012): A few of the research questions addressed by the authors in the study were whether students from various countries portrayed different values as per their cultural inclinations, did their demographic data and culture affect the way they approached CSR and did it influence their decision-making in terms of participating and supporting CSR activities. More than 1000 students from Poland, Spain and Bulgaria responded to the well-structured questionnaire. F test, K means cluster analysis and MANOVA were the statistical tools applied to the data that was collected from the students. This questionnaire was administered to students before they were introduced to the topic of CSR during the course of their study. From the study it was concluded that Polish students were found to be very positively inclined to CSR activities as compared to the rest of the two countries. Also, students were skeptical about the gains that such socially sensitive activities could provide to the community as a whole in reality

Herwina, Shamsul & Nuryusmawati (2013): The authors of the research paper have conducted extensive research on variables such as Ethical idealism, CSR, ethical relativism, materialistic value and spirituality in order to define the relationship between corporate social responsibility and leaders. Sample used for this study was students partaking in education in universities for the business management course. A well structured questionnaire was distributed physically, through online mode as well as through Facebook. Online social media platforms were used to increase response to the designed questionnaire in order to receive better impact reach of their study. The survey was sent to more than three hundred students of which a total of one hundred and

sixty six students took the survey. More than one hundred and sixty five students from the USA and one hundred fifty seven students from Hongkong responded to the well-designed questionnaire. Students who responded to the survey belonged to an age group of above twenty years of age and the students belonged to both first and second years of their management educational course. Students from Hongkong gave more importance to economic responsibilities as compared to their US counterparts. It was confirmed that people from different cultures respond to CSR in a different way. One of the variables from Hofstede's cultural value model was applied and found to influence the perception of students towards CSR through this study.

Fitzpatrick, J., & Cheng, J. (2014): The authors have stated that CSR activities are very relevant and have been acclaimed by the top executives in the corporate world. The supporters of corporate social responsibility believe that corporations have an obligation towards the community as well as the society at large other than their basic profit maximization propaganda. Data was collected using a well-structured questionnaire and statistical tools such as Variance, p value, mean, standard deviance and t stat were applied for the purpose of analysis. A five point Likert scale was used for designing the questionnaire. A correlation matrix was created based on demographic details such as age, race, gender, class, academic scores; spirituality etc was taken into consideration. Management Students from Hongkong and United States of America and their perception towards CSR was measured. Students from Hong Kong University were found to be less sensitive towards CSR as compared to students from the USA. The variable of spirituality was found to have more association towards CSR sensitivity and ethical behavior.

Kaifi et al (2014): The concept of CSR has gained a lot of momentum since times immemorial. It is always been said in the past that the students are future leaders of the world and hence the right values and ethics should be instilled in them during the period of their education itself. Studies have also mentioned that educating students on burning social issues and how to react to them need to be addressed and given a lot of importance to since this will instill in them the right values and ethics and prepare them for a socially responsible career. High quality research papers from aboard were studied for the review of literature part as well as for the designing of the questionnaire and selection of the right variables. More than two hundred students who were pursuing their management degrees were administered this well-structured questionnaire. Their response to the survey was voluntary and their dedication, thoughtfulness and insights towards social responsibly were studied. They were asked questions based on inferences and how they would behave in a certain situation if they were the managers of a particular company. Mean and standard deviation was applied to the collected data. Women were found to respond positively to social issues and were

found to be more sensitized towards them. Also, Generation Y students and students who were exposed to a good culture and background tended to respond positively to CSR activities. The implications of the study will pave way for further research on similar lines for students, academicians, researchers and policy makers.

