

**A STUDY OF STRATEGIC EFFORTS TOWARDS CORPORATE
SOCIAL RESPONSIBILITY AND ITS IMPACT ON
ORGANIZATIONAL PERFORMANCE WITH SPECIAL
REFERENCE TO SELECT COMPANIES IN PUNE REGION
DURING (2008 TO 2013).**

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By

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I, Wg Cdr Deepak Bhalchandra Agte (Retd) , is the Ph.D.Scholar of the Tilak Maharashtra in Management subject. Thesis entitled --A study of strategic efforts towards corporate social responsibility and its impact on organizational performance with special reference to select companies in Pune region during (2008 to 2013), under the supervision of Dr. Pranati Tilak , solemnly affirm that the thesis submitted by me is my own work. I have not copied it from any source. I have gone through extensive review of literature of the related published / unpublished research works and the use of such references made has been acknowledged in my thesis. The title and the content of research is original. I understand that, in case of any complaint especially plagiarism, regarding my Ph.D. research from any party, I have to go through the enquiry procedure as decided by the Vidyapeeth at any point of time. I understand that, if my Ph.D. thesis (or part of it) is found duplicate at any point of time, my research degree will be withdrawn and in such circumstances, I will be solely responsible and liable for any consequences arise thereby. I will not hold the TMV, Pune responsible and liable in any case.

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Certificate

This is to certify that the thesis entitled **“A Study of strategic efforts towards Corporate Social Responsibility and its impact on organizational performance with special reference to select companies in Pune Region during 2008 to 2013.”** which is being submitted herewith for the award of degree of Vidyavachaspati Ph.D. in Management faculty of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by Wg Cdr Deepak B. Agte (Retd) under my supervision and guidance . To the best of my knowledge and belief, the work incorporated in this thesis has not formed the basis for the award of any degree or similar titled of this or any other university or examining body by him.

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Declaration by the Candidate

I hereby declare that the thesis entitled “ A Study of strategic efforts towards Corporate Social Responsibility and its impact on organizational performance with special reference to select companies in Pune Region during (2008 to 2013).” written and submitted by me is the record of work carried out by me during the period of 2011 to 2016 under the ablest guidance of Dr Pranati Tilak and has not previously formed the basis for the award of any degree, diploma, associate ship , fellowship , titles in this or another university or other institution of higher learning.

I further declare that such material as has been obtained from other sources has duly been acknowledged in the thesis.

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Abbreviations

AIDS Acquired Immunity Deficiency Syndrome

Appx Appendix

ARDE Armament Research and Development Establishment

BOD Biochemical Oxygen Demand

BOP Balance of Payments

CEO Chief Executive Officer

CFP Corporate Financial Performance

CFC ChloroFluoroCarbon

CM Chief Minister

CMD Chairman and Managing Director

CNG Compressed Natural Gas

CONCOR Container Corporation

CPCB Central Pollution Control Board

CSP Corporate Social/environmental performance

CSR Corporate Social responsibility

Dept Department

DG Director General

FDI Foreign Direct Investment

FI Financial Institutes

HIV Human Immunodeficiency Virus

Govt Government

HFC HydroFluoroCarbon

IJCS International Journal of CSR and Sustainability

IR Industrial Relations

IT Information Technology

ILO International Labour Office

LED Light Emitting Diodes

MIDC Maharashtra Industrial Development Corporation

MSMEs Micro Small and Medium Scale Enterprises

MNCs Multi -National companies

MNEs Multi –National Enterprises

MSG MonoSodium Glutamate

NCL National Chemical Laboratory

NTPC National Thermal Power Corporation

N.Delhi New Delhi

NGO Non Governmental Organization

PR Company Public Relations Company

PAT Profit after Tax

PM Prime Minister

R&D Research and Development

SD Sustainable Development

SMEs Small and Medium Sized Enterprises

SRI Stanford Research Institute

SSRN Social Science Research Network

TBL Triple bottom Line

TV Tele Vision

UN United Nations

UK United Kingdom

US United States

UNEP United Nations Environmental Programme

UNCED UN Conference environment and development

WBCSD World Business Council for Sustainable Development

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Executive Summary

Business and the society are inseparable from each other. A definite relationship exists between business and the society. The binding factor between them is an unwritten social contract. Until few decades back, a concept that business exists only for creation of wealth flourished. However, in later years, it was realized that business creates job opportunities for society and in turn society provides an environment conducive to the business. With the matured industrial growth, it was realized that business depends largely upon the community in which it operates. In return, society also expects business to make its contribution to the community and the environment in which it carries on with its operations. Business is meant to provide the necessary goods and services and in turn, employment opportunities to the members of the community. Thus a symbiotic nature between business and the society is established. However a question arose whether this relationship enhances the operational performance in a given organization! The present research has foundation of this relationship.

Scope of study : The covering period of the thesis 2008 -2013 had ‘no law passed on Corporate Social Responsibility’. It was this period which was chosen to check when industries would have carried out the Corporate Social Responsibility activities under their own volition for the reasons best known to them !

However, during this period, sufficient atmosphere was created for impending bill on Corporate Social Responsibility to be passed in parliament. There were seminars and talks conducted by Central / State Government officials.

Taking this cue, the scope and study was decided and was undertaken with the title -

A Study of strategic efforts towards Corporate Social Responsibility and its impact on organizational performance with special reference to select companies in Pune Region during 2008 to 2013.

Strategic efforts allow an organization to be more proactive than reactive in shaping its own future. Corporate Social Responsibility (CSR) is fairly a modern strategy to reduce investment risks and maximize profits. All the aspects of CSR and Sustainable development are discussed with minute details. Nuances of Sustainable development (SD) are also brought out because CSR and SD are two sides of one coin.

The research period happened to be that prior to enactment of laws in Corporate Social Responsibility when there was upheaval in the industrial arena. The targeted industry in that period remains a mix of large scale and MSME (Micro, Small and Medium size enterprises) in Pune region. Descriptive type research design was employed.

Relevance and Justification

CSR activities depend upon the psychology, willingness, empathy and the awareness of the top management. Their ideas, concepts, leadership, work ethics and approach guide to achieve a long term perspective.. During 2008-2013, it was not mandatory to undertake CSR activities. In this period, impending CSR laws were discussed and the management remained unsure whether the law would make inroad. Incidentally, India remained the only country to pass CSR Act. Thus this period remained crucial. More with ground realities, the refinement in Act or rules would be expected with passage of time. Thus this period remained quite relevant to undertake study with lot of question marks.

Whether organizations would derive any advantage in terms of tangible or intangible measures remained a moot question. Intangible advantages would cover customers' satisfaction and faith, suppliers' confidence, stakeholders renewed interests etc. On the tangible count, company may receive more orders or get better profit margins and even remain steadfast in fierce business competition.

Limitations of the study

- In-ordinate delays and reluctance on part of organizations to respond to researcher's request led to wastage of time during the survey.

- Important industrial area is represented adequately. Due phenomenal growth of industrial sector in and around Pune, researcher had to restrict the movement to distant companies considering time and money constraint.
- Industries under MSME sector either ignorantly got involved in CSR activities. They either did not know their benevolent activity to be labeled as Corporate Social Responsibility! Against this, large organizations made it a practice to publicize their performance about CSR officially. They stuck to their gun and did not want to further elaborate upon beyond publicized data. Thus data lacked homogeneity while acquiring.
- Reluctance in parting with organizational data attributable to Corporate Social Responsibility by some organizations was also observed. Thus qualitative inferences may not be accurate.
- Benefits from Corporate Social Responsibility activities cannot be measured quantitatively. Profits in terms of rupee value under Corporate Social Responsibility activities cannot be judged Hence, direct financial performance in money terms was excluded.

This analytical study will offer insight into relevant organizational performance of companies in Pune region attributable to CSR activities.

Keywords: Corporate Social Responsibility, Sustainable development, community , environment, Intangible advantages, stakeholders.

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Chapter -1

Introduction and Statement of Research problem

Title of the thesis-

A Study of strategic efforts towards Corporate Social Responsibility and its impact on organizational performance with special reference to select companies in Pune Region during 2008 to 2013.

1.1 Overview:

Corporate Social responsibility (CSR) is taking world business by storm. For past several years Corporate Social responsibility (CSR) has been the main theme of World economic Forum at Davos in Switzerland ^{1.1} . It is, therefore, pertinent to understand the term- Corporate Social responsibility (CSR). At this stage, ignoring the definition of the term, ' CSR' in broad terms can be explained as 'the continual commitment by business to behave ethically and contribute to the economic development while improving the quality of life of employees as well as the communities and societies at large.'

In India, the essence of social responsibility appeared nearly 2500 years back. Kautilya in his 'Arthashastra ' directed merchants to undertake social responsibility towards the society. In the Western world, the idea about CSR traces back to 1960s, when issues such as the civil rights movement and environmental activism became part of public debate. In 1972, at the United Nations Conference on Human Environment in Stockholm, Sweden, the representatives debated upon balanced approach of business activities and their impact on the community. The novel idea of CSR was cultivated primarily in the

western world. Thereafter, as per *Crane, A., Matten, D. and Spencer, L. (2008)* it is observed, that the rise of CSR was prominently in Europe and followed by Far Eastern countries, such as Japan, Korea, and Taiwan in recent years^{1,2}. It was accentuated in American society, which was known for having free labour markets, offering more freedom and responsibility to individuals and further the well cultivated procurement businesses in other countries (ibid).

The social issues like education, healthcare gained more importance in CSR in those countries. It is observed that industries and universities were having close relation. If something was discovered or invented by university students, the industries cashed in upon it and simultaneously rewarding the academia. In present era, trend is still continuing more or less in the same manner. New techniques found in industries are sent to universities for inclusion in their curricula of sciences /social sciences.

It is seen that globalization has brought in mentality to undertake corporate social responsibility. With the passage of time, the boundaries between domestic and foreign industry have obliterated. Corporate companies started viewing CSR activity to meet both political and economic goals. Multinational companies donned the mantle that of a state and started behaving responsibly. This offered them a tool to protect their image in public.

To begin with, MNCs with their home base in either Europe or developed countries such as Japan, Korea in the Far East were self driven to undertake CSR activities (*Crane, A., Matten, D. and Spencer, L. (2008)*). To certain extent they undertook CSR activities in underdeveloped countries. The reason to undertake CSR activities in underdeveloped countries was due lack of proper governance by the local governments. They were devoid of rendering public services such as dispensaries, hospitals, schools, human rights protection, employment, dignity of labour, labour laws, child rights and environmental protection etc. Some of the developed nations underwent a sea change in their pursuit of welfare

schemes and governance structure. The United Kingdom underwent liberalized labour laws and capital markets. Some public companies such as British Overseas Airways Corporation (later British Airways) were privatized. Such privatizations of public companies in the UK to become more responsible towards local marginalized communities.

The Japanese 'Keiretsu', the Korean 'Chaebol' (public enterprises) besides Taiwanese Industrial giants adopted CSR practices similar to European companies. This addressed life-long employment benefits, social services, and healthcare just to begin with!^{1.3}

In Australia, (ref. Australian Human Rights Commission)^{1.3a} companies have been made responsible to address and uphold rights of the aboriginal generously. Similarly, in South Africa, companies now have been made responsible to wipe out apartheid, thereby empowering black people economically where earlier local whites carried upper hand. Similarly, in India, scheduled tribes and scheduled casts are given reservations in government jobs as well as PSUs.

Business and the society are inseparable from each other. There exists a definite relationship between business and the society. The binding factor between them is an unwritten social contract. There exists a concept that business is meant only for creation of wealth .However, subsequently, it was realized that business creates job opportunities for society and in turn society provides an environment conducive to the business. With the matured industrial growth, it was realized that business depends largely on the community in which it operates. In return, society also expects business to make its contribution to the community and the environment in which it is carrying on with its operations. Business is meant to provide the necessary goods and services, and, in turn, employment opportunities to the members of the community. Thus there remains a symbiotic nature between business and the society.

The primary role of a business in the society is to undertake production functions, maintenance function, adaptive function and managerial function while pursuing economic function. While countering the challenges of many a functions of business, it has to discharge social responsibility. Another role of business is also to keep the environment safe and clean while undertaking the necessary operations to the business going. In other words it has to have sustained growth over a long period of time i.e. Sustainable Development (SD).The environment includes air, water, land, soil, forests, flora and fauna around and in fact whatever nature has gifted us in its pristine form!

The Indian Government has issued Revised CSR Guidelines for Central Public Sector Enterprises (ref. Appx 'D') effective from 01st Apr 2013 which are spelt out in Chapter 1 and para 1.2.2 stating that – as per the international practices, in the revised guidelines CSR and Sustainable Development have been considered together in a single set of guidelines for CSR and Sustainability.

1.2 Difference between Philanthropy and Corporate Social responsibility

The meaning of philanthropy is the desire to promote the welfare of other people by donating handsome amount or goods or services for noble purposes. It has a tinge close to Corporate Social responsibility but not the same. In fact , as per Jorina Fontelera , philanthropy is a slice of the larger Corporate Social responsibility pastry.^{1.4}

There is a slight difference between philanthropy and CSR. The philanthropy does not carry along the responsibility which is worded in CSR. It can be carried out as and when it is convenient. There is nobody to question the performer of charity although their intentions remaining noble. On the other hand Corporate Social responsibility has to have sustained efforts, judging the impact of the noble efforts. It does not differentiate class of persons when it comes to community. But philanthropy may be in the form of charity to temple or buildings

in the premises of temples like dharamshalas or places of worship or blind persons or orphans or et al but not community as a whole.

The above fact emerged while surveying the units in Pune region. However, researcher took into account only the fair intentions, true values and importance of the right attitude of companies. It was thought to be prudent as to treat the terms CSR and philanthropy at par this time since the intents of companies were found to be noble. Therefore, integrity of their feelings should not be doubted.

1.2.1 Hidden roots of CSR Movement

Slow but steady strides in the direction of CSR activity date back to nearly two and a half centuries in the western world. It is seen in a chronological sequence of development of industrial world. Therefore, before discussing the term CSR, it is pertinent to dig into the history of inception and growth of industry. Western countries underwent a two tier industrial development. This history could be divided into two logical parts with the gradual advent of technology in industries. Thus, the foregoing paragraphs cover vital points right from evolution of industry, its further growth in the world as also the early inception approach towards CSR, introduction to CSR and role of industries in India.

1.2.2 History of development of industry

The Industrial revolution in the western world was a period of change and transformation of technology – starting from hand-made items to machine made items and thereby mass-production of goods. This change brought in both positive and negative effects in the social life. The period, covering almost two centuries, brought in transformation. It also percolated in arts, literature, music, architecture and even government's functioning. The period could not escape the wrath of pollution due to industrial development. It also could not escape from the deteriorating working conditions of labour class. Undesirably, it increased the

number of workingwomen and children who were not the party to generation of money ever before.^{1.5}

As mentioned before, there were two distinct periods in industrial revolution. The First Industrial Revolution was regarded to be from beginning of 17th century.^{1.6} During n this period, steam engine , flying shuttle , spinning jenny, spinning mule, power loom, cotton gin, steamboat, rail service were invented . In the spread of the industrial revolution, steamship service, Bessemer converter, open hearth furnace came up and drilling of commercial oil well took place. The Second Industrial Revolution mainly revolving around Electricity and Chemicals between1875-1905. The Second Industrial Revolution period is not a water tight compartment and overlaps with the First Industrial Revolution period. The second industrial revolution primarily utilized electricity generated by steam engines. Advent of telephone and telegraph improved communications. In this period wireless communication, light bulb, diesel engine, airplane was invented.

The First Industrial Revolution brought in changes mainly in textile industry. Spinning Jennies and the power looms accelerated the cotton textile production. Materials like steel and iron which were not vogue until then were introduced in this period. Using coal further accelerated the growth.

Prior to the first industrial revolution, England's economy was totally based on cottage industry. The industry was owned and managed by one or more persons. These owners maintained good relations with the workers. Employee and employer relationship was well maintained until it got shattered by capitalism later. Progressively cottage industries were taken over by the factory system.

With the advent of factory system, a new labour class was introduced, bringing in specialization and the division of labour. New relationships got established between employers and employees. The new working system brought in political changes as wealth changed hands from the feudal people to manufacturers. Industrial Revolution also led to a great social change. This was due to internal migration from villages to towns, and thereby triggering the growth of denser urban areas.

From the view of social reforms, during this period, Socialists like Robert Owen (1771-1799) ^{1.7}, tried to improve the quality of lives of people. His reforms changed the working hours in industries to eight hours of work, eight hours rest and eight hours of entertainment. His reforms encouraged an increase in pay to the workers, and barred children below eleven years to work.

1.2 .3 The Early approach in CSR

The British economy underwent a sea change in the late 18th and early 19th centuries. Technological innovation, agricultural development, improvements in communications, growing trade, the increased consumer demand, labor supply and rising population enabled Britain to develop economically. ^{1.8}.

The shift from agricultural economy to industrial economy in Britain brought in host of changes in the pattern of economic life of people. The working conditions deteriorated, and there was a rise in pollution levels. Between 1760 and 1815, seven million acres of land was taken over by British Parliament, under 'enclose' awards. Locals had to give up their own share in enclosed common land. This process was known as 'enclosure'. ^{1.9}

1.2.4 Urban development and collapse of older communities

The brunt of the technology and the influences of 'Enclosure' movement resulted in exodus from rural to urban areas. Consequently, steps were taken to reduce the need for labor on the agricultural land. There was a greater focus on land ownership combined with diverse crops, new techniques in husbandry. The result of migration led to the growth of cities like Bradford, Birmingham, Manchester and Cardiff. This helped Britain to grow from a country of villages to a nation of cities. By the middle of the nineteenth century, migration led to the growth of these cities. In these cities, the combination of labour mobility shifts in ownership pattern and population pressure reduced the sense of 'responsibility'

for others. Also the rapport between the individual and the community was broken. This further led to a rift in the older and rural communities.

1.2.5 Other side of rising wealth in Britain

The factors mentioned in the previous paragraph brought in Victorian capitalism into existence. Britain experienced a rapid growth in wealth in the early part of the century against Europe and Germany. However, the side effects like decline in working conditions, increase in pollutants in the air, etc rose. Unfortunately, the wealth of owners and their activities gave scope to raise eyebrows about their sheer money power, their motives and business methods.

Although there was a rise in the per capita income, there was a vast difference between a worker class in factories and a labour class on farms. Factory worker's income was almost double than those working as farms.

The positive effects of re-allocation of wealth and power were spoiled by unemployment and recession. The wealth of the owners and their activities led to suspicion about their power and their motives behind their actions. A general notion lingered on the minds of people that the concentration of power could threaten the state and allocation of resources. The corporations were suspected to threaten the freedom of citizens. It was felt that the people were in danger from organized money. It was also thought that business class had no 'conscience' and was focusing on increasing power of their ownership.

1.2.6 Changing role of British Government

The new labour classes faced many problems. Their umbilical cord was cut from traditional support from earlier agrarian communities. Government's intervention was to a minimum level since the citizens of Britain played a major role in upgrading Britain into a powerful nation.

In subsequent years, Monarchs like Henry VIII and Elizabeth I introduced legislations against traditional 'enclosures'. In the eighteenth and nineteenth centuries, the focus of government policy shifted. The need for reforms prompted governments to support agricultural community. Between 1760 and 1850, the legislators were involved in removing government rules and regulations on the economic activity. The government limited its role to defense, prevention of oppression and few public works. Improvements in manufacturing commercial and economic skills formed the core of real power. At the same time efforts were made to educate the new leaders about 'a moral thoughtfulness', which would help them to take the right path. This perhaps was the beginning of corporate social responsibility without the very words in the place.

1.2.7 Improvement in British laws helping social responsibility:

The idea about social responsibility went on improving year after year in Britain. Laws enacted thereby were the result of the observations of the conditions in order to give message to new businessmen that they required to follow a more responsible approach to the needs of the workers and the communities. The major enactments of British laws are as given below :-

In 1788, Britain passed a Humanitarian legislation to protect chimney sweeps from exploitation of children focused as 'climbing boys'. Unfortunately, minimum age as 8 was specified. But the law was never enforced. Minimum age was made 16 only in 1840. *(Source: Wikipedia)*

Factory Act 1802 required magistrates to appoint inspectors to inspect mills and report on their findings. It was to control the working conditions of destitute and poor children.

Passenger Vessels Act, 1803, was to control the transportation of migrants and to protect them on board ships from exploitation in work .

Mines and Collieries Act 1842 prohibited all females and boys under ten years old from working underground in coal mines.

Public Health Act 1848 was for provision of sewers, removal of all garbage from houses, roads, provision of clean drinking water and the appointment of a medical officer for each town.

1.2.8. Social responsibility -An approach through religion

In Britain, religion played a significant role in influencing attitudes and actions during Victorian rule .There was a variation in the practice of Christianity, especially between the Catholicism of the Irish migrant and the Quakerism. ^{1.10}.

However, Quakers, the nonconformist section of religion, played a vital role in defining and upholding the values of the new entrepreneurs. The well-known families such as Whitbreads and the Trumans in brewing industry , Lloyds and Darbys from iron smelting and merchandizing, Barclays and Lloyds in banking sector, Cadburys and Rowntrees from confectionery sector , Pilkingtons in glass making sector were all non-conformists and Quakers. Similarly Wills and Players in cotton and tobacco sector were Quakers. Their religion introduced many important features to in industrial sector.

Industry and wealth were tackled in different ways from the standpoint of their religion. Their religion gave them a strong sense of community. The emphasis was laid on the responsibilities associated with wealth and success.

The idea about social responsibility was different in those years. Under this concept, the poor class was given guidelines to improve themselves. The vices such as drinking alcohol, leading lazy life and turning violent turned out to be distinguishing qualities of the labour classes. These classes were dotted to be nonchalant, brutal and morally corrupt.

The notion that -‘self improvement leads to success ’- was the concept of entrepreneurs and upheld by the Victorian approach. However, in the nineteenth

century, this concept was changed by many political and economic movements with social reforms.

New leaders from the entrepreneurial class tried to incorporate a way of thinking, which would help organize labor and build communities. The leaders from entrepreneurial class believed that corporate responsibility means finding a new form of incorporation.

