

# CSR EVOLUTION AND GOVERNMENT POICIES

# CSR- Corporate Social Responsibility

CSR is a concept whereby companies not only consider their profitability and growth, but also the interests of society and the environment



# CSR takes responsibility

For the impact of their activities on

- ❑ Stakeholders
- ❑ Environment
- ❑ Consumers
- ❑ Employees
- ❑ Communities, and
- ❑ All other members of the public sphere.





- ❑ Corporate Social Responsibility is what an organisation does, to positively influence the society in which it exists.
- ❑ It could take the form of community relationship
- ❑ Volunteer assistance programmes
- ❑ Special scholarships
- ❑ Preservation of cultural heritage and beautification of cities.

# CSR-EVOLUTION

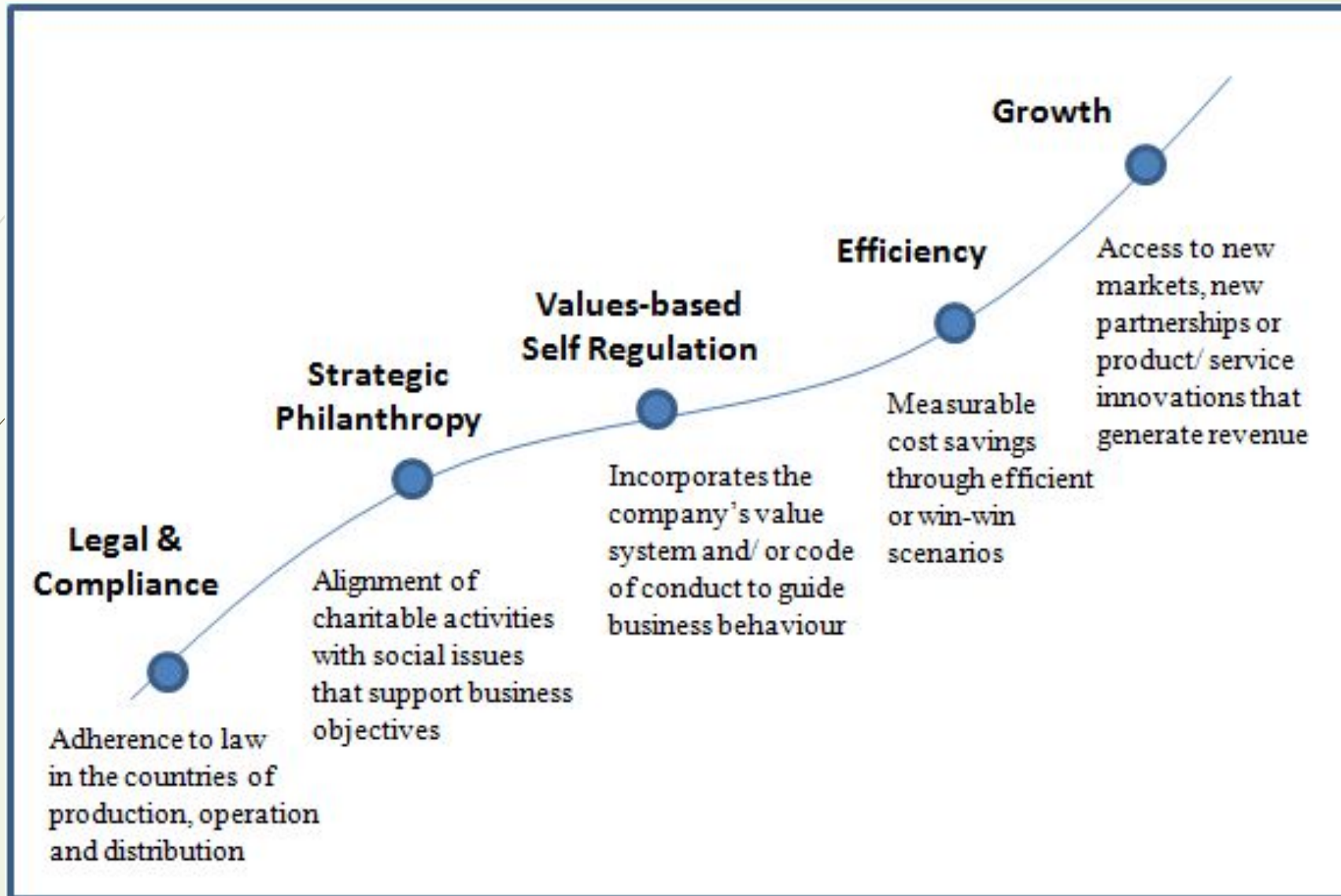
<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>	<i>Phase 4</i>
<i>1850–1914</i>	<i>1910–60</i>	<i>1950–90</i>	<i>Since 1980/90</i>
Pure philanthropy and charity during industrialization; corporation is responsible to owners and managers only.	CSR as social development during the independence struggle; corporation is for owners, managers, and employees.	CSR under the “mixed economy paradigm”; corporation is responsible to owners, managers, and other target environments.	CSR in a globalized world in a “confused state”; corporation is responsible to owners, managers, other target environments, and public at large.