Schmidt, M. & Daniel Cracau, D. (2015): The authors have attempted to study the perception of management graduates on topics such as corporate social responsibility and philanthropy. There was a comparison that was conducted on the students from different cultures i.e Qatar and Germany. A well-structured questionnaire was administered to both groups of students and a comparison of the results was done. More than two hundred and sixty five students responded to the questionnaire. They were asked questions related to variables such as ethics, law, philanthropy, economy and being socially sensitive organizations. It was found that students from Qatar were more inclined towards social responsibility activities whereas students from Germany were more inclined towards maintaining ethical standards in whatever careers they planned to pursue in the future. Extensive research was done by the authors based on innumerable studies on the same topic in the past. Females from both the countries laid lesser importance to economic activities as compared to CSR programmes. Also the perception of CSR as a topic was found to be different in different countries and individuals. A very comprehensive questionnaire was prepared using a lot of variables that were found during the in depth review of past literature. It was also found that culture does play an important role in the perception of individuals towards investment of time and energy in social causes. The authors also provided cues for further investigation by advising that the study could be taken to another level by analyzing what consumers perceive about those brands that invest in socially responsible activities and if it did make a difference in the way they looked at those brands either in a positive or negative manner.

López-Navarro, M. A. & Segarra-Ciprés, M. (2015): Preparing the management graduates on the importance of social issues should be given top priority since they are the leaders of the future generation. The study is based on the investigation of the attitude of students towards burning social issues and CSR. Students were also asked to rate companies and how they characterize them based on the stakeholders' point of view. Data related to demographics were also collected for the study.

Research questions for the study were designed based on a few variables that defined the viewpoints of students towards the selected topic. Students were also asked how education could influence the awareness of addressing social issues and choosing to become more socially sensitive. More than hundred and twenty students voluntarily participated in the survey that was accomplished in the year 2012. The well designed questionnaire was translated into Spanish for the students to be

able to comprehend the questions well and answer them to the best of their ability. The students supported the idea that companies are defined by the way they treat their customers and holding on to the finest talent who are presently working with them, they were also of the opinion that those companies who treated their employees and customers fairly were highly rated and preferred.

Similar results were found in studied conducted abroad. A five-point Likert scale was used in the questionnaire. ANOVA was used as a statistical tool for the study. It was also found that there was very less inclusion of topics related to social sensitivity in the current business curriculum of Universities at Spain, only few of the existing curriculums had a topic included on CSR in their syllabus, while others had it as an optional subject. Hence to add these in the subjects was recommended to Policy makers as these are current issues that need to be addressed worldwide

Berényi, L., Deutsch, N. (2017): The researchers have tried to study the insight of management graduates towards sustainability and CSR in two years. Data was collected for the periods 2014 and 2016 based on a few selected variables. Respondents belonged to both the genders. ANOVA was applied on the data that was collected from the Hungarian students. Simple random sampling technique was used. The study did find out differences between the way respondent belonging to different demographic details and also how well informed they are in terms of the term CSR. The researchers have tried to collect responses from students from these students because they believe that business students are the future leaders of the country and their attitude towards these two important topics is very important and needs to be studied to a varied extent. It was also attempted to check if there is a certain pattern towards the perception of these students based on a few factors.

Some of the respondents believed that participation in CSR activities would not be a solution to the problems of the world and that CSR could be put into practice only by those companies who earned huge volume of profits. Students who displayed lesser knowledge of social activities were found to be more ready for a social change and showed higher interest towards executing such activities. It was also found that the concept of social responsibility could have more possibilities with more innovative ideas put into practice. The study implied that more students and leaders should be influenced and motivated to implement CSR activities and that it should not be only a temporary phase to gain popularity.

Berenyi et al (2017): The authors have studied the student's perspectives on CSR during the period of 2014 and 2016. ANOVA was applied on the data collected. Students from various universities in Hungary responses to the well designed and structured questionnaire that included variables defining CSR. Demographic data was also collected for the purpose of identification of age, gender and other factors and their impact on their attitudes towards the said concept.

There was found to be a positive correlation between gender, age and CSR attitudes. Students also felt that only the largest organizations had the ability and strength to be a part of CSR activities. They also were of the opinion that implement CSR is quite difficult since it requires a lot of financial support and were in favour of making students and corporations about the importance of social responsibility as a factor for growth and goodwill.