1.2.9 Setback for industry during Great Depression in the Thirties

The great economic depression of 1930s affected the then existing system of business ^{1.11}. The depression was very severe. The activities of businessmen were largely responsible for the problems faced by industrial nations for this depression. The decline of prices on the New York Stock Exchange on Black Thursday reflected the limitations of power of the new corporations.

The World experienced a new economic order due to the industrial revolution. New sources of wealth and power emerged. There was an upsurge in industrial output, population, power motivated individuals. Entrepreneurs and communities started realizing to understand their operations ranging from steel to rubber. These businesses needed skilled operational talent and managers. Diverse projects such as Henry Ford's 'Placeship' and the Mayo Clinic ^{1.12} reflected the dreams and ideas of the entrepreneurs. However, their power and authority was challenged by war, recession and political change.

1.2.10 Remedial measures to combat the Great Depression

As a consequence of the Great depression, ^{1.13}, a much desired major change in US was brought about by President Franklin D. Roosevelt who was inclined for governmental intervention to tackle social and economic grave issues.

Belief of people showed developments at various other parts of the world and implied that different forms of corporate action should satisfy the changing responsibilities.

E.g. the working of the Scottish council for development and industry reflected the will to change responsibilities. Its aims were:

- To reorganize existing resources supporting industrial development and job creation in Scotland;
- To support government and other remedial action;
- To encourage firms to locate in Scotland;
- To create a climate for growth and prosperity;
- To remove myths and misinformation about Scotland and its economic prospects.

Similar initiatives were implemented across Britain. A few of them were developed quickly and a few were able to survive and adapt to the Scottish council resolutions.

In Europe and North America, employees depended on philanthropic employers. To tackle community-wide problems created by economic change, there were many attempts. This in turn resulted in mobilizing the resources of the community.

1.3 Boost to economic growth after World-War II

After the Great Depression, The World War II devastated many a regions and made it necessary to review the relationship between industry, the state and the community. For example, socialist economic planning in Britain, the US Marshall Aid programme ^{1.14} in Europe and Mac Arthur's reconstruction programme in Japan in 1949 were based on specific assumptions about the relationship between industry and the state. These programmes left an impact on their respective roles within the community and the role of corporate responsibility. Many felt that the programmes would be helpful in waging wars against poverty, unemployment and social injustice.

The U.S. economy experienced strong economic growth in the post-war period. There was a rise in consumer demand. The nation's gross national product

increased from about \$200 thousand million in 1940 to \$300 thousand million in 1950 to more than more than \$500 thousand million in 1960.

1.4.0 Role of Business

The Nobel Laureate and economist Milton Friedman ^{1.15} expressed his opinion about role of business that the only social responsibility of business is to use its assets and increase its profits while engaging itself in open and free competition without deception or fraud.

However, almost after four and half decades of CSR idea fructification, business units are now expected to shoulder much more social responsibility. The effectiveness of a business entity depends on its ability to develop itself into a social organization. Corporate social responsibility and accountability are considered to be an edifice for any business entity. As a result, besides economic function business entities have been entrusted to perform many roles in society. These roles are enumerated as:

- Financial role
- Economic and production role
- Maintenance role
- Adaptive role
- Managerial or political role
- Social role

However, from the context of Corporate Social responsibility (CSR) and Sustainable Development (SD), following relevant abovementioned roles are discussed in detail:-

1.4.1 Economic and production Roles :

The roles related to the creation and maintenance of wealth is referred to as economic and production roles. This includes production and manufacture of goods, services, distribution of the goods and bringing novelties in the market. Manufacturers, distributors, retailers, service providers etc are associated with the

economic and production roles. The companies, during the operations try to please shareholders by offering full advantage on returns. Some companies capture other companies by buyouts, mergers. They even resort to unfair practices like market manipulation through monopoly. Ethical and economically responsible corporation has a responsibility to refrain from oligopoly, cartelization with other corporations and due manipulation in the market.

1.4.2 Environmental Roles

Environmental laws and agencies are necessary to curb certain unethical practices. Most companies are finding ways and means to bring down pollution by their business units. This is essential to display a company's desire and will to carry out corporate social responsibility. Companies are expected to assume self-regulations so that a business goes on alongside corporate social responsibility. Most of the industry associations are finding environmental measures to be put into practice. Towards this, companies have to work on spelling out detailed course of action. These actions have to become a part of a company's everyday practice. Environmentally responsible businesses, non-profit organizations (NGOs) and activists are coming together to evolve a strategy in giving shape to ideas.

1.4.3 Social Responsibility Roles

A business is said to be socially responsible if its treatment is unbiased to employees, customers, suppliers and community. From employees' point of view, a business is said to be socially responsible¹⁻¹⁶ if it is not discriminating women, minority groups and the disabled employees and have equitable treatment to all its employees. Social responsibility also includes providing employees with a safe and healthy working conditions It would display its will of becoming socially responsible company by involving itself in activities like providing healthcare, promoting education or civic amenities to communities. Companies which are voluntarily undertaking social responsibility and sustainable development and have got policies in black and white are becoming praiseworthy and achieving

international reputation. In order to become socially responsible company it has to observe certain qualities like honesty, integrity, be genuine and then only gain status. These values must be reflected in the company's policies and procedures. The majority of multinational companies that generate their earnings outside their home country spend only a small percentage of their earnings in the communities they operate in.

Some large corporations in recent past have brought disrepute to the business due to unethical practices in labour. e.g. Nike was getting sports products through outsourcing. However, the agencies involved were independent subcontractors from different countries in which regards for wage norms and proper working conditions were not observed. The subcontractors of Nike employed even children as young as 13 years as workers, who earned as little as 10 cents per hour. They even worked for up to 17 hours daily in an enforced silence. When this was unearthed, Nike came under severe criticism from labor organizations. The average salary for a Nike contract worker in Indonesia was \$2.60 a day which was poor by all standards^{1.17}.

Such ill-conceived activities show an organization's total disregard to human rights in the community in which they work.

1.4.4 The Managerial or Political Roles

Business is expected to have regard for human rights. It should not suppress basic freedom of speech, association, etc. In some countries, businesses get setback because of the violation of human rights. The primary responsibility of any business is to operate efficiently for its economic growth while respecting the interests of the stakeholders. It should become more proactive in finding solutions to global environmental and social issues. In developing countries, the businesses should cooperate with local governments. A business should create a framework and policies which are compatible with corporate social responsibility. There are many examples of companies violating human rights and social principles blatantly. In short, businesses should share some responsibility that of a government for the welfare of a society.

One amongst them is a classic example of ‘Shell Company’, Nigeria, in which it was observed that the company exploited labour, caused environmental destruction and violated human rights.

Shell Company started extraction of oil from the Niger Delta since 1958.^{1.18} It was given liberal permission to extract large quantities of oil as much they could. While taking away oil, high-pressure pipelines had been laid above ground through villages and farmlands without necessary permissions. On top of that lots of spills from these pipelines damaged the eco-system. Rivers, lakes and ponds were polluted with oil. Canals were permanently damaged and affected ecosystems in the vicinity. This led to spread of cholera through drinking water.

Gas flaring and the construction of flow stations near communities led to severe respiratory and other health problems. Exploratory and other works devastated more rainforest, mangroves in the estuaries of the Niger Delta. The laws under which Shell operated were unjust and brutally repressive.

In connivance with local military it violated fundamental human rights of local Ogoni people. They curtailed right to freedom of speech and congregation. Shell repeatedly requested military presence to guard their installations. As a result much of the Delta got militarized since April 1994. Shell received worldwide attention for their involvement in the unfair trial and execution of the writer and TV anchor Mr. Ken Saro-Wiwa and 8 other Ogoni people. This is a classic example of business getting into the nexus of government and carrying out managerial function coupled with political function in a bad light.

1.5.0 The Indian Industry and The Phases of CSR Development

Social Responsibility of a business is not new to our country. It is only a shift in focus from earlier social and philanthropic practices to CSR^{1.19} and ^{1.20}. Whenever famine conditions prevailed, the leading businessmen used to open their godowns and barns for people to take away grains and food. They used to even provide financial assistance to the needy. This propagated the life in those years. This role has been taken over now by the governments.

In the 16th century, Indian merchants didn't have the Indian market entirely to themselves. They had to depend upon others. During this period, they required tie up with East Indian companies. Later, during First World War period businessmen like GD Birla, Kasturbhai Lalbhai, et al ^{1.21} made huge profits and reinvested them in setting up new industries. An unorthodox approach propounded by Mahatma Gandhi upon tradition of 'Trusteeship' in 1931 changed the minds of corporate leaders such as GD Birla and Jammalal Bajaj to adopt the same. This was the inflexion point from where the beginning of philanthropic activities in Indian corporate can be traced.

The early example on forced CSR is seen and cited by Sweta Singh ^{1.22}. Till the end of 17th century Virji Vora was one of the most powerful persons in the country's commercial sphere. He used his financial prowess and intimidated merchants in the country. He occasionally, in connivance with other merchants like Haji Zahid Beg, stockpiled (hoarded) enough of vermilion (sindur) & quicksilver (mercury) in large quantities to get windfall profits. During 1850's the cotton trade brought enormous wealth to the merchants in the city of Bombay. Having taken a stern view, the then Governor of Bombay directed merchants to use a small part of their wealth for improvement of the city. This prompted the merchants to donate part of their wealth for construction of public buildings like hospitals, libraries, and training institutes. Few merchants opened higher education institutes for higher education.

Amongst them, one Kasturbhai Lalbhai, a Jain businessman became popular as philanthropic legendary. He was founder of Indian Chemical Industry. In March 1952, he set up a new chemical plant in Shimla called "Atul". He employed local illiterate villagers, who he trained and built neat little homes for them.

Without the mention of Tatas the thesis will remain incomplete. The Tata's were among the most prominent philanthropists in India and even in world. The companies promoted by Tatas were in a period when basic and vital necessities were not existing in India. He built a textile factory in Nagpur almost over 100 years ago. The integrated steel plant came up in 1907 in India. This dwarfed other existing steel plants in the British Empire in India in those times. Almost 40 years later, Tata Engineering and Locomotive Company Limited was set up production of locomotives for Indian Railways. This company went on to diversify to produce commercial vehicles such as Trucks and passenger cars. In 1939, Tata Chemicals came up although its initial journey was slightly difficult while producing soda ash which was a closely guarded secret in those times. In 1941, Tata memorial hospital was set up and in 1945 Tata Institute of Fundamental Research was set up. The very idea of bringing out this example is that at all times Tatas passed on the benefits back to the employees and to the people. This was a greatest service and is regarded in high esteems of everyone.

While going through history, it was observed that many authors are of the opinion that the history of social responsibility in India is divided in four phases. The phases almost coincide with India's historical industrial development. These phases do not have water-tight compartments in period of time and the features of each phase may smudge with other phases.

1.5.1 The First Phase

Charity and philanthropy were two main drivers of social responsibility in the first phase. Culture, religion, family values, tradition and ethos had an influence on social responsibility. The pre-industrialization period, lasted till around 1850. Wealthy merchants and Sahukars (money lenders) doled out a part of their wealth within the society by setting up temples and Dharmshalas (hostels/inns around temples). These merchants helped the society mitigating sorrows caused due to famines etc, by providing food grains from their own godowns. These merchants were held in high esteem eventually in the society.

When British people imposed colonial rule in India from 1850s onwards, the approach towards social responsibility changed somewhat. The industrial families of that era such as Bajaj, Tata, Birla, Godrej, were in favour of economic and also social considerations.^{1.23} Unfortunately, it was seen that all their efforts towards social and industrial development were not only driven by selfless and religious purpose but also carried a mark of castes, groups and political objectives.

1.5.2 The Second Phase

The second phase, started perhaps during the independence movement i.e. after 1931. There was a pressure on Indian Industrialists to show their dedication towards the progress of the society. It was this time that Mahatma Gandhi stepped in and launched the idea of "trusteeship".

Mahatma Gandhi's persuasion put pressure on various Industrialists to act towards building the nation. Mahatma Gandhi felt that Indian companies should resolve to demonstrate that they created "temples of modern India". Under his influence, business houses set up trusts for schools and colleges and also assisted in setting up training and scientific institutions. The working of the trusts was in line with Gandhi's reforms. They sought to abolish untouchability, rural development and promote women empowerment.^{1.24}

1.5.3 The Third Phase

The period between 1960 and 1980 is regarded as the third phase of CSR which had a thrust to have "mixed economy", fructifying of Public Sector Undertakings (PSUs) and enactment of laws relating labour and environmental standards. During this period the private sector was forced to get relegated. The public sector was regarded as the main launcher of the nation's development. Because of the stricter rules and regulations meant for the private sector activities, the period was described as Inspector-raj. The harsher policy of industrial

licensing, enormous taxes and restrictions on the private sector resulted into corporate malpractices.

This never-ending cycle led to need of legislation regarding corporate governance covering labour and environmental issues. PSUs were set up by the state to ensure equitable distribution of resources (food, shelter etc.) among poor people.^{1.25} .

1.5.4 The Fourth Phase

From 1980 until the present times can be regarded as fourth phase .Indian companies started incorporating sustainable business strategy in their business model. ^{1.26} In 1990s the first initiation towards globalization and economic liberalization were undertaken. Governmental controls and licensing system were partly abandoned that gave a boost to the economy. Accelerated growth of the economy helped Indian companies grow rapidly and this made companies more willing and able to contribute towards social cause.

Globalization has changed India into an important destination for production and manufacturing bases of MNCs in India. Technically sound skills and no language barrier as compared to China are luring the western countries. Currently western markets are becoming more and more concerned about and labour practices and environmental laws. This is a best suited situation for Indian companies. To top it all, present Government's slogan 'Make in India' has become a mantra in the entire globe. However, 2% profit (PAT) to be spent on CSR compulsorily for large organizations may pinch as a grain of sand in a shoe. After all economic equations do matter!

1.6 Origin of the term CSR

It is interesting to know the genesis of the term Corporate Social Responsibility. Although the concept of Corporate Social Responsibility was first

mentioned in 1953 in the publication 'Social Responsibilities of the Businessmen' by William J Bowen, (Cochran, 2007) the term as such was not created then. The term corporate social performance was first coined by Sethi (1975) ^{1.27} expanded by Carroll (1979), and then polished by Wartick and Cochran (1985).

In Sethi's (1975) three-level model, three tiers in the model consisted of social- (i) obligation
(ii) responsibility and
(iii) responsiveness.

The very idea of corporate social performance was talked about and the difference was brought out among various corporate behaviors.

After almost about four decades, the term Corporate Social Responsibility became popular in the 1990s, when the German Betapharm ^{1.28} a generic pharmaceutical company decided to implement CSR. The generic market was portrayed by an interchangeability of pharmaceutical products. In 1997, a halt in sales growth led the company to realize that in the generic drugs market pharmaceutical companies could not differentiate on price versus quality. This led to the approach of the company to adopt CSR to garner the company's principles and as a component of its corporate strategies. Treating chronically ill children, Betapharm Company took a strategic advantage. This became social commitment of German Betapharm.

1.7 Definition of Corporate Social Responsibility (CSR):

Giving a universal definition of Corporate Social Responsibility is slightly difficult. Corporate Social Responsibility is defined in different ways by some experts in the field. Amongst them, the prominent experts or organizations are - Michael Hopkins ^{1.29}, UK Minister for CSR, Nigel Griffiths of UK government ^{1.30}, WBCSD (World Business Council for Sustainable Development) ^{1.31},

European Commission (2001), by ILO (International Labour Office) Commission^{1.32}, Keith Davis (1967)^{1.33}

By taking the gist of definitions by various experts, the term CSR may encompass as ‘enduring commitment by corporate to carry on with economic development while observing ethics, improvement in the quality of employees’ life, their families and even that of local community at large and endeavour to generate a cleaner environment’.

Thus meaning of CSR is twofold. On one hand an organization has to act and display in ethical manner to its employees and external stakeholders as well as the society at large and on the other hand it has to care for environment.

1.8 Current Status of CSR in India

After independence from British rulers, separate programs for poverty eradication programmes were undertaken. Land ceiling act was one such instrument. It was considered to have brought in some semblance in income between the Zamindars and the landless labour. India being totally dependent upon the agricultural produce, it was envisaged that distribution of land among landless would bring solace to rural poor people.

Eradication of poverty was a big agenda. One can recall that the then PM Late Mrs. Indira Gandhi’ had a slogan-‘*Garibi Hatao.*’ Under the name of poverty, many central and state government schemes were launched for eradication of poverty under different garbs. To name a few are - National Old Age Pension Scheme, National family Benefit Scheme, *Annapurna*, Integrated rural development program, *Indira Awaas Yojana*, etc.

Late Prime Minister Rajiv Gandhi accepted the truth that if Government released one rupee for the poor people, only 10 N Paisa reached them! The money could not percolate down to the actual worker It was siphoned off in its journey. The measures of depositing money directly into the bank account through

‘Adhar’ (akin to Social Identity Number in western countries) based system is underway and is expected to be successful solution.

In recent past, triggered by international trend, the government shifted its focus to the industries for undertaking social responsibility. Government felt that industries are making enough profit and must devote the part of it on discharging social responsibility.

Literature both on the theory and practices upon CSR in India remains scant. Not much study has been done regarding CSR practices in ancient India. But the fact remains that the essence of CSR was followed even 2500 years back. Kautilya in his ‘Arthashastra’ urged^{1.34} merchants to undertake social responsibility towards the society.

In the western world, large corporations have taken an enviable, dominant position in the society, with their economic might. Due to their position and status, a lot of expectation is there that they would shoulder better responsibility for development than ever before.

Corporate Social Responsibility (CSR) offers a tool for corporations to be involved in economic development in ways that could be much more powerful than thought of!^{1.35}

Now ISO 26000 is the recognized international standard for observing CSR. Since the Triple bottom Line (TBL) encompassing economic social and environmental parameters refers to Social and environmental parameters, CSR need to address both Social responsibility and also Sustainable Development.

1.9 Justification of CSR activities

The bitter and naked truth of unethical practices was seen in some movies like ‘Blood Diamond’, ‘The Constant Gardener’^{1.36}. This opened the eyes of people in the western world. They have obviously become suspicious about large

corporations going about their businesses. To wipe out ugly and unethical impression, some of the companies took the CSR route. In last two decades, many companies have started promoting their business through corporate social responsibility strategies. Their main aim is to cling on to the old suppliers, the old customers, the old investors and the general public who expected them to be socially responsible and sustainable.

Corporate social responsibility is a concept whereby companies decide voluntarily to contribute for betterment of society and cleaner environment. Companies do contribute in terms of money and manpower as a social investment for betterment of society through its business activities. This also clubs the concept of sustainable development. Corporate social Responsibility does not only refer to philanthropy, human rights and social security but also deals against climate change, sustainable management of natural resources and consumer protection.

As mentioned in earlier para 1.1, CSR is not a modern concept in India. Corporate like Tata Group, the Birla Group, and Indian Oil Corporation have engaged themselves in serving the community ever since their start ups. Many other organizations, through charity events and donations are playing their part for the community.

CSR policies, practices and programs are being incorporated by growing number of companies. A large number of corporate have started believing that CSR is not just an unnecessary expenditure but is meant for establishing goodwill, reputation and moreover protection against commercial attacks and business competitors.

Domestic companies are growing in number as in the developing world. Their interest in CSR activities is on the rise. CSR activities deal mostly with health, education, women empowerment and skill development. Their basic objective of CSR is to maximize the company's overall impact on the society and

stakeholders. For example, GlaxoSmithKline Pharmaceuticals' focuses on the health aspect of the community. It sets up health camps in tribal villages. Free medical check-ups, free treatment is the part of their activity. Besides, it undertakes health awareness programs among the tribal. Wipro adopted the village Pushpavanam after tsunami devastated the coast of Tamilnadu and Orissa in 2004^{1.38}. Wipro has given priority in the job to nearly 500 persons with disabilities. No wonder Wipro organization is regarded as enriched and stronger because of its policies being deeply committed to people.

Of course there are numerous such examples but are not discussed here to avoid monotony. Some companies have specialized CSR teams that formulate policies, draw strategies and set goals for their CSR programs. They cater for the required budget for funding these programs. These programs are frequently decided with clarity and with clearly defined objectives which go along with the core business. In some cases, the employees are participating for furthering the goal of a company. CSR programs range from community development to promoting education, skill development, empowerment of women widows and destitute, environment and healthcare, sponsoring orphanages, blind schools, hostels for senior citizens, old age homes etc.

Corporate companies are increasingly tying themselves up with Non-Governmental Organizations (NGOs) for their bit in CSR. In some cases, they use their baseline studies, expertise in devising programs to address wider social problems. For example, a lot of effort was undertaken to re-establish the lives of the tsunami affected sufferers after 2004 with the help of NGOs. Air India tied up with TISS for baseline studies of students in Andaman Islands with a distinct idea that nobody may tie up for such a project when there is no connection of any industry over there in 2013. Therefore a role of NGOs also cannot be undermined.

SAP India in partnership with Hope Foundation, an NGO focuses mainly on bringing about improvement in the lives of the poor and needy. It looks after

the food, clothing, shelter and medical care of street children which is very innovative.^{1.39}

Social responsibility may have emerged from the 'Vedic period' when history was not even recorded. From that period, Kings and rulers had an obligation towards society. Merchants displayed their own business responsibility through charity by building places of worship, education institutions, inns and wells. The main aim of business was to create wealth for society. It was based on an economic structure. The rulers along with their business community carried on with a philosophy - "*Sarva loka hitam*" meaning "the *well-being of all the people*".^{1.40}

In the present times, Indian society is witnessing a rapid transition, distinguished by a growing level of globalization. The recognition of social responsibility is leading Indians to their cherished ancient values and teachings by the ancestors. There are various ways through which a business unit can bring about positive changes in society. It can work together with experienced partners who are well versed to bring about such changes. Until now governments wielded power and authority, which is now being handed over to the industries. With the power and authority vested in the businesses, they will now be answerable for a wider range of social issues.

Compared to many other countries, India has one of the richest traditions of social responsibility. Until the term CSR did not become a buzzword, Indians were carrying on with the charity, building 'dharamshalas' where people could take temporary shelter, free food joints at (anna-chhatras) Hindu temples, free hostels for destitutes and widows etc. It will be noteworthy to look at Tata companies who have championed the cause for more than a century. Although the concept - 'Corporate Social Responsibility' took birth in 1953 with the publication of Bowen's *Social Responsibility of Businessmen*^{1.41} India did not lag in discharging social responsibility. Thus it is observed that the concept of Corporate Social Responsibility as far as India is concerned is very old.