## The Evolution of CSR







- CSR creates a favourable public image, which attracts customers.
- Organizations that perform well with regard to CSR can build reputation
- Brand equity, is founded on values such as trust, credibility, reliability, quality
- Employees like to contribute to the cause of creating a better society.
- Employees become champions of a company for which they are proud to work and consistency.



The internal activities of the organisation have an impact on the external environment, since the society is an interdependent system.

- A business organisation has a great deal of power and money, entrusted upon it by the society and should be accompanied by an equal amount of responsibility. In other words, there should be a balance between the authority and responsibility.
- Companies can better address the grievances of its employees and create employment opportunities for the unemployed.
- A company with its “ear to the ground” through regular stakeholder dialogue is in a better position to anticipate and respond to regulatory, economic, social and environmental changes that may occur.



# The Corporate Social Responsibility Voluntary Guidelines



Ministry urged the business sector to adopt the principles contained in the Guidelines for responsible business practices

The document also said that “after considering the experience of the adoption of these Guidelines by the Indian corporate sector and consideration of relevant feedback and other related issues,

The Government may initiate the exercise for review of these Guidelines and further improvement after one year.



## The Companies Act, 2013 has introduced the concept of Corporate Social Responsibility in India.

- It aims to promote greater transparency and disclosure.
- The Ministry of Corporate Affairs notified Section 135 and Schedule VII of the Companies Act 2013
- As well as the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from April 1, 2014.



- Notification making further amendments in Schedule VII was issued on August 2014 and Companies (Corporate Social Responsibility Policy).
- Amendment Rules, 2015 were released on January 2015.
- The Board of Directors shall make sure that the company spends in every financial year, minimum 2% of the average net profits made during the 3 immediately preceding financial years as per CSR policy.

# Corporate Social Responsibility Under Section 135 of Companies Act 2013

## APPLICABILITY

The provisions of CSR applies to

- ❑ Every company
- ❑ Its holding company
- ❑ Its subsidiary company
- ❑ Foreign company

Having in the preceding financial year

- ❑ **Net Worth > 500 Crore**
- ❑ **Turnover > 1000 Crore**
- ❑ **Net Profit > 5 Crore**

The Corporate Services Division delivers these responsibilities through several institutionalised bodies:

- Tata Steel Corporate Social Responsibility and Accountability Policy
- Corporate Social Responsibility
- Tata Steel Rural Development Society (TSRDS)
- Tribal Cultural Society (TCS)
- Tata Steel Family Initiatives Foundation (TSFIF)
- Tata Steel Skill Development Society (TSSDS)
- Education
- Medical Services
- Urban Services
- Sports Department

## Here are the Top 10 Indian companies for CSR in 2021.

Company Name	Amount (INR Cr.)
RELIANCE INDUSTRIES LIMITED	922.00
TATA CONSULTANCY SERVICES LIMITED	674.00
Infosys Limited	361.82
ITC LIMITED	335.43
WIPRO LIMITED	246.99
TATA STEEL LIMITED	221.98
HINDUSTAN ZINC LIMITED	214.04
HCL TECHNOLOGIES LIMITED	194.52
MAHANADI COALFIELDS LIMITED	168.44
COGNIZANT TECHNOLOGY SOLUTIONS INDIA ...	168.14





# Thank you!