Teixeira et al (2018): The authors begin with a lot of past definitions and previous literature that has been conducted on CSR. They have tried to study the beliefs of students related to CSR and the demographic viewpoint has been taken into consideration to lay emphasis on their beliefs. Demographic data such as educational qualification, age, work experience etc was taken into consideration while designing a well structured questionnaire to study the student's beliefs and viewpoints. As per the authors' beliefs, CSR does play an important role in shaping the futures of the community we flourish and toil in.

They also feel that awareness related to CSR has to be instilled in each and every individual who will become a part of the corporate world as well in turn a part of the larger picture i.e society. And hence they also insist that the influence for being socially sensitive will only begin when the students are taught about it in their curriculums and trained to be a part of such noble causes. There was found to be no positive association between demographic details and inclination towards socially sensitive causes. Data was collected from more than two hundred students. MANOVA, ANOVA and factor analysis was applied to the data that was collected.

Hadházi, B., Roland Filep, R., Ujhelyi, M. (2018): The authors have tried to analyse student perspectives towards social responsibility using various statistical tools such as Mean, standard deviation, t test on the collected data. Demographic details as well as ethical inclinations were also checked through a well-designed questionnaire. More than thirty variables were added in the questionnaire in order to judge the inclination of students towards CSR. A lot of previous research and questionnaires were referred to in order to create a workable framework, based on previously applied and tested models on CSR. The survey was administered to a sample size of less than fifty students who were pursuing their BBA course at the University.

The idea behind this study was to analyses the awareness and perceptions towards CSR since these students will go on to become future leaders of the country's organization. Students were also asked to rank the soon-to-be stakeholders of organizations through the questionnaire. The students agreed that being ethically correct was always in the interests of the long-term sustenance of any organization and that participating in socially responsible activities took firms a long way in their

business, their efficiency could also be judged by how much they invest towards community benefit and being ethically right in the society.

Galvao et al (2019): The authors go on to explain the importance of CSR activities and how certain data such as political inclination, religion, volunteerism, work experience etc influence what the individual thinks about corporate social responsibility. Data was collected from students in a Portuguese university in the year 2017 and the samples used for the study were both graduate and undergraduate students. More than 300 students took the survey, data was analyzed using the statistical tools such as ANOVA, t-test and correlation analysis. Cronbach alpha was also applied to the data collected for the purpose of refinement. Women were found to be more inclined towards CSR and ethics whereas men were more inclined towards financial independence. Religious students were found to be more inclined towards socially sensitive causes and the following of ethical behavior. It was also found that students who took part in volunteering activities gave importance to social causes and also charity for the betterment of the people who lived in less favoring situations. The study also addressed the need for inclusion of social sensitization in the students' university curriculums to develop their CSR perceptions.

Perkins, S. (2019): Demographic data was collected additionally to the variables used to measure opinion of stakeholders. More than 300 respondents from the UK were a part of the survey. A research framework was proposed based on the analysis of this study. Both ethical and legal implications were addressed separately. The idea was to not only judge what problems the stakeholders faced while research policies related to social sensitivity but also towards their apprehensions related to CSR.

People belonging to the United Kingdom were a part of this study, the authors tried to develop a model specially customized as per the requirements of the University since they are involved directly in the formulation of policies. The authors suggested that since this research contained responses from a limited number of individuals it could be further developed on a larger scale to assess and design a framework on a micro level for universities spread across the whole country as well as worldwide. They also suggested that in addition more stakeholders could be involved in order to get a better perspective of things from all angles.