1.10 The meaning and scope of Strategic efforts:

Strategic efforts are meant for futuristic projections. Strategic efforts allow an organization to be more proactive than reactive in shaping its own future. They allow organization to initiate activities in such a way that can change its own destiny ^{1.42}. It encompasses review and planning process that is accepted to make careful decisions that steers an organization's future for ensuring success.

CSR initiatives are not in support of general organizational function such as marketing, manufacturing, sales etc. CSR efforts certainly can be used as talent attraction and retention of the current and potential employees. CSR can be used as strategy to enter or develop new markets for energy efficient products or even grab market share from competitors. In some organizations CSR is developed organically among lower level of employees and they need support from the top management. A good strategy of managing CSR is to look at it as if it's a core business and give inasmuch importance as to marketing, sales, R&D etc. ^{1.43}

1.11.0 Competitive advantage of business

It is an advantage that any organization has over its competitors allowing to generate more sales or more margins and also retain more customers ^{1.44}. CSR and sustainable development are important factors to achieve such competitive advantage. They are as following-

1.11.1 Factors of Competitive advantage:

(a) **Cost strategies** – Generally speaking, lowest cost will be attractive and beneficial to customers and hence the product can be sold easily. Reduction in cost could be due to efficient logistics, reduction in inventory, use of latest technology, low labour cost .If the product has a tag of quality then certainly the customers do get attracted to that product. Quality remaining same of a product, if that product is offered by two different companies, the slightly costlier product has a tag of CSR or sustainability, some class of customers won't mind paying extra money to buy such a product.

(b) **Product offerings** – Product offering is something more than the product by itself. Easy availability, convenience of purchase, timely delivery, good technical support and better quality of service are some of the attributes of product offerings.

(c) **Distribution network-**

Optimization of Distribution network has many attributes. Some common attributes are given as under:-

- Site location of factory ,
- location of distributors and warehousing,
- Analysis of green house gas emissions and carbon footprint in carriage of goods / products.
- Easy and speedy transportation of end products,
- Right choice of vehicles for delivery of goods

(d) **Customer support-** After sales service, guarantee, warranty, recalling of a product for replacement of faulty parts, reaching out to customers through call centres for any complaints or suggestions regarding their product , continuous support , buyback system for older products in order to replace them with the same product with new features , toll-free calling services , discount offers etc does come under customer support

(e) **Higher return on assets** – It is annual earnings divided by total assets of a company. Assets comprise both debt and equity. A business can be improved by getting more debt for operations in order to generate more earnings . Undertaking CSR and sustainable development is one way to achieve more profits with less investment .

1.11.2 Definition of Competitive advantage:

It is a condition which puts a company in a favourable business position in the market. It can allow company to out-perform its

competitors. The factors include easy access to natural resources, having highly skilled manpower, advantage in terms of location. If an organization which is capable of out-performing its competitors over a long time is considered to have a sustainable competitive advantage.

There are two types of advantages:

(i) Cost advantage: means low cost of manufacturing goods / services in comparison with that of competitors' goods / services.

(ii) Differentiation advantage: It is a condition when companies' product or services differ from that of competitors

In order to have competitive advantage, CSR can be a cost as well as differentiation advantage.

1.12 The role of Industry in responding to the sustainable environmental challenges.

In India, in the initial stages i.e. in 1970's, companies were forced to correct or improve their environmental performance through some regulations. This was considered as 'reactionary' approach or was mere a 'compliance'.

Post 1990's, the environmental movement went beyond the national boundaries of Europe and spread across the globe. It resulted in more matured environmental movement. The sustainability approach made companies to look beyond the predominantly technical environmental responses.

1.13 The sustainability approach :

Since CSR is a face of coin which has two sides and other being sustainable development, the sustainability approach is to be studied in greater depth. This is in line with the international practice vide 'Guidelines on Corporate Social Responsibility and Sustainability For Central Public Sector Enterprises' as given in 7th line of para 1.2.2 of Appx 'D'. The term can be explained as –'While meeting the needs of today, taking care of not only of the present but even of future generations is a sustainable development'. It is a strong socio-economic development especially for the people with lower standard of

living. It has an important aim of protecting natural resources and environment. Reduction in absolute poverty, provision of lasting and secure livelihoods, minimization of resources' depletion, halting of cultural disruption and reduction in social instability are many among the main objectives.

The United Nations, in 1972, focused its attention on environmental activities in the world and formed UNEP- United Nations Environmental Programme ^{1.45}. United Nations Environmental Programme helped developing countries in implementing environmentally sound policies and practices. The UNEP's mission statement is "To provide leadership and encourage partnership with compassion for the environment by inspiring, informing and facilitating countries to improve their quality of life without compromising that of future generations."

Rio De Janeiro's UN Conference in 1992 came to be known as UN Conference environment and development (UNCED). It is more popular by name Rio Summit. After this Conference, many companies in the world came forward and willingly started making strategic efforts for sustainable future to combat environmental impact. This led to realize the importance of environmental strategic management process in place which benefits its competitiveness while achieving public good. These firms realized that the mitigating environmental degradation actions could be a source of competitive advantage.

Subsequent meeting in Johannesburg in 2001 did not yield much of progress on actions. The fallout of this was in DOW Chemicals in Pune! It had to cancel its ambitious project of R&D of worth Rs 400 crores due to intense public pressure. Incidentally, Union Carbide Company which had disastrous effect on people from Bhopal in 1985 got merged in DOW Chemicals in 2001. ^{1.46}

1.14 Theoretical Basis of CSR

As mentioned earlier, this subject remained in focus in international arena for at least 50 years. In most countries, CSR activities have remained on voluntary basis. However there is an exception and that is India! The Government of India

passed a law upon CSR in April 2014 and made it mandatory for the larger industries or corporate to undertake them.

The requirements specified in this act are crystal clear and due care was taken to weed out possible loopholes. Of course, the efficacy will be realized in the years to come. The gazette published by the Government is reproduced as an appendix 'A' towards the end. Besides corporate companies, although ambit of law does not cover MSMEs, government wants even small, medium and micro enterprises to undertake CSR activities by handholding (*Ref Appx 'B'*).

1.15 Reasons for inclusion of small industries in this thesis under a word 'Corporate':-

As per Oxford dictionary, the meaning of 'Corporation' is - a large company or a group authorized to act as a single entity and recognized as such in law. Although segregation is done in terms of turnover or number of employees, for terming it as corporate, the researcher has included them for research purpose in the context of CSR.

Pune is a base for small/ micro industries serving medium and large industries. Many of small/ micro industries are ancillary industries serving the nearby medium and large industries.

Researcher has used word Corporate in more generalized form and in a wider sense for even small and micro companies for two reasons –

(i) With a passage of time, small companies eventually become large companies. It may inculcate values and cultivate the right culture from inception.

e.g. Laxmanrao Kashinath Kirloskar started with a small bicycle shop in Belgaum, India^{1.47}. Similarly, State Bank of India began as a Bank of Calcutta in 1806 as a small bank which latter got amalgamated in Imperial bank in 1921. Subsequently, in 1955 it was renamed as State Bank of India^{1.48}. Even the industrial giant- Jamshetjee Tata began with a private, small trading firm in 1868^{1.49}.

(ii) The sustainable development i.e. reduction in environmental pollution while continuing with a business is also the responsibility of small/ micro sector. It goes

with a dictum –‘Drops of water make an ocean’. In short many small industries put together in a cluster may collectively generate inasmuch pollution as one medium sized industry perhaps. Although these small industries fall beyond the ambit of CSR law, they could be considered responsible to a certain extent.

1.16 Research problem.

The problem is split in following parts. viz.

- (i) To ascertain whether companies in Pune region are aware of the strategic investment in Corporate Social Responsibility and along with it the sustainable development (SD) activities.
- (ii) Are these companies undertaking any CSR activities and what is the methodology ?
- (iii) In the pursuit, are they managing the activity as if it was another economic activity?
- (iv) Are employees , suppliers, customers , and stakeholders supportive ?
- (v) Are the companies able to tackle the issues.?
- (vi) In return, are these companies gaining any positive impact on organizational performance if CSR activities are undertaken?

For the ease of the comprehension, the problem is tackled in 6 parts as hypothesis which is analyzed in the 4th chapter.

The social experts do advocate that CSR will help business and the society in a long run. Unfortunately, nobody can predict a time frame within which the efforts will start yielding the desired results. CSR efforts may be construed as a process in continuity. The trade-off between monetary gains and social cum environmental impact is not very easy to assess but is to be felt. Several researchers suggested that there cannot be any compromise in social and environmental degradation for the businesses to survive in future.

Taking into account the requirements of the objectives of the study, the research design selected for the study is of descriptive type. The points in favour of descriptive type research design are further elaborated in the same chapter *ibid* para 1.23 titled as 'Descriptive studies'. In order to observe the set objectives, the research design was selected to have greater accuracy and analysis of the research study. Secondary data was extensively used for study as there were some stumbling blocks in tapping primary data. Different news articles, Books and Web were used which are enumerated and recorded.

1.17 Research questions

Traditionally, businesses are looked upon only for monetary gains. They did not pay any heed to with associated responsibilities. The CSR efforts, in recent past, in other industrial nations gained momentum and their growing concerns impacted other countries such as India. The international trade is obviously looking for tags like CSR and even 'Green-Label'. The early birds have taken the note, showed concern, acted upon and thrived in their businesses. However, the small scale industries could not tread this path for host of reasons.

The researcher sets about to seek answers for following questions-

- Is there any awareness about CSR and SD among companies especially MSME companies?
- Can MSMEs include CSR activity as a part of their business function?
- Will CSR have some positive impact on organizational performance?

These are some moot questions. Present research focuses on the Corporate Social responsibilities and sustainable development as a part of business activities and judge its impact on organizational performance.

1.18.0 The Research gap

The researcher undertook a literature review through many sources like books, newspapers, journals, case studies, websites etc. It was found that no concrete research was done focusing CSR in large as well as MSME sector in Pune region with field survey.

Although through official reports / websites/ published material of few companies, some information about CSR, ethical practices and outcome was available, the actual intricacies or problems or difficulties encountered was not observed in those sources. Government of India, through state governments has been promulgating acts and rules and guidelines about CSR activities to be undertaken by all companies of all sizes. Naturally, the actual realization and implementation by MSME companies at different levels in their organizations with the due involvement of their employees is expected. But even after pursuing industry association, chamber of commerce, enough information was not available to the researcher.

It was further observed that Government through enactments (e.g. CSR Act 135 of 2013, Corporate Social Responsibility Policy Rules.2014 , The National Voluntary Guidelines on Socio-Economic and Environmental responsibilities of Business) has been motivating all types of industries to undertake CSR activities. Only few industries have fulfilled their objectives.

1.18.1 Impact of CSR:

It is an influence or a marked effect both qualitatively or quantitatively. The quantification methods could be statistical. Mr. Vw. Malte Kaufmann ^{1.50} has given a formula determining satisfaction levels for various stakeholders and computing a weighed averaged of all satisfaction values in order to get a value which can be used to perform econometric tests:

$$SSL_{tot} = \sum_{n=1}^s \left(\frac{1}{n} \right) SSL_n$$

In this calculation SSL tot resembles the total satisfaction level and SSL n the satisfaction level of a certain number of stakeholder groups. based on someone's opinion / perceptions. Thus it can be both objective as well as subjective. The performance Indicators to gauge the impact are many. They are enumerated as following :-

- (a) Increase in sales
- (b) Increase in branches
- (c) Increase in inflow of employees or decrease in outflow of employees.
- (d) Increase in exports
- (e) Invention in import substitute
- (f) Increase in morale and motivation of employees

In many countries of the world, observing CSR has positively impacted on organizational performance and sustainable growth. This can be a good model to be observed by industries in India.

However, in this research abovementioned formula is not used.

1.18.2 Selection of the region Pune for the study:

Immediately after the division of India, i.e after the independence in 1948, refugees from Sindh province (presently in Pakistan) settled down in Pimpri (Pune) ^{1.51} These people happened to be ambitious and were industrious and strived hard in order to regain their lost empire. Their crafty nature could develop small scale industries in the area around. This led to triggering action of developing MIDC (Maharashtra Industrial Development Corporation) area around in early 60s.

Moreover, Pune being a major centre for military and allied services like ordnance factory, ammunition factory, ARDE, NCL and host of such other institutes, attracted skilled, talented manpower from various other states. Their families, while in service, intermingled with the local society and concluded that Pune was the best place to settle down after the retirement! This phenomenon created a pool of trained, skilled, educated manpower that bore forward looking attitude.

With the abovementioned rich background, the region offered a fertile ground for the proposed research activity. The CSR subject, not being much trodden, offered an opportunity to the researcher to understand its importance and thereafter sensitize people and create awareness among entrepreneurs, employers, managers and employees (in short the respondents).

1.18.3 Reasons behind selection of strategic efforts and the Period 2008-2013 for the research:

Since the word 'strategy' necessarily denotes 'for the future or prospective period' (although there is classification like short/medium/ long term strategy), the researcher was very keen to study about the strategic efforts made by select company in Pune region during 2008-2013. The present survey was undertaken in 2015-16 and further updated in 2017, with an objective to collect the first hand data / information relating to the 'outcome (result)' of already taken efforts towards CSR. Hence, based on their experience, the units can re-orient about their future strategic plans to obtain maximum positive outcome. Thus the experience of the past efforts (strategic between 2008 and 2013) can dictate the present outcome on the same, its review and analysis to decide about future strategic actions for the positive outcome.

The movement of CSR in India started around 2008 in large scale companies and the subject remained on a low key. The researcher came across some guests from Europe from Bureau Veritas in Mumbai delivering talks on the subject to the industrial top executives from Pune and Mumbai region in 2010. This prompted low key movement started from this period and continued till such time the bill on CSR got passed in both the houses of parliament in 2014 covering PSUs and large corporate. The data, however, is collected in 2014-15 and updated from time to time until completion.

1.19.0 Aim of the research :

- To gain familiarity first hand with introduction of Corporate Social Responsibility and sustainable development alongside.
- To study the strategic efforts towards corporate social responsibility.
- This subject being fairly recent and less known, the researcher intends to check awareness of employers as well as employees towards sustainable Development and environmental degradation.
- To examine the companies' approach to work and their mode of action for implementation for CSR and Sustainable Development (SD) initiatives;

1.20 Research methodology: Following methodology was observed during the research work.

- (1) Formulating research problem.
- (2) Gathering Extensive literature on CSR & Sustainable Development
- (3) Developing hypothesis.
- (4) Preparation of research design- e. g. Pilot questionnaire, Final questionnaire, interview.
- (5) Determining the sample design- finding the cluster of industries in Pune region.
- (6) Collection of data- Both from primary as well as secondary source.
- (7) Execution.
- (8) Analysis of data.
- (9) Hypothesis testing
- (10) Interpretation
- (11) Presentation of result

1.21 Processes in research- A diagrammatic overview is given below while observing the process :-

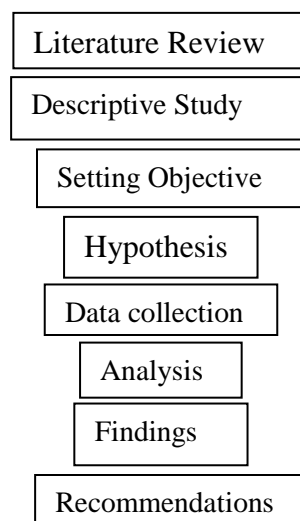


Figure 1.1 Processes in research

1.22 Literature Review

A number of books, periodicals, journals and internet sites for the thorough study of strategic efforts were referred to. Some international seminars, conferences and protocols were also studied. In the research process, the researcher found two schools of thought which were divergent from each other. The activities, actions and results of CSR were found far from intended expectations in few cases. The pros and cons regarding CSR are also brought out at appropriate places.

Researcher found companies writing about their CSR contribution, but at times they were found to be rhetoric and vocal when ground reality laid elsewhere.

The good work undertaken by the companies on Sustainable Developmentl was brought out. Yet there was a room for improvement on many aspects of SD.

There are some standards regarding CSR e.g. AA1000, SA8000, and ISO 26000 and laws passed by Government of India viz. clause 135 of the Companies Act, 2013 which have been also discussed.

1.23 The descriptive studies

When the question came as to which type of research method is to be used for this research, practical research method scored over theoretical research. This involves first hand research in the form of questionnaire, surveys, interviews, observations; discussions etc .which is called qualitative research method, and essentially a descriptive type. This research design was adopted to have a greater accuracy and in depth analysis of the research study. Descriptive research method assists to determine the best research design, data collection method. The research at times relies on secondary research or approaches such as informal discussions with entrepreneurs, employees, management. Formal approaches through in-depth interviews, projective methods, case studies were adopted.

The purpose of this research was to gain familiarity with a phenomenon or acquire new insight into it in order to formulate a more precise problem. Requirement for descriptive research was felt to gain experience that was helpful in formulating relevant hypothesis for better investigation.

Descriptive research may not be useful for decision-making always .But, it can provide significant insight into a given situation. As a norm, descriptive research is used when the issue is comparatively new and there is a difficulty in obtaining data.

Available secondary data was extensively used for the study. Many newspaper articles, books and information on web were used and are enumerated. The numbers in italics are given at appropriate places where reference was needed to be furnished . Such numbers appear in References section against which the books or articles or internet sites are quoted towards the end of the research thesis.

1.24 Targeted Sample :

The subject dwells more around Micro, Small and Medium Scale Enterprises (MSMEs). However, large companies are also included in survey. The sample for the research was drawn from various representative pockets of Pune region where industrial cluster existed. The Micro, Small and Medium Scale Enterprises conformed to the specification given in MSME Development Act 2006 of Government of India .

1.25 Rationale behind choice of companies in Pune region for the research

Pune being located in Maharashtra state, the state which remained industrially much ahead of many other states in India, has industrial base since 1960 onwards. Maharashtra Industrial Development Corporation (MIDC) in Pimpri and Chinchwad area came up during that period. It has further grown in

nearby Bhosari and Talawade area. On the eastern side of Pune, MIDC Ranjangaon has come up. Besides small industrial area have cropped up in Parvati, Dahayari, Kharadi, Loni Kand, Chandan Nagar, Hadapsar, Pirangut, Hinjewadi , etc.

Pune once upon a time was regarded as Oxford of East and hence has intelligentsia based in the city. Since many industrialists / Entrepreneurs had their education base in Pune they are motivated to undertake social cause.

Taking a cue from abovementioned facts, the researcher chose the methodology of observation in research.

1.26 Researcher's Contributions:

The study is mainly woven around expectations on following points:-

- Creation of awareness about CSR and Sustainable Development among the industries and the stakeholders.
- Eradication of poverty and enriching lives through CSR efforts.
- Mitigating environmental pollution from industries and create better conditions without lowering the lifestyle of people.
- To emphasize upon eco-labeling for protection of environment

During the field survey, the researcher took the opportunity to sensitize some respondents from companies. Researcher impressed upon the minds of respondents regarding the importance of CSR and SD and consequently their benefits in a long term and inspired them to undertake. The data obtained will be of some use to policymakers and other researchers down the line.

1.27 Organization of the remainder of the study.

Further thesis is organized in the remaining chapters covering:

- Introduction
- Review of literature,
- Research methodology,

- Data collection, analysis and interpretation,
- Findings , Conclusion and Suggestions,
- Bibliography
- Appendices
- Questionnaire
- References (Chapter wise)

1.28 Future scope for research:

Research could be undertaken in wider geographical area with a coordinated teamwork encompassing impact analysis due to CSR and SD activities and maximization of use of renewable energy resources.

Chapter- 2

Review of Literature

2.1.Introduction :

This chapter of the thesis highlights the requirements of CSR in India and Large corporate and MSME sector Pune region in particular. It brings out the gist of available relevant literatures reviewed that provides the base to identify gap and design of the research structure. The objective of literature review has always different facets. If somebody has done similar studies somewhere in the world can assist the researcher to get better understanding and in-depth knowledge. It enriches the level of knowledge level. It does help in getting clarity in the objectives and hypothesis. It also helps in justifying the type of research methodology employed. The aim in this research is to investigate how respondents from companies look at corporate social responsibility and undertake sustainable development in their economic pursuits of creation of wealth.

A number of books, periodicals, journals and internet sites for the purpose of a thorough study of strategic efforts were also referred to. Researcher also chanced upon to attend some seminars, conferences etc. which are cited. During the investigation stage, as expected, the researcher found two schools of thought which were divergent from each other in some cases of CSR –one good and other bad! Parmalat (an Italian Cheese Manufacturing company)- the parent company of Pune based ‘Swojas Energy Foods Ltd’ which crumbled due to massive scam while using CSR as a smokescreen (as reported by ‘Financial Daily’ on 01 Sep 2000). National Thermal Power Corporation (NTPC -Bhopal unit) which beautified a piece of land using fly ash bricks and got into litigation for the retention of ownership to the local government (as acknowledged in CSR

conference held by CONCOR, N.Delhi). The activities, actions and results of CSR were found both in consonance with good intentions and at times even far from intended expectations in some cases. All such views or cases have been discussed in this chapter. Few examples of some companies Shell's CSR, Nike's CSR and that of Tata Motors are also discussed.

Following online journals/ Papers were studied:

- SSRN (Social Science Research Network) on www.ssrn.com
 - International Journal on CSR and Sustainability-
(a) *ABA's Corporate Social Responsibility Committee published electronically four times a year (May 2008)*
- (b) Maximizing Business Returns to Corporate Social Responsibility.^{2.1}
- (c) Key Issues and Debates by Ray Broomhill^{2.2}
- (d) International Journal of Economics and Financial Issues ISSN^{2.3}
- (e) International Journal of Economics and Financial Issues, 2015, 5 (Special Issue)^{2.4}
- (f) International Journal of CSR and Sustainability (IJCS)^{2.5}
- (g) International Journal of Sustainable Entrepreneurship and Corporate Social Responsibility^{2.6}

It is rational and significant to bring the extant material available at one place so as to develop the line of action as regards to the context and justification for the research undertaken. It takes into account the previous studies on the subject by the different researchers and scholars in the past.

AD Gupta (2010)^{2.7} concurs that Corporate Social Responsibility is fairly a modern strategy in Indian context to reduce investment risks and maximize profits^{2.8} by taking all stakeholders on board. Growing awareness of the need for

ecological sustainability paved a new way for latest generation of business leaders concerned about the community response and environmental sustainability.

2.2 CSR Concept

It is argued by Geoffrey, (2001)^{2.9} that CSR concept as fuzzy and blurry while Smith and Langford, (2009)^{2.10} claim that CSR concept can be described as challenging or indefinable and obscure, while Mohr et al. (2001) as cited by ArliDenni (2014)^{2.11} claim it to be multi-faceted and expansive .

Concept of CSR in India existed in different forms for a long time. Tata Group has remained in forefront and is active for more than one hundred years. Corporate companies like Aditya Birla Group^{2.12}, and Indian Oil Corporation^{2.13} (A. D. Gupta).etc have marked their presence by serving the community ever since their entry into business and further growth. Many companies have been donating for some good cause and playing their role for upbringing society. In the present era, CSR in India has gone beyond just donations to charitable institutes. CSR has become an integral part of the corporate strategy^{2.14}.(A. D. Gupta).

R Mehta and Narsimham (2011) in their thesis on 'Study of Corporate Social Responsibility Practiced by SMEs in India' and supported by Anupam Sharma Ravi Kiran(2013)^{2.15} rightly bring out that Benevolence by the business community for society's welfare always existed in India . was called by different names in different religions like-*Dharmmaday* , "*Zakat*" '*Dashaant*' byHindus , Muslims and Sikhs respectively

Now-a –days, companies are nominating certain persons in their own administration to form CSR teams who formulate CSR policies. These teams also spell out strategies and goals for their CSR programs and draw budgets to support it. Mostly, these programs are aligned with the companies' core business expertise^{2.16}(A. D. Gupta). Employees become the mainstay of these initiatives. They spend their time voluntarily and contribute their acumen and acquired skills

to implement them. CSR Programs generally includes overall development of a community by way of facilitating education, environment, healthcare etc.

As mentioned earlier, CSR has come a long way in India. Corporations have taken active interest in responsive activities to sustainable initiatives. They have displayed their ability to make a remarkable change in society and improve life qualitatively. Anywhere in the world, it is difficult for one single Corporation to bring about change, because it is a herculean task.

Corporations have the expertise, strategic thinking potential, as well as the manpower to execute and wherewithal to facilitate extensive social change ^{2.17}(A. D. Gupta). A well coordinated partnership triad among businesses, NGOs and the government will accelerate growth in social development by leaps and bounds. ^{2.18}

Many business transactions and foreign investments on a global scale started taking place in countries in conflict or in post-conflict^{2.19}(*Maria Prandi*). To bring back normalcy in countries in the post conflict period, businesses were started. Eventually, companies were set up in those regions to start the normal life. During the conflict, there were many instances of mass exodus of people from those regions to elsewhere. Here companies played a major role of peace-building in the regions. Few companies happened to be sensitive enough and did respect human rights. They took a lenient view while recruiting unskilled or skilled- not even coming closer to perfection .In fact, while outsourcing, they purposely closed their eyes for requirements like ‘right job-right person ’. They let the jobs to less qualified persons. This led to people remaining busy and got lesser time for destructive activities like taking revenge. It mitigated vitiating atmosphere created by the conflict and further doused the lingering fire and prevent violence. (*Maria Prandi ibid*)^{2.19}

2.3 Issues and Challenges in CSR:

Impact of CSR : Assessment of impact i.e. measurement of a real effect on communities is important . It cannot be ascertained without an audit.

Long Term Projects: Filling up gaps if any discovered in the government schemes.

Employee Engagement: Committed employee groups are required for implementation of CSR Programs.

Valid areas – Proper and valid area is to be identified for expenditure.

2.4 Reasons to Include MSME sector for the study :

LJ Spence 1999,^{2.20} and supported by Linh Chi Vobrought out that , in case of SMEs , control remains in the hands of the owners or entrepreneurs giving them to have their own personalchoices for the allocation of resources for CSR .Thus , it is felt that MSMEs may not have a set pattern as regards to expenditure for a justifiable, worthy cause in the activity of CSR.

Linh Chi Vo (France) 2011^{2.21} brought out in CSR and SMEs, that CSR was seen as an altruistic idea to be consciousof the impacts of the business, even though it is related to small companies.

Dandridge (1978, p. 57)^{2.22} and supported by Erricson, Ebba et al 2015 , argues that small and medium sized enterprises necessarily differ in characteristics from large companies and therefore, same organizational strategies and management principles should not hold good.

DimaJamali rightly quotes Wickham (2004)^{2.23} whosuggests that SME and family firm managers have more discretion over how the business is run and managed andidentified standard constraints operating on the actions of the business,such as legal and economic constraints.

Tilley in 2000^{2.24}observed that the SME manager may be multitasked andhence awareness of issues beyond daily activities may be low .Therefore in SMEs it may be difficult to regulate their CSR activities .

2.5.0 Theories of CSR

There are divergent views in theories and approaches of CSR.^{2.25} (Davide Secchi,) A group of theories have come up based on a criterion what role the theories support the corporation and society.

Further, Elisabet Garriga and Domènec Mele's (2004) have come up with four types of theories.^{2.26} They are:

2.5.1 Instrumental theories

In this theory, the corporation is seen as only an instrument for wealth creation, and its social activities are only a vehicle to achieve economic outcome.

There are no extra efforts required on the part of a company and their social activities also give them profit. In our context of CSR, it is narrowly aimed activity and has no meaning.

2.5.2 Political theories

Political theories, concern themselves with the power of corporations in the society and in turn, responsible for use of this power in the political sphere.

Although most of the time the companies play a major role in politics, it is doubtful how they influence CSR or SD.

2.5.3 Integrative theories

In this theory, the corporation is expected to focus on the satisfaction of social demands. The business depends on society for its stability, further development and even its existence. It balances the interests of firms' stakeholders.

2.5.4 Ethical theories.

It is based on ethical responsibilities of corporations to society. Society demands ethical values from corporations. Theory considers fiduciary obligation towards stakeholders of the firm. This requires some moral theories. Of course it is based on human rights, labor rights and respect for environment. It also zeroes in on accomplishing human development keeping in mind the present and future generations. It is oriented towards the common good of society.

On the other hand, there are yet other theories as following -

- 1) The utilitarian theory,
- 2) The managerial theory, and
- 3) The relational theory.

2.5.5 Utilitarian Theories

In these theories the corporation plays as an element of the economic system that aspires for profit maximization and wealth creation. A company is viewed as an instrument for investment, and investment should be profitable to the investors and stakeholders. Considering the internal aspects of the firm, CSR was coined as a shield to the industrial system from external assault. Thus there is a need for an equilibrium between earning profit and social intent.

2.5.6 Managerial Theory

In the managerial theory Secchi (2005), CSR considers socio-economic variables to measure firms' socio-economic performance. This counts towards business strategy.

The interest in CSR grows for multinational companies (MNCs) due to global competitions and challenges they face. CSR becomes a useful tool in the hands of MNCs for them to hold grounds in foreign countries. Donaldson 1989, ^{2.27} (Secchi, 2007) refers to the MNCs as 'moral agents', analyzed on the basis of the moral values when managers take decision in the companies, a step beyond profit maximization.

These theories are connected to political theories too as conceptualized by Garriga and Mele (2004) ^{2.28}

2.5.7 Relational Theory

Relational theory has a root from the complex firm-environment relationships. ^{2.29} (Maimunah Ismail) As the term implies, interrelations between the two are the focus of the analysis of CSR. This theory is divided with the following factors :

- 1) Business and society;
- 2) Stakeholder approach;

- 3) Corporate citizenship; and
- 4) Social contract.

Business and society basically means that CSR appears due to interaction between Business and society. One of the measures of CSR is the development of economic values in a society.

Stakeholder approach has been developed as one of the strategies in developing the management of a company due to requirements of various stakeholders.

Corporate citizenship of the relational theory is about the relationship that a company develops with its stakeholders.

Finally, the relational group's **social contract theory** refers to the fundamental issue of justifying the business ethics in order to have a theoretical basis for evaluating social relations between corporation and society.

2.6.0 Various models of CSR

After visiting some definitions, let us turn our attention to various models of CSR. Many eminent persons in the field of CSR have come out with different models. Their approach, though different in some ways, is convergent towards the final aim. Let us see some models -

2.6.1 The Stakeholder model for Corporate Social Responsibility

The studies on Corporate Social Responsibility date back to era post -II World War. People started coming slowly out of great destruction. The general life in the war torn countries was very difficult. The houses were destroyed. Crops were burnt down. Industries were bombarded. Means to livelihood were obliterated. In short, it brought lot of poverty and greater dependence on others.

During that time, some of the companies began their operations and subsequently went on to become multinational giants. Although ideal operations were seldom carried out their role was very vital. During this period academicians started thinking about the real role of such companies in a society.

In one case, Corporate Social Responsibility in those years was viewed as stakeholder theory. The Stanford Research Institute (SRI) initially developed stakeholder theory in connection with strategic management in the 1960s as a part of their corporate planning process. (Linne Marie Lauesen, 2013). In this the author states that it was based on the works of Abrams (1951), Cyert & March (1963), Rhenman (1964), Ansoff (1965), Ackoff (1974), and Mitroff & Mason (1982).

Stanford Research Institute described the meaning of word –‘stakeholder ‘ as that group whose absence of the support to an organization would make it cease to survive. (Linne Marie Lauesen, 2013)^{2,30}

According to R.E. Freeman, stakeholder was defined as any group or individual who can affect the firm’s objectives.

The entire network of stakeholders was described as equal partners in the working of a company and they are treated according to the type of stake they justifiably have. Certainly it is not in a hierarchical nature of degrees of importance. It is shown in a diagram (as per Freeman 1984) and supported by Linne Marie Lauesen, 2013. Therefore, the relationship between a firm and stakeholder was considered to be on one- to- one basis. Until now not much change has taken on this model.

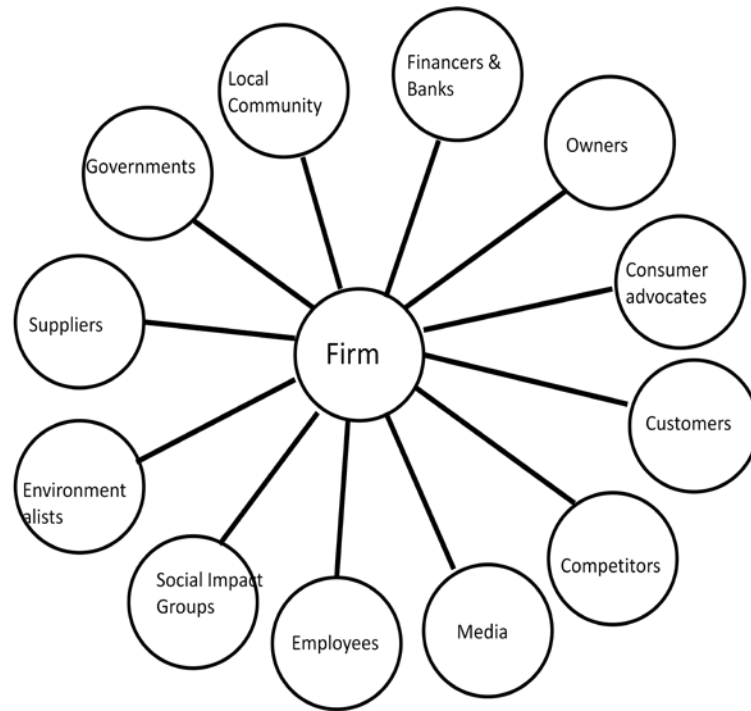


Figure 2.1 Stakeholders view of the firm

(as given in Book by Linne MarieLauesen, Based on Freeman’s exhibit 1.5)

The stakeholders may be interlinked and that may vary from company to company. The investors / shareholders are not the stakeholders of a company. Their relationship purely remains on economy of a company, financial returns and calculated risks. ^{2.31}(Linne Marie Lauesen.)

2.6.2 Ackerman’s Model of Corporate Social Responsibility:

Robert Ackerman , as cited by AurélienAcquieret al.^{2.32}, was Micro-level theorist and suggested that the responsiveness should be the goal of corporate social endeavour. He described 3 phases which companies experience while developing responses to social issues. They are tabulated in table 2.1

Table 2.1 Phases of Organizational involvement

Organizational level	Phases of Organizational involvement		
	Phase I	Phase II	Phase III
Chief Executive	Issue : corporate obligation Action : Write and communicate policy outcome ; Enriched purpose, Increased awareness	Obtain knowledge Add staff specialist	Obtain Organizational commitment. Change performance expectations.
Staff Specialist		Issue : Technical problem action : Design data system and interpret environment	Provoke response from operating units. Apply data system to performance measurement
Division Management		Outcome : Technical and informational groundwork	Issue : Management problem Action: commit resources and modify procedures Outcome : increased responsiveness

Phase1. The top level management of a corporation gets to learn the social problems. The response is only passive and is acknowledged by CEO of a company in a written form or even an oral statement in order to formulate a policy towards it. (^{2.33} K Ashwathappa,)

Phase2. The company hires a specialist or consultant to suggest the ways to deal with it. This brings out the only intent of the company in the form of policy formulation.

Phase3. This is the phase of implementation. Unfortunately implementation comes on a lowest priority and hence moves with a snail's pace. This loses the steam and initiative eventually. Some external stimulus like government or public opinion forces the management to implement policies. Ackerman advises the managers to take an early action to enjoy largest amount of managerial discretion over the outcome.

2.6.3 Archie Carroll's Pyramid of Corporate Social Responsibility:

As per Archie **Carroll** from Business Horizons Indiana University, and endorsed by DK Sinha, there is a simple Pyramid model for CSR.³³⁴ (DKSinha)

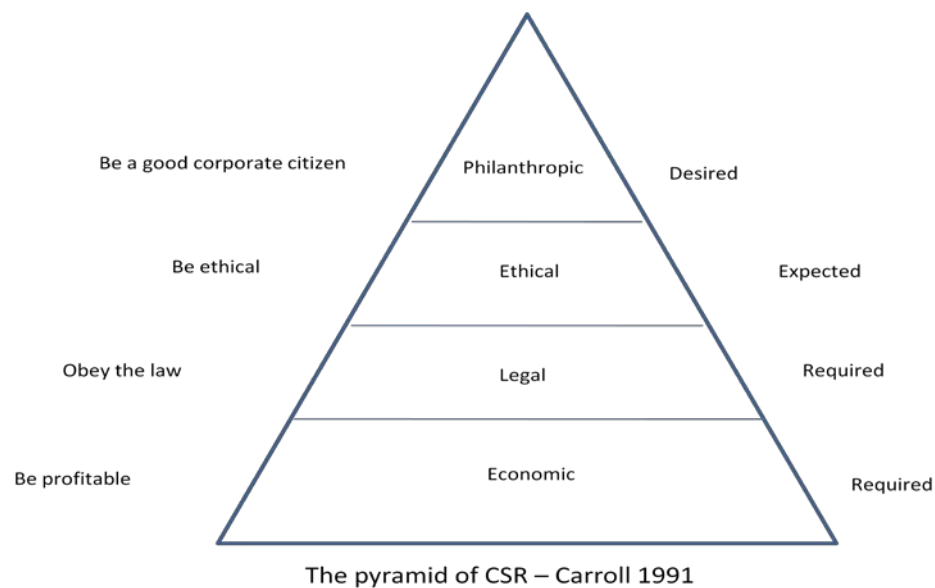


Fig 2.2 The Pyramid of CSR

According to ArchieCarroll, there are four kinds of social responsibilities: Economic, legal, ethical and philanthropic.

Economic responsibilities:These provide goods and services, remain profitable, maintain strong competitive position and maintain high level of operating efficiency. This is one of the fundamental triple bottom line.

Legal responsibilities: Conform to laws and regulations formulated by governments.

Ethical responsibilities: They include those activities which are not prohibited by society as economic or legal responsibilities. (Values and norms of the society)

Philanthropic responsibilities: They involve building an image of being a good corporate citizen and include active involvement in programme/s to promote human welfare or goodwill.

2.7 Types of discharging Social Responsibility

There are various ways of going about contributing efforts towards CSR. Donation of money to NGOs or governmental funds is one way. While skill development of poor class and subsequently offer them jobs in one's organization is another way. Yet activities which may not directly link to company's operation but definitely welfare of the poor class is still another way. These forms of activities fall under CSR.

Michael Hopkins (2007) ^{2,35} states that there are 3 distinct Types of Social Responsibility and these types are fairly acceptable –

Type I,

Type II,

Type III.

These types can be characterized by three broad groups of activity:

2.7.1 Type I - Donating for charitable cause in a developing country, i.e. development of philanthropy. E.g. giving donations to Prime Minister's Relief fund or Chief Minister's Relief fund or NGO.

US, and other well-meaning countries such as Canada, has often been accused of dumping their surplus wheat or canned luncheon meat or pilchards in the name of development. This example could be that of Type -I

2.7.2 Type II - Initiate development inside the company that initiates new products for developing countries, or invest in a developing country to take advantage of cheap labour or special skills or natural resources and in turn, directly improves the profits of the organization.

The above type is acceptable for international operations but not Indian operations, India being a developing nation. Unfortunately, researchers found that due to high taxation rates, rampant malpractices, large number of permissions from different departments of government functionary, inspector-raj, unionism, some of the industrialists have started going out of the country and setting up the companies elsewhere.

2.7.3 Type III - Initiate activities that promote sustainable development and anti-poverty initiatives that might be in addition to Type II activities. These activities serve to promote development, but do not immediately impact on a company's bottom-line. They are carried out to enhance a company's reputation and contribute to wider development objectives.

2.7.4 Pros and Cons of Type- I activities

Charitable or Philanthropic donation in various funds comes under Type- I activities and is called as 'One Step' thinking. The question is how far it will lead further in CSR? There is active thinking that government collects taxes from people for activities including social upliftment of poor masses and yet they have failed miserably on this count. In that case, what is the big idea of donating money in the Prime Ministers fund or Chief Ministers fund? Shall it not become a burden on government which they are palming it off to the corporate firms?

Another argument could be that no inspectors can question the company employees about the expenditure and audits in case of CSR! The easy way out to save oneself from all headaches is to donate money to such funds and wash off hands of their liability!

Thirdly, organization does not get subjected to scrutiny of expenditure on CSR activities by auditors and subsequently the government authorities and thus gets rid of headache of reporting.

2.8 Ethical behavior in business :

J.J. Irani (2005) in the book *Business Ethics- An Indian Perspective* by AC Fernando ^{2.36} asserts that human ethical values are returning back to Demand . He accepts it to be true that business is there to earn profit but business should be undertaken in an ethical way. It is very important to make profit then only you can use that money on society. He firmly believes that ethics cannot be forced in the form of law but it has to come through a change of mindset.

As cited by A Mehta and PV Narsimham (2010) ^{2.37} and (Colle et al, 2008) Aristotle talked about ethics in (384 -322 BC) and explained in details of "Human Virtue". It says , human virtues like courage, self-control, generosity, magnificence, patience, amiability, truthfulness and wittiness in which the human happiness lies.

The Trouble with CSR Standards are that there are —Too Many Different Ingredients in the Melting Pot?^{2.38} CSR standards include the wide set of national and international standards that—despite relevant differences in their nature, focus, monitoring mechanisms and governance structure—all share a common objective: to advance the social, ethical and environmental performance of organizations by codifying aspects of organizational behavior.

Whereas, a narrow view of CSR accepts selective responsibilities leading to omission of some, the broad view of CSR embraces all responsibilities for economic, social, and environmental impacts.(T Ramkrishna&Kannadas 2012) ^{2.39} They agree with the views presented and cite as CSR being a dynamic phenomenon (Carroll, 1999), that is all encompassing, and overlapping with relatively open rules of application (Matten& Crane, 2005), and also being multi-faceted as Gray et al (1996).

2.9 Corporate financial performance (CFP)

Manasi Kothari and N Zaveri^{2.40} support theorizing the relationship between Corporate Social/environmental performance (CSP) and corporate Financial Performance (CFP) by Orlitzky, Marc, Frank L. Schmidt, and Sara L. Rynes.(2003). They find the relationship between Corporate Social/environmental performance (CSP) and corporate Financial Performance (CFP) has too little evidence to draw any generalized conclusions. With this integrative, quantitative study, it shows that they have very less generalized knowledge about CSP and CFP which is built on wobbly grounds.

2.10 The Social Challenge for Corporate companies

A business is looked at as a profitable process of production, distribution and sale of goods and services. Analysts like Friedman and Hayek have argued that business should confine itself to its commercial roles and that the least intervention from government ^{2.41}. Friedman observes that shareholders do not know any other responsibility except for taking maximum profits and nod their heads negatively when it comes to social responsibility. He says that private business has no democratic authorization and also it has no any established system of legacy to support a cause. The arguments are in favour of non-profit-organizations or NGOs who have more acumen in the field of discharging social responsibility.

The idea that businesses had certain responsibilities gained argument in the nineteenth century. To fulfill them, some businesses instituted schemes like employee pension schemes, free Medicare-etc. As businesses initiated overseas operations, they had to deal with several ethical issues. One reason could be that the rules in the overseas market would be different from the domestic market. Companies operating in foreign markets often resort to corruption or manufacturing substandard products. To cover up these acts and practices they resort to use of their wealth by supporting established or prestigious programs, developing activities, sponsoring events that will stabilize their position. This type

of corporate giving also includes community projects, health and education. Private companies cannot undertake all the corporate responsibility activities effectively like social functions, economic tasks, creation of jobs etc. Their obligation can be complimented by nurturing partnerships between companies and NGOs in order to improve communities.

In fulfilling the social responsibilities, companies should carefully choose projects, have a base line study and then go ahead and undertake. This will ensure the sustained involvement and quality management.

According to Corporate Social Responsibility by Michael Johnson(1994) ^{2.42}, society grants two special rights to business. They are potential immortality and limited liability. Business can justifiably take advantage of these rights if it fulfills its duties as good corporate citizen. Economic development and an improved quality of human life are germane to the interest of business and industry. Hence from a rational economic point of view, it would help in the long run interest of the corporation to be good social citizen.