4. Legal Framework of CSR

The Government of India has considered first time CSR issue in the issuance of Corporate Social Responsibility Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs (MCA,

2009). The significance of the CSR was discussed earlier in the context of corporate governance reforms, like in the Task Force Report on Corporate Excellence by the Ministry of Corporate Affairs (MCA, 2000). In the Voluntary Guidelines of 2009 it is include that the core elements of a CSR policy was spelt out that involved care for all stakeholders, ethical functioning, respect for workforces' rights and welfare, respect for human rights, respect for the environment and events to promote social and inclusive development. The Guidelines explicitly drew a difference between philanthropy and CSR activities, and emphasized the voluntary nature of CSR activities that go ahead of any statutory or legal 3 obligation. The National Voluntary Guidelines of Social, Environmental & Economic Responsibilities of Business, also issued by the MCA (MCA, 2011) had followed the Guidelines of 2009 in 2011. These guidelines were based on the inputs obtained from vital stakeholders 'a c ros s the country and laid down nine principles for businesses to operate in a responsible manner to promote inclusive fiscal growth at the national level. As in the case of the 2009 Guidelines, the 2011 Guidelines were voluntary in scope wherein corporates were asked to adopt all the nine principles, and to report their adherence to the guidelines based on an apply-or-explain 'principle. Remarkably, while one of the implementation strategies suggested in the 2009 Guidelines was to earmark - specific amount related to profits after tax, cost of planned CSR actions, or any other appropriate factor, no such suggestion was included in the 2011 Guidelines. The conversion from a voluntary CSR regime to a regulated regime came when the Securities Exchange Board of India (SEBI) required the top listed 100 companies, as part of Clause 55 of the Listing Agreement, to mandatorily disclose their CSR activities in the Business Responsibility Reports (BR Reports) accompanying the Annual Reports. This, SEBI opined was in the larger interest of public disclosure and represented a move towards integrating social responsibility with corporate governance. The grandest attempt at mandated CSR activities for companies came with the enactment of Section 135 of the Companies Act 2013 (MCA, 2013). India`s new Companies Act 2013 (Companies Act) has introduced several new provisions which changed the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility (CSR). Ministry of Corporate Affairs has recently reported Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CRS Rules) which has come into effect from 1 April 2014.

Applicability: Company Act- Section 135 offers the upper limit for applicability of the CSR to an organization i.e. (a) company's net worth to be Rs 500 crore or more; (b) company's turnover to be Rs 1000 crore or more; (c) company's net profit to be Rs 5 crore or more. According to the CSR

Rules, the provisions of CSR are applicable to Indian companies, and to branch and project offices of a foreign company in India also.

CSR Committee and Policy: CSR Committee and Policy: Every qualifying firm needs to spend at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company needs to establish a committee (CSR Committee) of the Board of Directors (Board) having 3 or more directors. The CSR Committee shall construct and propose to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenses to be acquired on the activities referred and monitor the CSR Policy of the company. The board shall consider the recommendations given by the CSR Committee and certify the CSR Policy of the company.

Activities under CSR: Eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, 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 such other matters as may be prescribed are the activities under taken by the company to accomplish its CSR obligation. The initiation of CSR provision in the Companies Act is a welcome step. All companies which satisfy the CSR criteria will have to undergo CSR activities under the new CSR regime during present financial year. This step will boost much required social projects with some professional management of the private sector. India is only first country to involve provisions on CSR in Company Law and make CSR expenditure compulsory for corporates based on pre-specified criteria. In the other parts of the world, CSR is even now a voluntary practice left to the discretion of the corporates. What is essential at most is the compulsory reporting of CSR activities undertaken by corporates in a growing number of countries, although this too is not the case across all countries.

5. Conclusion

Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its support to law, ethical standards, and international norms. Consequently, business should embrace responsibility for the impact of its activities on

the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. CSR-focused businesses should proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public, regardless of legality. In the past, many social workers have distrusted the market agencies and corporations. They have the fear of being co-opted by the corporate houses. On the other hand, even the corporations were adopting CSR policies without any real commitment. But the times have changes and there is a dire need now for informed social workers to actively participate in the CSR activities of the corporations. LEGAL NEWS AND VIEWS This will help us tap the resources and streamline millions of rupees for social welfare. Hence social workers should grab the opportunity and ensure accountability of corporation towards multiple stakeholders.

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