Besides taking up some specific projects for accomplishing its social responsibilities, the corporate sector is also expected to generate jobs and create wealth. Various stakeholders of corporate sector have different expectations from a company. However, the primary expectation of every stakeholder is that of getting the maximum financial return on his investment. (*Michael Johnson ibid*) Thus it will be found that CSR lies somewhere between evils of capitalism and fancies of socialism.

Table 2.2: Stakeholders and their Expectations (^{2.43}Tom Cannon,)

Stakeholders	Expectations	
	Primary	Secondary
<ul style="list-style-type: none"> • Owners • Employers • Customers • Creditors • Suppliers 	<ul style="list-style-type: none"> • Financial returns • Pay • Supply of goods and services • Credit worthiness • Payment 	<ul style="list-style-type: none"> • Image and standing • Work satisfaction, appreciation • Quality and lower price • Security and good payouts

<ul style="list-style-type: none"> • Community • Government 	<ul style="list-style-type: none"> • Safety and security • Compliance 	<ul style="list-style-type: none"> • Long-term relationships • charity to the community • Improved competitiveness ,
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Note: In the above table, it was observed that the author excluded employees as stakeholders . The researcher found employees to be part of stakeholders elsewhere.

The above table shows the expectations of the major stakeholders of a company. The customers of a firm expect safe, reliable and useful services and improvements in product quality. They also expect honest and informative advertising. Society also expects the businesses to protect the environment and take care of their health and safety. Fulfilling all these expectations is a challenge for any enterprise. In Britain the success of a business is based on how well it is accepted by the local community. Sometimes the aims of the industry and the community do not match. Some of the goals of the community are not supported by the industry. This can result in hostility from the local community. This usually happens when industries operate in other countries. Japanese companies in UK and US had to face considerable hostility, from local groups, which often opposed their operations. To avoid such resistance and to acquire the support from the local communities , companies can undertake activities that encourages the welfare of the local community.

The Body Shop (later taken over by L’Oreal –cosmetic products company) firm established by Anita Roddick ^{2.44}.won the goodwill of customers from many a countries in the world . It was done by convincing them that the cosmetic products were totally natural and ascertained that no tests were carried on guinea pigs or animals. Enterprises also have to face political pressures. Today there are many consumer groups that are building awareness among the general public about the responsibilities of corporations. The environment protection groups have been particularly effective at creating awareness about the various effects of environmental degradation. In some cases they have even got

consumers to boycott products of companies that have been accused of polluting the environment.

2.11 Standards and Business Values

Businesses with social responsibility may conform to standard rules and regulations for professional functioning. Though rules have been formulated by professional bodies, the ethics compiled by professional bodies are insufficient guides for executives.

Following example illustrates that managers may not always be aware of the consequences of using a particular item in dealing with a product. As the implications and consequences of their decisions become more evident, managers often face ethical problems. They are faced with the challenges of ethical dilemma. Sometimes, the decision taken by a firm may have unexpected results. Now corporations do not only earn profits for their survival, but also endeavor to satisfy a gamut of societal requirements. Thus, they need to be socially responsible, for their continuance of business activities in perpetuity. They got to be socially conscious and judge the societal vis-a-vis ethical repercussion of their decisions.

Corporate Social Responsibility is the sense of commitment on the part of companies to deal with their business actions by taking strategic decisions while building certain social norms. Corporate which is socially responsible should think about various concerns, from organizing the corporate to building relationships with the community. The issue of corporate responsibility has come into focus through industrial revolution.

2.11.1 A freak dilemma of Coca Cola: When CFC (ChloroFluoroCarbon) was developed for use in refrigeration systems, one had no knowledge of the long-term environmental impact on depletion of Ozone layer . When a gaping hole in

Ozone layer was discovered in 1986, CFC was banned. Coca Cola until then had heavily invested in refrigerators. These refrigerators (using CFC) were deployed sumptuously all over the globe^{2,45}

Subsequently, the refrigeration industry switched to HFC (HydroFluoroCarbon) and so did Coca-Cola in a very big way prior to Olympic Games in Sydney in 2000. But unfortunately it was later discovered that HFC was creating more global warming, since HFC gases are 11,000 times more harmful than Carbon dioxide!

2.12.0 Corporate Responsibility -Stakeholders

Businesses can succeed only if they galvanize relationships with all their stakeholders. These relationships can be enhanced, if organizations fulfill their obligations towards the stakeholders. The responsibilities of organizations towards their stakeholders - shareholders, employees, management, consumers, suppliers, creditors, competitors and community have increased.

Any organization has stakeholders as an integral part of it and they do play their role in some way in an organization's activities. According to R.E.Freeman and David L. Reed (1986), stakeholders may be:

- Any group of people who have a stake in the business.
- Those who are essential for the continued existence and success of the organization.
- Any group which is influenced by the activities of business.

In earlier times, the aim of most companies was to enhance the shareholder value, but now the center of attention is to satisfy all stakeholders by permitting them to have share in company's profits.

2.12.1 The stakeholders' group is further divided into two as

- (i) Stakeholders in a wider sense and
- (ii) Stakeholders in narrow sense.

To be more specific they include following -

(i) Stakeholders in a wider sense – any identifiable group or individual who can affect or get affected by organization objectives and achievements. They can be public interest groups, protest groups; government agencies trade associations, competitors, unions, shareholders.

(ii) Stakeholders in narrow sense- any identifiable group or individual upon which the organization is dependent for its continued survival. They are employees, customer segments, shareowners, certain financial institutions and other stakeholders.

Based on their association with the business, stakeholders can further be categorized as:

- internal stakeholders
- External stakeholders

Internal stakeholders include shareholders, employees, and management. Any decision taken by the management has a direct impact on them.

External stakeholders could be both individuals and/ or groups, who have some stakes in the company. These may consist of consumers, suppliers, creditors, competitors and community. It may be noted with concern that all stakeholders do play a crucial role in the success of a corporation.

2.12.1.1 Internal Stakeholders

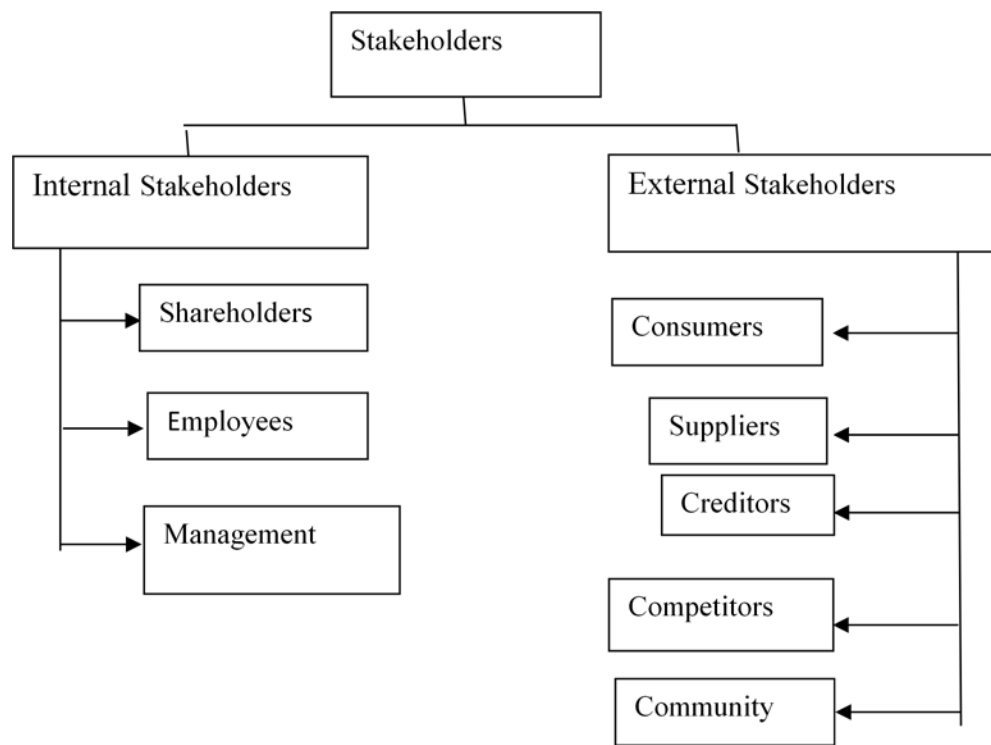
As mentioned earlier internal stakeholders are:

- Shareholders
- Employees
- Management

2.12.1.2 Shareholders

Primary stake in the business is that of shareholders. They are considered to be having ownership of the corporation. Organization are considered to give

returns to their shareholders .That is why organizations lay more emphasis on the meaning of ownership. In turn, shareholders possess rights and responsibilities with respect to specific stake. They are permitted to a share the profits of the company. This share of the profit is given to the shareholders in quid pro quo for their investments in the form of shares. The shareholders are entitled a good return on their investments, and also latest information about the company’s performance.



Source: [CMR Center for Management Research]

Figure 2.3: Classification of Stakeholders

2.12.1.3 Employees

Employees have been considered as major stakeholders (Freeman (1984) as well as non-consumer stakeholders (Duesing 1978).^{2,46} Employees and the organization are having contractual terms binding both. This contractual relationship is considered to be important for the society. Employees contribute

their hard work and time towards the progress of any organization and in turn improves society.

The employment contract places certain responsibilities upon organization while employing their employees. The terms and conditions of responsibilities on either party are determined by the nature of employment. Usually the permanent employees of an organization are more loyal to the firm than the temporary employees, because they enjoy job security, develop a sense of belonging and expect support in times of difficulty. Most Japanese corporations provide security to their employees by offering lifetime employment. Studies in Human Resources Management have concluded that satisfied employee has a better morale and job motivation and this facilitates to a better organizational effectiveness (Koys, 2001),^{2.47} and accomplishment of firms .

To promote a sense of belonging among all employees, organizations should uphold a healthy work environment. Organizations must endeavour to keep its employees abreast with latest technology, impart training to hone their skills, give promotions in time to keep their morale high, award them suitably for their good actions and appreciate their work.

However, AzimPremji^{2.48} held different and a mixed opinion regarding employees. He added that during national calamities if he asked for money contribution from employees in which company also would contribute equal sum, the employees were forthcoming in terms with time but not money!

2.12.1.4 Management

Stakeholders are affected by any decision taken by the management as they impact in some way or the other .The role of the management involves in balancing the many requirements of different stakeholders. Management is expected to satisfy the needs of various stakeholders.

2.12.2 .0EXTERNAL STAKEHOLDERS

According to the stakeholder theory, an organization should not discriminate and offer preferential treatment to any stakeholder and group over other. Therefore management is entrusted to strike balanced relationships among the stakeholders. In absence of such balanced relationship, the survival of a company is at stake.

The external stakeholders of a firm are:

- Consumers
- Suppliers
- Creditors
- Community
- Competitors

2.12.2.1 Consumers

Consumers buy products of the firms and in turn enjoy the benefits of it. Consumers contribute to a firm's revenue. With surplus revenues corporations reinvest these earnings. When this cycle continues, it can be said that customers pay indirectly for the development of new products and / or services. By addressing customer needs, management automatically cater to the needs of suppliers and owners.

Five R's - right quality,

right quantity,

right time,

right place and

right price

are essentials to any firm to sustain in the business world with competition with other firms rendering similar products or services . If the consumer is satisfied, the company remains on success path. Company gets publicity automatically by word of mouth. If the converse becomes true, the company fails miserably. The example is of Nestle India ^{2.49}which produced Maggie noodles. With excess of MonoSodium Glutamate (MSG) and lead contents, the consumers dumped the

product in Jun 2015. It was predicted that company sales would be down by almost 25 % in the third quarter of 2015.

2.12.2.2 Customer Interest and awareness

Yau et al. (2007) ^{2.50}opined that managers of company should regard customer as a king or queen. The organization must serve the interest of customers. They should be in a position to predict, understand and possibly give the customers' needs and tastes.

2.12.2.3 Growing Investor Pressure

These days' investors are making their decision to invest in a company which is having ethical concerns, ethos, and CSR activities. Hence the laggard companies have to re-orientate themselves and think about their business strategy. Socially Responsible Investment (SRI) is being closely looked at .In fact equity analysts at Frankfurt Stock Exchange , as per Christian Fieseler(2011),^{2.51} perceive legal, ethical and strategies in philanthropic responsibility are becoming more investment oriented. The impact of CSR activities is considered more seriously. This has to be done through CSR reporting and communication to the public

The ethical conduct of businesses has accentuated a growing influence on the purchasing decisions of customers. The aftermath of 'Shell debacle' showed that public stopped filling gas from Shell pumps in Europe and America. But vice-a versa when they were convinced that the company undertook CSR activities post-debacle, they restarted filling gas in their vehicles from Shell pumps.

2.12.2.4 Competitive Labour Markets

The case may not hold well in Indian companies at present times, but certainly has a lot of effect in Western world. There are a growing number of employees who are just satisfied with their salary and facilities. They are looking

at companies with good, ethical business practices where they are comparatively at mental peace In order to hire and retain skilled employees; companies are being forced to improve business practices. One such practice is CSR activity. CSR can also help in feel good atmosphere among existing staff.

2.12.2.5 Risk Management–

Reputation or image in the public eye which takes decades to build up can be destroyed in few days or even few hours. ‘Doing right things’ culture can minimize such risks.^{2.52}It is a well known fact that within few hours from the newsbreak on national TV channels the customers shunned Nestle’s MaggieNoodles . It took Nestle a year or two to limp back to normalcy .

2.12.2. 6 Suppliers

Suppliers play a vital role in the success of any business. Cordial relations with suppliers assist to harvest the benefits of superior offerings and responsiveness (Sisodia, Wolfe and Sheth 2007)^{2.53}. Profitable firm companies believe suppliers to be true partners and encourage suppliers to unitetogether in sustainable business. So, firms on reaching higher levels of profitability, quality and productivity; suppliers act as partners, rather than outsiders (Sisodia et al. 2007). Supplier power signifies the ability of suppliers to influence a particular firm. Intuitively, a firm with higher dependency on suppliers for raw materials is considered to have less power as compared to that of suppliers, i.e. supplier power is higher. They raw materials are supplied by them decide the price and quality of a final product. In the competitive world ability to control costs rather than the increasing sales is the key to profitability. Therefore good relationship with supplier can reduce costs.

Organizations must keep certain points in mind while dealing with suppliers -

- Find transparency in all activities, especially in pricing policy.
- Do not let suppliers interfere with business activities to keep them free from coercion;

- Have a long-term stability in the supplier relationship in return for value, quality.
- Take suppliers into confidence ,share the information and make them partners in the planning process;
- Disburse the payment to suppliers on time ; and
- Find suppliers and subcontractors who value human dignity. Encourage them.

2.12.2.7 Creditors

Creditors play an important role in organizations. Usually organizations buy goods on credit from suppliers. Suppliers have an important stake in a business. If a company is taking unduly long period to pay the due amount, the suppliers may stop honoring orders.

2.12.2.8 Community

The community accommodates the business and the right to build or rent facilities. In turn, it gets benefits from the government by way of tax revenues. A firm should act in a responsible way in return for the services offered by the community. During the course of its activity, a firm should not expose the community to hazards like toxic waste or some form of air or water pollution. A firm's responsibility towards the society is many fold:

- It should respect human rights.
- It should generate harmonious relations with the society.
- Participate such activities that improves the standards of health, education and economic well-being.
- Promote sustainable development and have aggressive role in preserving and enhancing the physical environment.
- Give charitable donations, and involve employee participation in social affairs.

2.12.2. 9 Competitors

The role of competitors is precarious. They give a tough fight to a company. This may be in the form of price war, enhanced quality products at same price tag, poaching of qualified manpower, better salesmanship etc. But when competitors are limited in number then there is a fair chance of cartelization of service or product and consumers getting a raw deal.

2.13 CSR- Is it a tool or mirage?

Although CSR is meant for good of the community and society it is seen that besides having good intentions, there are some examples which have used CSR as a smoke screen or CSR as crutches to bring back business on track. In one example, it was revealed that CSR debilitated company's efforts (NTPC, Bhopal) by getting drawn into un-necessary litigation for possession of its land to Municipal corporation

Increase in CSR activities have been on rise for different reasons beyond perception. In some European countries, Pension Fund amendment act has made companies to go in for CSR activities with an eye on government investment at lower cost!

Following examples will illustrate how successfully a company can undertake CSR.

2.13.1 Good intentions but Failures in execution of CSR activities–

(i) Coca-Cola case A classic example is that of Coca-Cola's funding for a hospital in Mozambique^(2.54) *Michael Hopkins*) long back. It was beautifully built and filled with latest modern equipments. After few months when Coca-Cola Executives visited this, they found to their horror that it was being used by many homeless people and the equipment was sold .hence providing direct grants for the projects are unsustainable. Subsequently, after mustering enough bad

experience, Coca-Cola partnered with St. John's Ambulance brigade (Red Cross)^(255 RenuJatana,) in India to provide free medical facilities and information to poor people in several villages near Coca-Cola bottling plant.

2.13.2 Arguments in favour of CSR -

It is very pertinent to draw the attention to some multinational enterprises' caught in non-ethical practices surfaced in public domain and thereafter enterprises using CSR to slowly regain their market position. In the past they have used it as a solution for their failures on some operational accounts. Following examples will vividly illustrate the non-ethical conduct of company operations and thereafter their efforts to douse the fire by treating them with CSR and SD.

(i) Positive outcome of CSR - Nike Company with poor SCM

Nike is the brand name and largest seller of athletic footwear and tracksuits etc in the world. The company was founded in 1964. Approximately 50% of Nike's product line is manufactured by independent contractors in foreign markets, including Indonesia, China, Malaysia, Vietnam, Mexico and Singapore.

Not very long ago, Nike Company came in a very poor light due to bad labour practices in Vietnam. Contractors or sub contractors were given the contracts to manufacture goods to be sold to only Nike Company.^{2.56} The company never interfered with their working and was happy in getting the product at a very cheap rate. In these subcontracted companies, the labour practices were horrible. For instance, observing 65 hours working hours weekly, no overtime allowances, posing lot of discipline on workers, inflicting corporal punishments for lapses, physical and mental abuse to workers etc. Workers were paid only \$1.60 per day wages when food cost was minimum \$2.1 per day per person. After these facts surfaced publicly, it gave a rude shock to the world. The protesters organized boycotts of Nike products, including outlets in Pune, drawing media attention on the subject. This led to a phenomenal loss to the company.

The subsequent efforts by independent monitoring , raising minimum age to 18 years for recruitment of employees , better working conditions at workplaces, better wages, education for family , health programs through CSR put the company back on to track.

(ii)Positive outcome of CSR -RoyalShell company case:

In 1993, Ogoni people from Nigeria were seeking justice and reparations against the giant Royal Shell Company which was extracting oil from the fields. The company was spoiling their lands through oil exploration and production leading to destruction of ecology and endangering some bio- species.

Unfortunately, the Ogoni's key spokesperson, Ken Saro-Wiwa who spoke against the operations company, was executed along with eight others to suppress the matter. Subsequently, the case was tried in USA. American people started avoiding filling gas in their vehicles from Shell gas outlets. Thus Shell suffered huge losses.^{2.57}(*JadMouawad*)

In order to regain that lost confidence, Shell spent nearly £20 million to rebuild its reputation, through PR Company Fishburn Hedges, to co-ordinate Shell strategy on CSR. Slowly with better publicity and showing charitable approach, the company regained its position in the market.

2.13.3 Arguments against CSR

(i)An undesirable case of Parmalat Company (Italy):

Parmalathid behind CSR smokescreen and duped thousands of investors and became insolvent in 2003. Within few years of operation , Parmalat came to be known as one of the socially engaged company in Italy with regular donation to Catholic Church, building clinics ^{2.58} for asthmatic children and also running a soccer team,. In the public eyes, Parmalat did very well and built its fame around.

In contrast to enviable CSR activities and consequential winning the people's hearts, the company took advantage and started buying assets all over

with loans from Bank of America, Citigroup, Deloitte & Touche and Grant Thornton. The company hid the huge debts in its Balance sheet. Finally, nearly 1,30,000 small shareholders lost their wealth.

This is a classic example of how CSR activities can also take people for a big ride!

2.14 Foreign Direct Investment (FDI) impact on CSR

International capital movements address problems of the most of the developing countries' balance of payments (BOP)^{2.59}. This capital increases the direct employment generation. Foreign Direct Investment (FDI), generally, ensures handsome wage levels and ethical labor standards. Due to operations of large MNEs, small ancillary industries too come up in the neighboring area in which once again indirect employment generation improves. The working conditions, stability in employment, spending capacity of employees does improve in both Corporate companies and ancillary industries.

However, eventually it does pose a question that what is the interest of MNE? Of course, MNEs do make money, may be in a slow manner, but towards the later part i.e. when they are winding up business, they take away or repatriate their profits. If one carefully studies the FDI cycle, one will realize that in a long run the host country is generally benefitted.

The total impact of the operations of the MNEs on economic development becomes complicated, However, CSR initiatives component often changes the impact on lives of people and multiple other issues.

2.15 Driving force for undertaking CSR by companies-

Many companies perceive that corporate social responsibility is a non-core issue for their business. What is more important to them is the customer satisfaction. It is felt that customer satisfaction is only about quality, price and in time service. They fail to understand that CSR activity is equally important that

also goes hand in hand .Once this requirement becomes part of the demand by the stakeholders, the erring companies will lose out on business. The change has to be acknowledged which eventually may grow as an opportunity for any business.

2.16 Disclosure policy and communication of CSR

In the past, many banks in USA and Europe did not disclose social reports or sustainability reports besides stakeholders like supplier, customers, employees, communities, investors. This led to eroding the confidence of investors. Now there is a growing demand for disclosure In some countries, regulatory bodies and stock exchanges and governments have made guidelines, rules, laws or acts. In fact they have played a major role in constituting social reporting methodology.^{2.60}

As per the Harvard Kennedy School, the Hauser Institute for Civil Society has given out a chart regarding publishing of country's requirements. In this they have discussed disclosure efforts by many governments. They stress upon disclosure policies either under AccountAbility 1000 or GRI Reporting etc. In this, it is noteworthy to mention that India has promulgated many laws for disclosure and is not lagging far behind.

It is also substantiated by VidhiChaudhary2014^{2.61} in her abstract form Corporate Social Responsibility and the Communication Imperative -She asserts that CSRCommunication is central to the perception of managers for construct and articulating the information . It should also be correctly given out by media and a proper balance in disclosing it to be maintained. VidhiChaudhary and Wang 2007^{2.62}, bring out general lackadaisical view on CSR disclosure on the part of managers in top 100 IT companies in India.

More comprehensive thought by MdHossain and Anna Rowe^{2.63} in their paperas regards to Corporate Social an environmental Reporting is concerned with a process of building public image, corporate reputation and creating value .

But in ,Corporate Social Reporting : Rebuttal to Legitimacy Theory by James Gunther and Lee D. Parker (2012)^{2.64} brings out bizarre findings in the study carried out on reports of a leading Australian mining company's social reporting for last 100 years. They are completely at cross-road with the legitimacy of reporting.

As per Indian customs, such activities are not to be publicized (like in case of *Daan* or Donation). In most cases it was found that these activities were regarded strictly as charity activities and were not needed to be publicized to others. However, one question lingers on mind that what is the authenticity of their claim that money was spent! It must be reflected in the balance sheet. When this is done it is communicated externally to the investors or stakeholders of the company and general public.

2.17 Brand Value:

It is a well known fact that brands carry the value and bring in success in any business. The sales of any company are mostly dependent on the brand they offer it to the end user. CSR gives them feather in their cap. Some of the traits which affect the brand are-

2.17.1 Brand Building –

CSR is a vital component of brand value. Talking about the company's CSR activities create more positive image in the minds of readers or viewers. Tatas have carved a niche for themselves in the minds of people and perhaps the only company in the world which has been carrying out either philanthropic activities or social activities for over a century.

Microsoft's Bill and Melinda Gates Foundation's HIV / AIDS eradication activities have built a positive image in India.

2.18 Role of NGOs in CSR activities

NGOs are the bodies registered under a state and are urged to carry out social welfare activities at no loss and no profit basis. The ability to make important changes in the society and improve the overall quality of life has undoubtedly been proven by the NGOs. These non-profit organizations under the banner of Non Governmental Organizations (NGO) have emerged to carry out the goals set up by the philanthropist. Large organizations do tie up with such NGOs who are expected to have gained a lot of expertise in the field.

However, the role of NGOs comes under a scanner as suspicious activities^{2,65} or at times it is claimed that they are the extended arms of ruling political parties.

Whatever the case is, we have no other option than to believe in their stated operations. Under the circumstances, the corporations do need them in furthering their goal of CSR and SD. Reasons being that firstly the big Corporations do not have subject matter experts, secondly corporations do not have necessary manpower to be spared for such operations and lastly, the CSR operation takes only few minutes to write a bank cheque. On the other hand NGOs remain in the field and do make a social impact. Secondly there is no guarantee that the earlier corporation will put in money in the same project next year also. Hence, in order to maintain activity, the NGOs can tap some other sources for the project to remain ongoing till such time the objectives are not met completely. Presently, we have little choice other than to remain dependant on their expertise.

It is very important that partnerships among NGOs, companies and governments should be coordinated and facilitated so that their entire gamut of skills, strategic thinking, manpower and wherewithal to bring about extensive social change will put the socio-economic development of a country on a fast track. However, the government project cannot be duplicated but supplemented.

In recent past i.e. in May 2015, the central government of India has cancelled the licenses of 8975 NGOs for of non- filling tax returns and further it is claimed that some of them were having links with dubious foreign agencies such as Ford Foundation, Green Peace, which are thought to be fomenting internal communal fights.

2.19 CSR Evaluation

Anywhere in the world, the evaluation or auditing principles are same. They are a cycle of 'Plan –Do- Check – Act'. CSR program also has to be evaluated against these principles. This offers us accountability which is a primary aim. Subsequently, it provides us area to be focused and some lessons thereby to judge whether the strategy is working or not. If not working, what could be better solution?

In this regard, researcher would like to cite an example as narrated during the survey by an IR officer in INA Bearings Company in Talegaon, Pune.

When he was working for the previous company (without naming it) in the same geographical area, there was a perpetual absenteeism problem from the blue collared employees. Disciplinary action against those errant workers could not be initiated, since those workers were sons of soil upon which the company premises were set up and therefore law protected them. The then CMD of that company decided to carry out CSR activities in the village from where the workers hailed. He found out that women folks, from the same village, had to walk to the nearby river and fetch water in their utensils. Later, after seeking proper clearance, he got one bund erected across the river and circulated that water through pipeline to every household in the village. He even got the sole school from the village renovated. This praiseworthy act led to change the minds of womenfolk of the village.

This had a dramatic effect in every family from where the male member was employed in that company. Whenever, these employees would sit back at home without any valid reason, female folks from the family would rebuke them and force them to go for the work. They did not stop only at this action but even

started getting feedback from other members at the work place. They even threatened male folks that if they stayed back home the ladies would go to the company and replace them. They sincerely wanted to have the proper functioning of the company!

The desired result was achieved. Absenteeism stopped! Throughput increased ! This example certainly has good learning values.

Program evaluation ^(2.49) is essential for performance improvement. Through an assessment or audit it is possible to determine the efficiency, significance, usefulness, sustainability and institutional impact of development activities. Impact evaluation helps in a better understanding. The focus areas for Program Evaluation are:

- **Impact Evaluation:** It is a systematic estimation of the impact of CSR activity of a company and its effect on community and the environment.
- **Evaluating the Program for Improvement:** Assessment must focus on improving the quality of implementation and project results and programs during the project life cycle.
- **Evaluating Participation and Empowerment:** Programs must also be evaluated with the objective of encouraging participation, empowerment among the local stakeholder groups.
- **Evaluation of Capacity Development:** Evaluation must result in actions to encouragement and building organizational skills, incentives in order to achieve the desired goals.

2.20 International Accounting Standards for CSR & SD

Over a period few standards are developed for guidance and measuring and auditing CSR activities. CSR auditing is a tool for measurement of corporate social accounting. ^{2.50}.Some organizations adopt one of the standards for CSR and accordingly display their commitment to systematic assessment and reporting of

activities of a company by getting itself CSR audited. Just to site an example, Tata Motors is applying AA1000 Standards for its CSR activities.

CSR auditing becomes significant because it shows performance gap between the activity level and its overall performance against the guidelines and standards laid down. In some odd cases, the researcher found a large deviation while studying some company's annual reports .The activities portrayed in the print and photographs vis-a-vis financial outlay and efforts spent were mismatch!

In one example, while carrying on with an informal interview with a young medical doctor, researcher came across some irregularities .Without naming this reputed company, the managers from this company promised remuneration and a certificate to this doctor for delivering a lecture on health related issues to a large gathering of labour class construction workers under its CSR activity programme. On one fine Sunday, some construction workers from the nearby vicinity were lured for a cup of tea to attend the lecture on HIV by this doctor. Photo-op was promptly carried out. But in due course of time, this medical doctor got neither the remuneration nor the certificate! As far as public was concerned, they would have been satisfied certainly with a cup of tea. So the moot question remains -Where are the ethics in CSR?

After studying some annual reports of various companies, it revealed that some of them were far from the requirement qualitatively. In some cases, what it appeared that the expenditure figures were inflated to a large extent.

On this backdrop, CSR audit should be taken seriously so that the companies will not stray away from desired objectives. CSR auditing gives rise to social transparency. It was observed that the insufficient information in report coverage is usual. While reporting, one should guard against the material errors. There are few auditing standards which may be applied by the organization to check the social activities ISO 14000 (external reporting of environmental performance), AA1000 (based on principles of completeness, materiality, and

responsiveness), ISAE3000, SA8000 (social accountability system), GRI (sustainability report).

2.21 Tata Index for Sustainable Human Development

The Tata index for sustainable human development ^{2.66} is a groundbreaking effort meant for directing, measuring and enhancing the community work in Tata group enterprises. The index provides guidelines for Tata companies looking to fulfill their social responsibilities, and is built around the Tata Business Excellence Model is an open-ended framework that impels business excellence in Tata companies. Now, the Tata index is adopted as an industry model to drive social responsibility efforts within the group.

2.22 Conflicting views about CSR bill in India –

Before the bill on CSR was to get passed as a law by the Indian Parliament, Aneel Karnani^{2.67} made some observations on mandatory CSR Bill. Some of them are as follow :

- (a) CSR is fundamentally an inspirational exercise, and therefore it is wrong to legislate aspirations.
- (b) Laws only set minimum standards; they do not create any drive for positive action.

For example, it would be difficult to direct a company to “build excellent schools” .

- (c) The CSR law can be attacked on the basis of pragmatism as ineffective.
- (d) The law would be frightening in its enforcement. It would aggravate an already awful situation where many laws are poorly enforced in the country
- (e) If the 2 percent allocation of Profit after Tax (PAT) is not made in a given fiscal year, the CSR committee has to submit an explanation to avoid being penalized.
- (f) There is no discussion of what explanations would be legally valid, opening up much room for corruption and extortion.
- (g) Mandatory expenditure constitutes inasmuch as a tax.

(h) The law essentially imposes an additional 2 percent tax on companies covered by the bill. This is a back-door entry to increase corporate taxes without a transparent political debate. The corporate tax rate in India is 32.45 percent—already one of the highest, compared to a global average of 24.09 percent.

The silver lining to the dark cloud is that the present Finance Minister announced that commencing from year 2015-16 he would decrease corporate taxes from 30% to 25% in next 4 years(i.e. by 2019).

India has been performing well under its liberal economic regime, especially during the last decade, and has been one of the fastest-growing economies of the world. While inequality is a major problem, even the poor have benefitted from the economic growth. Lakhs of people have come out of poverty to join the up-and-coming middle class.

AzimPremji, ^{2.68} Chairman of Wipro, expressed that 2% requirement on CSR expenditure is lesser for IT companies.

2.23 Which activities fall under is CSR and which do not in Indian context?

During a seminar held in Mumbai on 28 Nov 2013 in Hotel Sofitel under the auspices of Her Royal Highness Princess Astrid of Belgium, Representative of His Majesty the King and DrBhaskarChatterjee, DG & CEO Indian Institute of Corporate Affairs, Govt of India, spelt out the difference between what constitutes CSR and what doesn't ! ^{2.69}

Table 2.3 Activities coming under CSR & excluded from CSR

What is CSR ?	What is not CSR ?
(1) It should be rupee measurable.	That which is not rupee measurable is not a CSR activity.
(2) It should offer direct benefits to disadvantaged, poor, marginalized or deprived class of the populace.	If it does not benefit the poor & backward section of the community it is not

	a CSR activity.
(3) It should not predominantly benefit employees of the company.	Employee benefits will not count as CSR.
(4) It can be related to the core business or the business model. It can thus deliver a shared value.	It must not be part of the core business of the company.
(5) The quantum of value in monitoring terms which the target group will derive must be shown and clearly identified.	The total value of the project itself cannot be shown as CSR
(6) It must be sustained activity over a period of time.	One of or intermittent activities will not count as CSR
(7) CSR activity must be in the form of projects / programmes . Thus CSR activity must be projectivized ; Components of a project are as follows: -Need based Assessment / baseline survey /study -Clearly identified timeframe -specific annual financial provision -visibly recognized milestones -undoubtedly identified & quantifiable objectives /goals -Robust and periodic review & monitoring	Pure philanthropy or simply donations will not be reckoned as CSR. Funds deposited in Central or Government accounts will not be counted as efforts towards CSR. The programs or projects undertaken outside India will not count as part of CSR Projects Programs and Initiatives undertaken by Government shouldn't be duplicated. At best they can be complimented and or supplemented.

2.24 Strategic planning

Emezi&Nwaneri (2015),and cited by Babu, Bhagat and Swain 2016^{2.70} , used secondary time-series data from 2005 to 2014, to show to CSR as a strategic tool for achieving competitive advantage and profitability. The study established that there was a positive relationship between CSR and organizational profitability

Porter (2006) acknowledged that companies should function in such a way that protects long-term economic performance by avoiding short-term behavior that is socially harmful or environmentally wasteful.

AB Carroll and Shabana(2009)^{2.71}acknowledged that N. Smith(2003) argued rightly that companies may build their competitive advantage through CSR strategies.

While creating wealth, the company creates a private value for itself which in turn creates a public value. This is an example of shared value. This needs a long term planning or Strategic planning .^{2.72}Having a mission or a set goal, clarity in vision and thereby a strategy will produce desired outcomes. Strategy to be adopted for health or education or environment or governance or some of these or any of these or all of these need to be weighed against the efforts required, money requirement etc. To stick to the relevant programme the CSR team is required to hone their skills.

Creation of teams within the organization, selection of employees, sensitizing them with CSR requirements and ultimately getting the best out of them is the strategic management. To achieve this outside agencies help could be sought for team building. The meetings could be kept often and CSR strategy could be discussed at length so that so planning could be perfected. The team has to account for cultural differences, the average skill level of recipients, traditions etc. This factor is very important when one country is undertaking CSR activity in another and seldom similarity between the communities of donor and recipient exists. Luckily Indian law has mandated the activities to be carried out only in India. If some company is doing CSR activity in some other country then the money spent on this will not be considered under CSR.

Clause 135 of the Companies Act 2013 requires a CSR Committee to be constituted by the board of directors. They will be responsible for preparing a detailed plan of the CSR activities. This is nothing else but the strategy .It consists of decisions regarding the budget on expenditure, the kind of activities to be undertaken, allocation of responsibilities to the concerned individuals , monitoring and reporting mechanism.^{2.73}

2.25 Sustainable Development

Sustainable development is a part of CSR. Sustainable Development is like borrowing wealth from the future generation. This future generation, unfortunately, has no 'say' in present time. Therefore, the argument goes that why to rob them of their future? One may think that clearing forests will offer more agricultural land and in turn more yield and money thereby. But what about reduction in forest cover which is guarding flora and fauna - a nature's gift besides controlling temperatures? Is it not logical that the reduction of forest will rob future of next generation?

2.25.1 Definition of Sustainable Development: There are many definition of Sustainable Development found in many texts .^{2.74} Thegist remains- 'progress that meets the needs of the present generation without compromising the capacity of generations yet to be born in order to meet their own needs.'

2.25.2 History of Sustainable Development

In order to reduce green house gases, a number of conferences were held in the past and certain landmark decision were arrived at. Lot of differences existed and still is continuing to exist in the policy matters among the countries.

^{2.61}There is yet no concrete solution. Following are some of the conventions: -

The **First World Climate Conference** was held on 12-23 Feb 1979 in Geneva

The **Second Climate Conference** was held on 29 Oct to 7 Nov 1990, in Geneva.

The **World Climate Conference-3** (WCC-3) was held in Geneva, on 31 Aug - 4 Sep 2009.

The **Kyoto Protocol** is an international treaty, held on 11 December 1997 to reduce greenhouse gases emissions

The Kyoto Protocol's second commitment period was proposed in 2012, known as the **Doha Amendments** (Wikipedia)

But, U N Conference on Environment and Development, Rio de Janeiro in June 1992, turned out to be a milestone for both CSR and sustainable development. The heads of 179 states and representatives of numerous countries, international organizations and non-governmental organizations attended the conference. This conference brought out that humanity could no longer differentiate the environmental sustenance from economic progress. The conference accepted the world action plan named as *Agenda 21*, an action programme spanning the next 100 years.

After ten year of Rio de Janeiro summit Johannesburg Summit 2002 was held. The central attention of it was on the requirement to eliminate obstacles in achieving sustainable development in the modern world. It aimed at alleviating poverty and diseases, managing natural resources rationally and promoting responsible consumption and production. The main emphasis was to strike a balance between development and environment. It will be too lengthy, complicated and interwoven subject and even monotonous to discuss it here and will be shifting our focus from the main subject.

2.25.3 Four major components of Sustainable development:-

- Economic
- Environmental
- Social
- Political

The one which bugs the most to the companies is ‘economic component’ amongst all above-mentioned components. It can further be amplified as following-

2. 25.3.1 Economic Component

- to generate and conserve value in the short, medium and Long term,
- assisting investors to manage risks
- allot resources most efficiently.
- Publish and circulate Financial Statements periodically e.g. assets, money

2. 25.3.2 Environmental components: Companies' operations do contribute environmental pollution. How big or how less is pollution depends upon companies' will, leadership, and intelligence. In some products of a company, the product itself is hazardous e.g. MIC gas which leaked out during Bhopal Gas Tragedy. In some cases the byproduct may be hazardous e.g. chemical industries where residual waste contributes to the environmental pollution. Yet in other cases the raw material as ingredient of a final product is hazardous. e.g. Electronic industries using PCBs. In some cases the energy requirements itself may create environmental pollution. e.g. coal burning in mineral extraction companies.

2. 25.3.3 Social Component: The requirements of a company may require raw material which may be created or extracted in an unscientific way or far beyond the requirement by unskilled workers and thereby exposing them to health risks or hazards .e.g. extraction of asbestos can lead to diseases like cancer.

2. 25.3.4 Political Component: Although this component may be inconspicuous in relation to other components, it overtakes all other components when the interests of industrialists and politicians start congregating. If it goes unchecked, the consequences are worst and effects are irretrievable. E.g. the permission for constructing buildings in a coastal area if accorded can turn out to be disastrous for marine life. If Mangrove jungles in shallow marine coasts are destroyed for the sake of human habitat, the first obstacle to cushion an impact from Tsunami is lost. This will not only inundate coastal area with brackish water but will take away precious lives of people, animals and destroy habitat forever. Once upon a time BandraKurla Complex (BKC) in Mumbai was marshy land with mangroves! Similarly, Hilltop areas are reclaimed with buildings. This is all due to political decisions and blessings.

2.26 Climate Change

No issue could be as huge as much the Climate Change is! This phenomenon crept in after Second World War. The concept of sustainable

development is thought about keeping future generation in mind. However, sustainable development is also related to the present generation. This has become a larger issue of our own very survival! Therefore it is essential that our policies on climate and technologies to bring in change have to be green in order to meet environmental capability to meet the present and future generation with the same scale. It does have strategic impact on business under the heading of greenhouse gas effect leading to global warming. It is not only affecting the rise in temperature, but alongside we are witnessing droughts, floods, tornadoes and such like vagaries of nature.

Change in rainfall pattern, especially in India, that we have witnessed freak rains and cold in the month of February and March when the climate is dry and cool. Northern hemisphere has witnessed droughts and floods and severe hurricanes (in Philippines) at the same time and along with that untimely snow in Kashmir and Ladakh when no one would expect! Thus the planet earth is not offering suitable livable conditions.

The term “sustainable development” can be explained as a development to achieve the needs of present generation without compromising future generation’s requirements. The resources are being misused in a complacent manner. This trend is certainly worrisome for the present generation and definitely for the future generations. A great care is to be shown while we consume depleting resources and create pollution in all forms. Present generation must think ahead of times on the mal-effects of pollution on future generation. An emphasis is to be laid on contemplating ways and means to enhance the quality of life, while safeguarding the earth’s capacity to support life in every way.

2.27 Future of our Planet

The causes and effects are seen in our own generation (a period between 1960 to 2015). Perhaps environment degradation started almost 150 years back onwards when industrialization begun in the western world and engulfed the entire globe. Money, modern life style coupled with greed of possession has hit the mankind. Two world wars have blown away the compassion, emotion,

societal values, well being of others and humanity. This led to the vitiating the nature and manifested the health of our planet.

2.27.1 Rising temperatures

The temperature since 1995 is on the rise on this terra firma. The average increase may look very small like 0.2°C or so but the maximum ^{2.75}temperature at a palace might have a sharp rise say by 5°C or so during day time for few hours. In 2003 it killed thousands in Europe. In France alone it killed over 14000 people. This was partly due to the fact that the houses built in last 50 years had no air conditioners, thereby subjecting people to hot temperatures. People did not know rehydration process i.e. to consume a lot of water. Old persons as well as single persons staying without much of contact with outside world were majority in the victims.

Until 1972, Pune (then Poona) was Non-Fan Station, meaning the government Quarters had no provision of electrical fans. So just imagine, since then the temperature has been on a steady rise and today we need ACs for cooling. Churu in Rajasthan, India recorded a peak temperature of 48.6°C in 2012.

In urban areas, there has been a steadily growing demand of electricity. This energy, most of it is generated by coal fired station. This releases the smoke, CO_2 , and NO_x in the atmosphere adding to green house gas effect. This traps the heat energy coming from sun. Not that it is the only source of smoke production.

Due to rise in population people have to commute from far of distances to their place of work. Obviously, cars or a two -wheelers or buses or a public transport are needed running on petrol/diesel. This forms another major source of greenhouse gases. This again leads to rise in temperature. In twentieth century, horse driven carts or bullock carts or even horses were predominantly used for commutation. Hence there was comparatively less pollution.

Due to modern life style, people are using lot of electrical gadgets like TV, computer, washing machines, dish washers, CD players, and mobiles etc which all require electrical energy. This is also laying a stress on our electrical supply.

Earlier digging / tilling work used to be done manually at farms or elsewhere and now same is undertaken by JCBs or tractors etc. Earlier, farmers used to pull out water from wells using bullocks and now same requires electrical pumps. Their fuel burn / electricity requirement adds up to environmental change.

2. 27.2 Bulging sea levels

Ice is melting from two major continents Arctic and Antarctica. The icecaps from Himalayas, Andes, Rockies and Alps are receding .This is submerging some of the low lying islands and reducing the land size for habitat.^{2.76} There was a SOS (‘Save Our Souls’ signal) from one of the Fijian islands which submerged under the sea water .Due to rising waves, some of the shore lines are receding inland. Soil next to shoreline is becoming useless for agricultural purposes. This is all taxing mankind.Mark Abadi(2015)^{2.76} rightly pointed out that the island nations could be submerged in less than fifty years.

2. 27.3Exodus of people from storm /Tsunami stricken areas

People moving out of areas from Nagapatnam and Machchlipatnam after deadly storms/Tsunami have been witnessed in last few years. Similarly, Bangla Deshis moving out from low lying areas is the right example of natural calamities arising out of deadly cyclones. All this is attributable to vagaries of nature and accentuated by climate change due to global warming.

2. 28.0 Water Pollution

Water is an essential ingredient for sustenance of life.Rivers and lakes are our lifelines. The growing demand is laying stress on the available water resources. The drinking water in rivers is getting contaminated by the industrial activities and other domestic effluents.

There are following types of water contaminants:

i. Pathogenic contaminants

ii. Chemical contaminants: (a) Organic contaminants

(b) Inorganic contaminants

i. Pathogens- Some microorganisms causing diseases are harmful. They affect human as well as animals. Release of such microorganisms by human activity pollutes the water bodies.

ii (a) Organic water contaminants : Soaps, detergents, fats and greases, insecticides and herbicides, fossil fuel oils (lubricants such as T2 oil) , industrial solvents, Polychlorinated Biphenyles (PCB) , Trichloroethylene , Perchlorate, Pharmaceutical Drugs and their solvents and other chemicals at production level etc. are entering into water through our usage or untreated industrial effluent .

There is a famous example of river catching fire! Cuyahoga river in USA (Ohio) caught fire ^{2.77} due to floating pieces of debris soaked in oil underneath a railway bridge on 22 June 1969. The fire broke out due to passing train's engine sparks falling onto oil-soaked debris.

ii (b) Inorganic water contaminants

Sulphur Dioxide from power plants, Ammonia from food processing waste , Fertilizers, heavy metals from motor vehicles pollutants from storm water drains during rains get into streams ,rivers , lakes water bodies or underground water aquifers.etc. (Source: Wikipedia)

The recent past explosion in Tianjin a port city in Eastern China^{2.78} is a worst example of negligence .Variety of organic and non-organic chemicals were stored in large quantities in containers that exploded. Toxic gases were released in atmosphere that killed more than 173 people (mostly fire fighters who had little knowledge of dowsing chemical fire). It released so much of Sodium cyanide that thousands of fish in the nearby river got killed

2.28.1 Water pollution in India

In India, there are many industries which require large quantities of water. These are most water polluting industries and release large quantities of wastewaters creating pollution problems for the society. It is important to treat polluted dirty water for two aspects- one to meet environmental norms for discharge and secondly to treat it and make it agreeable to reuse it in the same industry. This not only will reduce load on freshwater requirements, but will also combat pollution significantly.

The Supreme Court ordered for of 168 'hazardous' industries in the Delhi capital region for relocation on 8 July 1996.^{2.79} Subsequently, in 2000 industrial closures of anywhere between 30, 000 to 90, 000 units. The Court did not consider the workers as interested parties whose opinions needed to be taken into account. The workers were treated as objects, alongside machinery, that were simply to be shunted from one place to another. This was because they were polluting not only the air but water from Yamuna river.

2.28.2 Water pollution in Maharashtra

Maharashtra Central Pollution Control Board (CPCB)^{2.80} declared 49 polluted river sections in the state which is by far highest in the country. Partially treated and untreated wastewater, domestic sewerage from urban areas released in rivers, industrial units, besides poor management of municipal solid waste and animal dung from rural areas were major attributes for the pollution.

The level of biochemical oxygen demand (BOD) varied widely. Higher the BOD, higher the amount of pollution in the test sample. Generally biochemical oxygen proportion lingers around 30 mg per liter of water which is must for aquatic plants and fish to survive.

Irony of life is that officials attributed this due to a large number of monitoring stations in Maharashtra, which identified more polluted stretches compared to other states! That means in the number of monitoring stations in

other states is comparatively very small. Whatever may be the gimmick, we need to accept the facts and act positively on it.

2.28.3 Polluted rivers in Pune region :

As per the CPCB report many rivers in Maharashtra were too polluted. Among the whole list of them , rivers in Pune region are Mula, Mula-Mutha confluence, Mutha, Pavana,^{2.81}

This example is just a representative of the larger issue. With such kind of polluted water, rivers are no more able to support aquatic life. Water contaminated with heavy metals causes permanent deformity in human beings.

2.28.4 Water Pollution in Pune's Groundwater

It came out in a report in Times of India on 28 May 2015 that although Pune city's groundwater level is high, only 25 % could be used because 75% of this water reserve is contaminated.

In the report it added that the Gomukh Environmental Trust's detailed study report suggested that Pune has enough groundwater reserve to meet at least 10% of the city's annual requirement. The report criticized the Pune Municipal Corporation for doing nothing about valuable source of water. It brought out that the local body was allowing it to go waste while spending crores of rupees on drawing water from dams like Bhama Askhed, which is located far away from the city.

Today, the underground water table is contaminated due to seepage of sewage lines, open defecation, use of pesticides etc. Since this water is not recycled the addition of fresh water quota to it has stopped. The ground water could be used for various non-drinking purposes.

2.28.5 The role of MSME sector in Pune in using Groundwater

In view of the above article , it is felt that the industrial pockets especially where MSME sectors are located like Parvati Industrial area, Bhosari Industrial

area, Hinjevadi etc in and around Pune area may have strategy to pull groundwater through bore wells, store it in tanks and use it judiciously.

This will ensure that groundwater reserves do not get polluted excessively and creates sufficient space for trickling in of fresh monsoon water. Added advantage will be that such replenished storage will be handy during the draught time. MSME sector may be assigned with the responsibility of treating the wastewater before releasing it to nullahs or rivers. This may be a small role assigned to the MSME sector for Sustainable Development.

2.29.0 Air Pollution

2.29.1 Major air Pollutants : They are Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, Aromatic compounds, Particulate Matter, ChloroFluoroCarbons (CFC), Radio Active pollutants. They are acting collectively to more or less extent depending upon which geographical part you are staying in.

Chemicals released from furniture, paints etc: In the western world, in many houses and office premises indoor pollution has increased ^{2.83}This is mainly due to paints on the wall, varnish, melamine and such like chemicals used for increasing décor. Unfortunately, all these release chemicals slowly and steadily. Seldom the windows are kept open and that harbours chemicals, dust and mites gathered in carpet creating 'Sick Building Syndrome'.

2.30.0 Solid Waste Management

It is one of the big headaches to have a proper solution. Take the case of Pune city. From month of November 2014 onwards, the villagers near UruliKanchan protested vociferously against dumping of waste on the nearby grounds. Foul odour and consequential health hazard was the main problem. For

good about 3 months, the State government found no solution. This led to dumping and burning of dry waste within the city limits. This certainly would have created Dioxin^{2.84} - (toxic fumes) which threatened the health of citizens.

The solution is zero waste or recycling! However, its responsibility lies on every individual and cannot hold organizations or governments responsible for the same.

In recent past, i.e. mid 2014, a renowned actor and an activist Amir Khan from Bollywood conducted an eye-opening program on TV show – ‘SatyamevJayate’ on waste management. Some information was shocking – that Mumbai Municipal Corporation had no extra waste to spare for experiments – even on payment!

What is more important is that Amir Khan created awareness amongst the people about reduction of waste at home. If one has to ask industry to do the same, the charity must begin at home and literally!

As per one report that appeared in Times of India, Pune edition on 29 Mar 15, the waste management had not been able to keep pace with the huge volumes of organic and non-biodegradable wastes generated daily. Garbage in most parts of India was unscientifically disposed. This has ultimately led to increase in the polluted massgetting intermingled with surface as well as undergroundwater streams. It will not be out of place to mention that in most parts of the country, wastewater from municipalities was hardly treated and released to rivers. There remained always a scope to bring in machinery to improve sanitation facilities.

This polluted wastewater, percolated through ground surface and reached groundwater layer, which generally happened to be close to pockets of human habitation from where further water was drawn for use. Environmental management systems poorly exercised— particularly in industries such as thermal power stations, chemicals, metals and minerals, leather tanning and processing, sugar millsetc—all lead to discharge of highly toxic and organic wastewater. This results in pollution of the surface and groundwater sources from which water is drawn for agriculture and also drinking purposes.

Waste management has become a big headache all over the world. Gone are the days of advertising some consumer goods ‘wrapped in an attractive wrapper’. Ultimately this wrapper is consigned to dustbin. Think about its further journey towards the dump yard which is frequented by cattle and animals in search of food. Unknowingly we may take their breath away if the wrapper happened to be thin polythene bag! Polythene bags also obstruct storm water flowing freely and thus cause flooding in low lying areas. This has been a frequent phenomenon in Mumbai for past few years. As responsible citizens we have to encourage ‘No Polythene bags ‘and adopt the awareness of zero- waste to conserve the nature.

Sustainable development is a vision and a way of thinking. Acting timely will secure the resources and environment for our future generation. Environmental degradation tends to tax the future generations. Future generations will never see the quality life as compared to present generation. They have no voice and representation in the present times!

2. 30.1 Recycling:

Due to TV shows in 1970’s in USA the people were made aware of hazards of garbage. This led to people accepting smart solutions like waste recycling. Today, USA, 40% paper, 50% aluminum, 20% glass and 60 % steel is recycled.^{2.85} Worst problem is that of old computers ‘E-waste which is having deadly substances like mercury, lead, flame retardants, cadmium etc. disposal of such waste is very tricky

2.31 Supply Chain Management (SCM)

Supply chain management is the management of the inward and outward flow of goods. This not only includes storage of raw material, goods under work

in progress and storage of finished goods but also the point of origin of raw material.

SCM is in the areas of procurement, operations management, logistics and information technology and attempting to have an integrated approach. This is very important from the point of view of CSR as well as sustainable development.

A classic case of RanaPlaza^{2.86} is being cited when SCM is not observed –

It is a well known fact that garments are very cheap if procured from Bangla Desh. The garment factories manufacture apparels for various world famous brands. They include Benetton, Bonmarché, the Children's Place, El Corte Inglés, Joe Fresh, Monsoon Accessorize, Mango, Primark, Matalan and Walmart.

On 24 April 2013, Rana Plaza, an eight-story commercial building, collapsed in Savar, a sub-district in the Greater Dhaka Area, the capital of Bangladesh. It took away 1,129 lives and injured 2,515 people approx. It is considered as the deadliest garment-factory accident in history, as well as the deadliest accidental structural failure in modern human history. Low labour cost was at the root cause which sprung up to be a sad surprise.

Unfortunate illegal overloading and aggravated by gensets' vibrations crashed the building. Incidentally, many a European and American traders overlooked the bad conditions for the sake of their profits. Now they have imposed a ban on procurement. This is a classic case of poor Supply Chain Management.

2.32 Failure of Environmental Initiatives

In order to save this planet, many initiatives began in form of International conferences, protocols, summits. But the main hurdle was the mistrust among

the countries. Whether the arguments are right or wrong, the delay in taking substantive action is causing the further deterioration of the planet. It is unlikely that developing countries will buy the arguments of developed countries. Their main contention being to be at par with developed countries lifestyle , per capita income etc should be at the centre stage of the development, while rich and developed country express inability to curtail their requirement and lifestyle. Their deliberations upon cutting down the resources of material and energy miserably fail.

2.33.0 Challenges of Sustainable Development

The meaning of sustainable development is how we utilize our resources efficiently without hindering the progress. To follow sustainable development, many a strategies could be rewarding. The challenges of sustainable development are many fold. as mentioned in following:

2.33.1 Attack on Biodiversity –

Cities are grown sizably and need water resource from some dams. With increase in population and to meet targets and with cultivable land demanding more water, the storage capacity of dams has to be increased. To meet the greater demands, height of dams requires increase. This in turn engulfs bigger backwater area. Consequently forest area or rural area gets depleted. This leads to deterioration of flora and fauna and may be along with the local populace like ‘adivasis’ (aborigins). This in turn leads to nature’s imbalance.

To mitigate this factor to some extent, we may think of rainwater harvesting which is in vogue. The water harvesting will reduce dependence on dam water to an extent .In many a villages, a bunds are built which can reduce the requirement of an external resource.Rainwater harvesting increases the capacity of local wells which last for longer duration in dry season.

2.33.2Steep Demand of energy

Energy as such is not the environmental problem. But the sources from where it is derived can pose a problem. If fossil fuels are burnt to produce energy, it does pose a problem by way of release of Carbon dioxide besides other pollutants. But any form of energy brings a price tag of pollution or sustenance along with it. Take a case of comparatively cleaner source say hydropower energy. Apparently it does not show any problems, but it can change the ground water flows and creates a hurdle for aquatic life such as fish. Moreover with increase in the height of the wall of the reservoir can diminish surrounding forest area in the backwaters. In every era, ever since the mankind began it demanded energy. Until the industrial revolution began, the demand was not so much. However, with advent of industrial revolution the demand started rising with leaps and bounds. Consequently the pollutants released in the atmosphere also started rising. This is threatening health and quality of life, besides flora and fauna. There has to be rationality in demand of energy and unnecessary requirements and activities have to be kerbed.

Steep demand of energy is a major challenge for the sustainable development. It is desired that consumption of all forms of energy has to come down. Industrial area is the big guzzlers of electricity. At homes all modern gadgets like fridge TV, heaters, ovens, geysers, computers, bulbs; electronic instruments do need electrical energy. To meet this demand normally coal based steam turbines are run to produce electricity. The coal fired power stations are generally located several hundred miles away from the consumers in urban area. This smoke and pollutants cause harm to the people around electricity generation area. This adds up to greenhouse gas effects.

In order to satiate epicurean requirements of people, the food items are carted from geographically far off area. Take a case of Kiwi fruit which is produced in New Zealand and is exported all over the world. Similarly Alphanso mango goes all over the world. Once upon a time this was not the case so. This carting entails burning of fossil fuel. Of course, the case is not related where there are drought conditions or an area which does not grow any

food items simply e.g. deserts or mountainous area where it becomes a necessity for continuance of life.

Employees are required to travel to and fro between their dwelling places to places of work. Due to lack of proper public transport system they have to travel in their own vehicles. Many companies are situated far off from a city to take the advantage of lower taxation rates. Hence lot of fuel is burnt unnecessarily and which can be avoided. If car pooling is done collectively the consumption will come down. It may be inconsequential to learn how much saving? But after all such factors go on adding.

2.33.3 Deforestation

It is yet another great challenge for the sustainable development. The world's forests are on diminishing side mainly due to expansion of agriculture. In some cases they are mowed for simply taking away timber. Forests take away carbon dioxide and release oxygen. Rate of growth of trees is not equal to rate of cutting them. Therefore the gap widens between de-forestation against re-forestation. Forests do act as lungs of earth which provide us the oxygen. Any annihilation of this source leads to increased levels in pollution. Similarly the roots of trees hold on to soil firmly and stop soil erosion. If such erosion continues, the landslide incidences like 'Malin' (110 km from Pune in 2014) which completely wiped out the village burying 134 people alive under its debris will be on the rise.^{2.87}

Lesser said about Uttarakhand flood tragedy in 2013, better it would be!^{2.88}

2.33.4 Non-Efficient Technologies or technologies of yester year

Energy requirement of old technologies was tremendous. It has come down with advent of technology. But this needs money and will to adopt a quick change. For instance, the older aircraft like Boeing B737s or 747 are fuel guzzling than the current versions like B-777 or B787s. But where would the money come from when investment needs in billions of dollars! At home, people won't like to change tube light with CFL bulbs! .If one purchase 5- Star rated fridge -energy saver (Star rating is given by BEE i.e. Bureau of Energy

Efficiency) then it would be minimum Rs. 3000 costlier than 2.5- Star rated fridge of the same company. Lesser said about the cars with BS-VI certified engines better it is! Obviously, in a country like India, affordability is a more intriguing question than in the western world.

2.33.5 Ill-affordability of Environment friendly sources of Energy:

Uses of fuel such as CNG or bio-fuels like ethanol which are eco-friendly fuels are tricky. Sufficient number of CNG refueling stations in cities like Pune and Mumbai are not available. After looking at long queues at such stations they dissuade your decision to buy a vehicle running on CNG, albeit, all other factors remaining in its favour. Wind turbines can reduce the greenhouse gases. But on the other side, interestingly, the farmers from Satara District went on strike to get them removed because they believe that they affect rain in their farmlands! It may be fallacy or it may be truth, but one cannot distinguish it till such time it is proved empirically. Similarly solar energy based equipments like water heaters or solar lanterns will reduce fossil fuels but are still costly and are out of reach of many.

2.33.6 Farming practices:

Today farmers use inorganic fertilizers and pesticides for the sake of getting better yield and more money. The sustainable growth cannot be achieved by using inorganic fertilizers and pesticides. Usage over a long term of these pesticides and insecticides and inorganic fertilizers was found the land rendering biologically dead! Once this happens no amount of efforts will improve qualitatively. Local species of birds and animals are on their way to extinction as they are finding difficult to feed themselves.

The phenomenon does not get restricted to that farmland where these fertilizers and pesticides are used, but down the line it pollutes ponds nearby, rivulets, rivers, streams, water bodies and even underground water.

2.33.7 Unchecked Construction activity:

Climate change , unbridled construction, indiscriminate encroachment over marshlands, reclamation of water bodies to create concrete jungles on, lack of smart urban planning are coming together to form a recipe for an unprecedented catastrophe. The environmentalists opine that government needs to rein in on predatory builders, control haphazard construction, regulate infrastructure growth, allow its natural drains to flow freely, insist on better planning, restrain corrupt officials and wipe out the politician-builder nexus.

In Mumbai many parts of suburbs get inundated due to abovementioned reasons. The world has witnessed the woes of Chennai in Nov-Dec 2015 due to torrential rains and thereafter water clogging. The marshy lands and lakes had been usurped to make way for concrete monstrosities new buildings. This colossal unchecked construction activity took a toll of nearly 300 people.

2.34.0 Measures for reduction in climatic changes:

There would be many methods, ideas and actios available. Some solutions for reduction in climatic changes are discussed as under -

2.34.1 Green practices in value change:

Green practices could be defined as a functioning of a business in a capacity where no negative impact is made on the local or global environment, the community, or the economy.^{2.89} There are some firms which are granting 'Green Label' for the product after learning the entire greening process .With this 'Green Label' Company can approach other vendors who require such stamp.

Brundtland report suggests that sustainability is akin to three legged stool-, people- planet - profit. It encompasses lowering of emissions and reduction in usage of energy, water and raw materials. This benefits the environment while saving costs of the firm. The green practices need not be confined only to the manufacturing firm but even to the suppliers of the raw material and further the distributors.

Union Minister of state for Environment, India, while delivering keynote address on 19 Dec 2015 ^{2.90} said that India has only 18 cars per thousand persons against 700 cars in US, but we should still cut down upon the consumption through public transport.

2.34 .2 Some Methods to reduce pollution and increase sustainability:

Although the list is not exhaustive, it can appeal to senses and let it tickle the brains to innovate sustainable methods.

- Going paperless
- Reduction of pesticide or herbicide-
- Green Investment Bank- For providing micro-loans to small firms in developing nations for the purpose of new distribution networks.
- Lowering carbon footprint in transportation- e.g. use of bio-fuel.
- Use of rice husk in packaging - For non-toxic packaging which subsequently can be turned into bricks.

Recycling of material: Anita Roddick^{2.91} , the founder of body Shop ,and the award winner of ‘Order of British Empire’ beside many other, always questioned –

-Why throw away a container when one can reuse it?

-And why purchase additional things that one cannot use them?

Recycling of water from industry- With proper treatment,

Rain water harvesting- Use of big tanks for water storage during rainy season

- Car Pooling
- Use of public transport- Using public transport will bring down usage of personal vehicles. News that Pune’s public transport system going to be converted on to CNG derived from waste was definitely exhilarating.^{2.92}Use of solar power for generation of electricity and heating of water.-Although generation of electricity in industry is at nascent stage, it will become norm within few years.

- LED Lighting- Using LED light bulbs reduces carbon footprint without reducing requirement of luminosity. They can be used at workplaces and also for the street lighting.

2.35 Green Stickers and Strategy

The basic concept of 1970s, of green stickers on consumer goods started off with indicating energy and fuel consumption. Manufacturers are required to meet minimum standards of energy use. The environmental standards requirements for these are given in ISO 14000 stickers. The idea of USA and Canada is spreading in other countries fast.

2.36 Barriers to 'Green' Strategy:

Following are the points- Lack of Knowledge-

Lack of required skills to save energy.

Competitive pressures- (lowering production cost)

No time to carry out innovative actions

Lack of government support-

Lack of B2B support:

Unattractive return on investment

2.37.0 Eco-labeling

Eco-labeling is an innovative concept. It came under different garbs such as 'Recyclable', 'Recycled content ', 'Low-energy', 'Eco-friendly' etc. in developed countries ^{2,79} with the main aim of reduction of stress on the environment. There is a slight difference between Eco-labels and Green Stickers. Eco-labels are voluntary but Green stickers are mandatory by law in USA and Canada. Eco-label helps one identify products and services that have a reduced environmental impact throughout their life-cycle. The life-cycle of a product means extraction of raw material, process of manufacturing, handling, use and disposal.

It is from the point of view of sustainable development and which is of course the other side of the coin of CSR. Therefore researcher wishes to bring it out separately to lay a special emphasis on this activity.

Basically an eco-label is a label which identifies environmental preference of product or services based on lifecycle considerations. This label is awarded by an impartial third party for a product or service that meets environmental criteria. This label provides information to customers or consumers regarding relative environment concerns addressed while producing such a product or delivery of a service.

2.37.1 Types of Eco-labeling

ISO has undertaken efforts to standardize the principles and practices and has categorized in three types. Viz. Type I, Type II and Type III.

Type I is environmental labeling or Eco-labeling (as per ISO 14024)

Type II is self declarations (as per ISO 14021) and

Type III is environmental declarations in the form of report card or information labels. (As per ISO 14025) ^{2.93}

2.37.2 Advantages of Eco-labeling:

- (i) Reduce stress on environment
- (ii) Business can achieve a market niche
- (iii) Increasing brand image
- (iv) Creating market shift

Eco-labels awarded by a unbiased third party to products that meet up environmental leadership criteria. E.g. Blue Angel (Germany), EU Flower (European Union), Ecomark (India).^{2.94}

Fig. 2.4 Samples of eco-labels

2.38 Research work studied -

(a) **Abdul Alim Khan**^{2.95} Research Study on “Brand Building Through Corporate Social Responsibility: A Comparative Study” from, Indore(MP). The research seeks to investigate whether in particular CSR activities can increase the Corporate Brand Equity?

(b) **Akkala Surendra Babu**(2016)^{2.96} Undertook a theoretical and empirical study titled as ‘Analysis of impact of Corporate Social Responsibility initiatives of Indian Coal Mining Industry on society - with special reference to Korba coalfields of Chhattisgarh (India)’. Covered the aspects of beneficiaries who would be keen to take the advantages of the CSR activities provided by the Coal Companies.

(c) **Kirishnamurthy, et al, (2007)**^{2.97}, made an empirical study Corporate Social Responsibility and public relation: perception and practices in Singapore. This study explored the perception of CSR among a sample of corporate executives and the CSR practices of a sample corporation in Singapore.

(d) **Chaudhry & Krishnan, (2007)**,^{2.98} undertook a theoretical and empirical study titled as ‘Impact of Corporate Social Responsibility and Transformational Leadership on Brand Community’. This experimental study was conducted on students in India.

(e) **Lorraine Sweeney, (2007),** ^{2.99} carried out research on Corporate Social Responsibility in Ireland: barriers and opportunities experienced by SMEs when undertaking CSR. This study provides deep understanding of the nuances of CSR in Ireland. It elucidates the difference in operation of CSR among large firms and SMEs in Ireland.

(f) **Azlam, (2009)** ^{2.100}, undertook research on Corporate Social Responsibility of SMEs: Exploratory Study on Motivations from a Malaysian Perspective. The study investigated the impact of CSR on the small and medium sized enterprise (SME) sector which led to an emphasis on the social and environmental impact. This study is based on qualitative data acquired from interviews Malaysian SMES. It involved data of 10 companies. It brings out that most of the firms did not accrue of any benefit from CSR activities.

(g) ^{2.101} **Russo, Tencati, (2009)**, undertook research on theoretical and Empirical study on Formal versus Informal CSR strategies. Evidence from Italian Micro, Small, Medium sized and Large sized firms showed that large companies execute formal CSR while SMEs undertake informal CSR.

(h) **Ziaur RahAli Quazi, ZiaurRahman & Byron Keating man, (2007)** ^{2.102}, undertook research on -A Developing Country Perspective of Corporate Social Responsibility: A Test Case of Bangladesh. It vivifies CSR issues attracting a attention in the developed world. However, it underlines the need for research into CSR in the developing world.

(j) **Indira, and Siddaraju, (2009)** ^{2.103}, carried out research on **subject - Do Corporation have Social Responsibility: A case study of TVS Motor Firm.** This

study mainly focuses on objectives of TVS firm as regards to the CSR and in turn, its capacity to identify relevant social issues implementation strategy.

(k) **Saboji, and Indira, (2011)** ^{2.104}, carried out research on The Relationship Between Corporate Social Responsibility and Sustainable Development. This study tried to understand the contribution of CSR in variety of facets of Sustainable Development (SD). The present study tries to bring forward the relationship between the CSR and SD in environment and social dimensions. The research also focuses on to differences in the behavior of the small and large companies in their effort of CSR and achieve SD.

2.39 Impact of CSR:

As per article by Liv Watson (2013) ^{2.105}, the evaluation and rating agencies analyze the data provided by companies on CSR and Sustainable Development and come to certain conclusions. The perception level across such agencies may not be the same. Often, the analysis remains divergent from the analysis other agencies. It depends upon factors such as transparency in evaluation, methodology used, In fact it can become a bone of contention. Many a times, transparency in provision of data by the companies remains doubtful.

Whatever opinion might be, Workspace from UK ^{2.106} found that despite of all odds, CSR improves reputation and attracts good employees and creates value for the stakeholders of the company.

2.40 Identification of gap in research studies.

After going through the mesh of various studies as mentioned before, it was found that there existed a gap that enough research on strategic efforts by companies in CSR and SD was not undertaken in Pune region and that too involving large scale as well as MSME sector. This void led to selection of research topic. The gaps in the literature were found and are enumerated as under-

- 1) limited number of research studies were available in CSR area of study .
- 2) Some CSR studies were undertaken earlier. But as regards to its impact on different aspects was not available in Pune region especially.

2.41 Conclusion- Corporate Social Responsibility is fairly a modern strategy to reduce investment risks and maximize profits. All the aspects of CSR and SD are discussed with minute details in this chapter. Various opinions in favour or against are also illustrated. It was seen that there is a lot of scope in doing many activities to step up wide ranging CSR. Nuances of Sustainable development are brought out with technical specifications to contain the pollution. Functions and CSR Models are also discussed in details. The researches by other scholars from different countries were studied. The researches were more identified dealing with Micro small , medium scale companies rather than the large ones.

Chapter -3

Research Methodology

3.1. Introduction:

Research design is needed because it facilitates the smooth sailing while undertaking the entire operation systematically and efficiently making the whole research process short and cheap. Research is a process of systematic investigation or enquiry into a specific problem with the intent of being led to a new or improved knowledge on it. There are many approaches that such systematic investigation those can be undertaken. Methodology used for this research is both quantitative and qualitative.

The topic of research based on Corporate Social Responsibility is a not very old in the Indian context and needs a fresh look especially when laws were enacted in place to make it mandatory .The research period is prior to enactment of laws in CSR and there was upheaval in the industrial arena. This research attempts to understand impact on organizational performance The targeted industry is a mix of large scale and MSME (Micro, Small and Medium size enterprises) in Pune region.

Generally, a model is proposed at this stage which explains the relationship between abstract concepts and allows for generalizations based on the facts. Taking into account the requirements of the objectives of the study, the research design employed was descriptive type. This research design was adopted to have greater accuracy and in depth analysis of the research keeping in view the set objectives. Available secondary data was extensively used for the research. Various news articles, books and internet websites were used which are enumerated and recorded. Their references are placed under Bibliography and References separately towards the end.

3.2. Research Methodology:

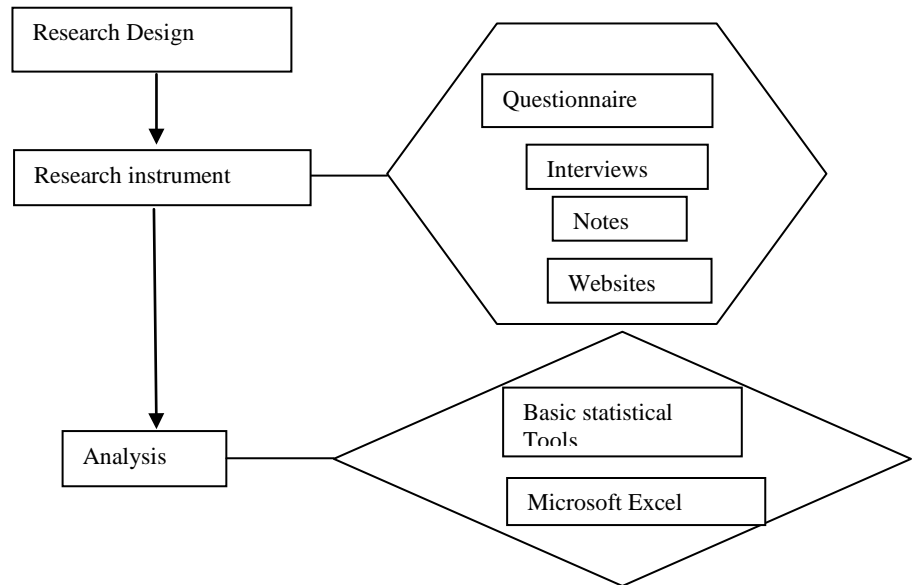


Fig 3.1 Steps taken in research design, instrument and analysis

Following steps were taken –

3.2.1 Research Design: Qualitative research formed the descriptive part of the design. This was accomplished with quantitative empirical research conducted on SME in Pune region. The definition for SME was as per norms given in MSMEDev. Act 2006 of the government gazette.

To approach CSR from a strategic perspective, researcher opted to conduct an explorative approach. The objective of descriptive research was to gather preliminary information that would help define problems and form hypotheses.

3.2.2 Research instrument – For the quantitative research, a questionnaire was prepared and was given to the representatives of the MSMEs. In the descriptive part, the questionnaires were filled up and interviews were also conducted. Researcher explained the idea about CSR where necessary and then found what the entrepreneurs or MSMEs were doing. Whenever prompted by respondents, the company sites were accessed and their CSR part from annual report of years between year 2008 and 2013 was extracted, collected and collated. Notes were also taken down after the detailed interviews.

3.2.3 Analysis – Data collected using abovementioned means was edited and graphs / diagrams were drawn using MS Excel. Statistical methods were used extensively to arrive at certain conclusions.

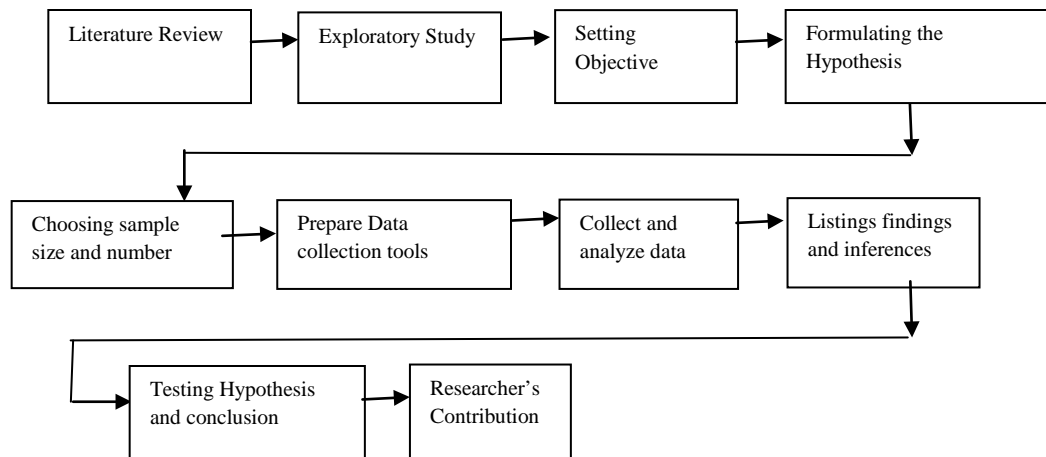


Figure 3.2 Processes in research

Processes in research:

- (1) Formulating research problem
- (2) Literature Review : In this stage , research papers published globally were studied. There has been an extensive research carried out on international scenario. In comparison, research papers on national level found werevery few. The data captured in most of the papers was found to be based on secondary data i.e. published by companies on their websites. Studied leading Journals which were available online.
- (3) Developing hypothesis
- (4) Preparation of research design- e. g. Pilot questionnaire, Final questionnaire, Interview
- (5) Determining the sample design- finding the cluster of industries in Pune region.
- (6) Collection of data- Both from primary as well as secondary source.
- (7) Execution of planned research activity
- (8) Analysis of data
- (9) Hypothesis testing
- (10) Interpretation

(11) Presentation of result

3.3 The conceptual framework :

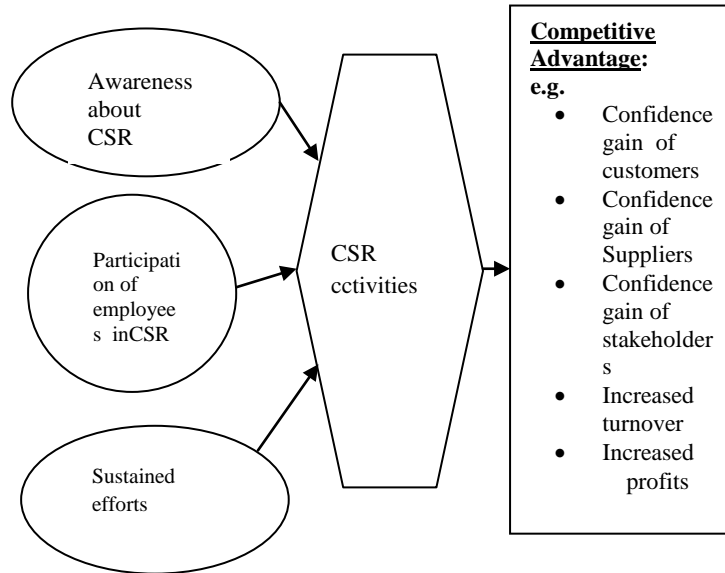


Fig.3.3 The conceptual framework

The research revolves around the mainstay of CSR activities undertaken by industries- whether large or small- and if fulfilled then what are the organizational advantages accrued in the company's basket? The parameters of advantages are loosely framed in the box depicted in the figure above.

3.3.1 The constructs of the conceptual framework:

The constructs of the conceptual framework are as under:

(i) In the field survey, it was generally found that the majority industries were owned either by a single owner or in partnership. CSR activities were totally based upon the psychology, willingness, empathy and last but not the least the awareness of the individual. Such owners or partners were expected to guide or goad the employees to achieve their strategic goal. In the case of CSR, the activity remains a continual process and one has to put in sustained efforts to reap the harvest.

(ii) During the study, the research in other countries showed that employee's participation was very much important. The foreign companies or multinational

organizations ensured that their employees could reach up to grass root level. It was noticeable that the employees themselves enjoyed undertaking CSR activities and took pride for working for the company .Similar story could be repeated here in India if Indian employees are made aware ,are trained well , motivated sufficiently by the employers.

(iii) Sustained efforts and finance are of utmost importance. A sustained and continual effort is expected over a period of time which starts showing the results. And thus , it gets ingrained in DNA of the person practicing.

(iv) CSR activities need a lot of homework prior to start. It could be termed as baseline study. CSR activities, very often than not, are always outside the company premises. The selection of area in which CSR activities are undertaken is to be properly and deliberately be done. It should serve the economically challenged people .It should be borne on mind that the impact of CSR activities cannot be felt and measured in short time. It takes years to build the image and consequently the goodwill. In case of environmental activities, they could be at the company premises such as water harvesting, energy conservation, zero wastage, suitable input of green raw material etc. However, environmental activities could be undertaken outside the company premises such as adoption of parks or zoos or maintenance of greenery on road dividers etc.

(v) The advantage that company would be getting would be both in terms of tangible and intangible measures. Intangible advantages would cover customers' satisfaction and faith, suppliers' confidence, stakeholders (e.g. employees, financiers, bankers) renewed interests. On the tangible count, company may get more orders or better profit margins and even remain steady in fierce business competition.

3.4. Objectives of Research:

In line with problem at hand,the objectives of the research are as twofold:

3.4.1 Primary objectives:

Objective1: To study awareness about CSR with respect to age & size of the companies from Pune Region.

Objective2: To study the Organizational Perception & approach towards CSR in Pune Region.

Objective3: To study the undertaking of CSR activities by companies from Pune Region.

Objective4: To study Environmental Responsibility taken by companies while undertaking of CSR activities in Pune Region.

Objective5: To study the various Problems / Issues / Hurdles faced in execution of CSR activities by companies from Pune Region.

Objective6: To Study the impact of CSR activities on employees, suppliers, customers & organization from Pune Region.

3.4.2 Secondary objective:

(1) To contribute indirectly to the society by encouraging entrepreneurs , owners, managers from MSMEs to undertake CSR activities and arm them if they lacked the knowledge.

This study focuses on the strategic efforts towards CSR with special reference to select companies in Pune Region. This research is expected to gain familiarity with the subject of CSR and also to achieve new insight during the ground survey as well To contribute indirectly by increasing awareness among the uninformed management.

3.5 Statement of thesis:

The researcher had an intention to fulfill the objectives of the research which were formulated based on self experience of CSR as well as going through number of research surveys, papers and books. A rough sketch was prepared. Fortunately , the researcher was conversant with requirements due to the position at his job and hence was in communication with different authorities from different organizations such as TISS (Tata Institute of Social Sciences, Mumbai), TERI (The Environment Research Institute, N.Delhi) , Air India, top bureaucrats from Ministry of Corporate Affairs (who were involved in propagating the knowledge on impending law on CSR) as well as European consultants from Bureau Veritas and the like agencies . This helped in formulating a temporary hypothesis and thereafter for testing under a pilot survey.

Ultimately ,the following hypotheses were finalized. It was realized that there were certain grey areas about understanding the true meaning of CSR concept, some amount

of persistent ambiguity and interpretation of CSR at various levels dependent upon the size of industries.

3.6 Hypotheses:

After having gone through literature on the subject and descriptive studies, the researcher proposed following hypotheses. These are based on factors discussed on the conceptual framework.

Statement 1 The awareness about CSR does not depend on size of a company

(H1₀)- : does not depend on size of a company

Alt (H1_a) depends on size of a company

Statement 2 The awareness about CSR does not depend on age of a company

(H2₀)- : does not depend on age of a company.

Alt (H2_a): depends on age of a company

Statement 3 There is positive impact on the job of the employees due to CSR activities

(H3₀)- The population percent of agreement about the above statement is greater than 50%.

Alt (H3_a) : The population percent of agreement about the above statement is less than or equal to 50%.

Statement 4 . Companies, undertaking CSR, spell out their vision and plans, to achieve strategic aim.

(H4₀): The population percent of agreement about the above statement is greater than 50%.

Alt (H4_a) : The population percent of agreement about the above statement is less than or equal to 50%.

Statement 5: Companies undertaking social responsibility publicize CSR policy.

(H5₀) : The population percent of agreement about the above statement is greater than 50%.

Alt (H5_a) : The population percent of agreement about the above statement is less than or equal to 50%.

Statement 6: There is positive impact on organizational performance due to

CSR activities.

(H_{6o}) : The population percent of agreement about the above statement is greater than 50%.

Alt (H_{6a}) : The population percent of agreement about the above statement is less than or equal to 50%.

3.7 Pilot survey and questionnaire:

A famous dictum was followed- ‘A good questionnaire collects data that can support or disprove Hypothesis’. As is the practice of any research to conduct a preliminary study on a small scale to evaluate feasibility of a study, the cost and find issues with the questionnaire. In order to collect useful data, a pilot questionnaire was set up and discussed with 7 key persons from different companies. Based on their important inputs, certain modifications were made and the final questionnaire was prepared.

3.7.1 Findings of pilot survey: Meetings were held and pilot questionnaire was discussed with the key persons of the companies. Their valuable suggestions were taken into consideration and the final form of questionnaire was prepared.

3.8 Data Collection Methods-

(a) Primary data-Through Questionnaires, Interviews, discussions

(b) Secondary Data- Through published material like books, journals, research papers etc. and also internet sites.

3.9 Population

As of July 2012, Pune had 27,683 MSMEs ^{3.1} out of which 21,763 were micro enterprises, 5818 were small enterprises, and 102 medium enterprises. MSMEs in Pune employed 148,098 people overall.

3.10 Calculation of sample size for main study:

As per Statistical Methods – Dr. S.P. Gupta and Organizational Research: by James E. Bartlett, II, Joe W. Kotrlik, Chadwick C. Higgins (Ref. Biblio. 50), the sample size is worked out as following-

The data is categorical data. Hence the Cochran’s sample size formula for categorical data is used.

The minimum sample size is given by,

$$n_0 \geq \frac{Z_{\alpha/2}^2}{4d^2}$$

Where Z value at half alpha level can be obtained from statistical table;

d is the acceptable margin of error the researcher is willing to expect.

Here the error d decided is 0.1.

$Z_{0.025} = 1.96$ [from statistical table].

$$n_0 \geq \frac{1.96^2}{4 \times (0.1)^2}$$

$$n_0 \geq 96.04$$

Hence minimum sample size for the study is 97 with 95% level of confidence.

3.11. Sample size : Researcher obtained 116 companies of all sizes as a sample.

3.12 Acquisition of data-

After identification of industries, E-mails were sent. In many a cases, the responses were luke-warm. In some cases, the respondents left the answers half filled. In some cases, respondents agreed to send the answers by e-mail and never ever replied. Towards the end with the researcher could get valid data from 116 companies.

For the purpose of the research, different types of industries were chosen e.g. small, medium or large in nature. Another factor which was considered was that they had different functionality e.g. manufacturing, IT, Marketing, services, e-learning etc.^{3.3}

The period was suitable since the research period was from 2008 to 2013, and data was obtained in 2015-16 and updated till 2017. Period between 2008 to 2013 offered an adequate time margin for respondents to have experience in strategic efforts.

(a) Primary data– Questionnaire and Interview

A modified structured questionnaire was prepared. The questionnaire encompassed the primary data, data about meaningful CSR activities, Sustainable Development elements. Most of the questions from the questionnaire contained forced-choice answers to eliminate the lengthy questionnaires in which respondents had to think and answer and ending up with getting bored. Not that researcher claims that present questionnaire enthused them either! A window of opportunity was left for those who were genuinely enthusiastic to offer suggestions at the end.

Alongside the questionnaire, the researcher got an opportunity to discuss the issues and could interview some experts. In some cases, the respondents, although carrying out CSR activities, did not know that their efforts came under nomenclature of CSR! In some cases, they were devoid of methodology to curb pollution at company level or to have sustainable development activities. Data supplied by them was verified by observation method where possible.

(b) Secondary Data

The secondary data and information relating to the study was collected from both published and unpublished material. The information and data was collected from various sources such as books, reports, articles in newspapers, periodicals, personal interaction with company employees as well as websites.

The researcher had an aim to cover all industries selected / shortlisted for the field survey for which proper approach was followed by taking prior appointments / permissions etc. The researcher was successful in meeting personally all respondents of MSMEs and Large companies. However, some of them were not inclined to share the information in person as it was informed to the researcher that the information pertaining to their CSR activities was already put on either their website or published through their annual reports etc. Hence, despite giving number of tries and rigorous follow up, the researcher was not given an entry / appointment in their premises. Data was collected in 2015-2016 and was updated as and when obtained fresh.

3.12 Scope of study The covering period of the thesis 2008 -2013 had ‘no law passed on CSR’. It was this period which was chosen to check when industries would

have carried out the CSR activities under their own volition for the reasons best known to them

However during this period, sufficient atmosphere was created for impending bill on CSR to be passed in parliament. There were seminars and talks conducted by Central / State Government officials.

The researcher, in the capacity of CSR representative attended one such seminar conducted under the aegis of Secretary and Dy Secretary from Min. of Corporate Affairs held in Delhi. It was represented by the members from only the PSUs . The august gathering was also addressed by Nobel laureate Dr RK Pachauri and MsSunitaNarain- Padmashree award winner and an Indian environmentalist and political activist.

Similarly, the researcher also attended one seminar conducted by Bureau Veritas in Mumbai in 2011. In this seminar, many companies, whether small or medium or large were found to be carrying out some sort of philanthropic activities voluntarily. Many 'pious' representatives of these companies did not wish to declare publicly their actions or donations. The faith from religious angle did not permit them get heavenly credit (or more aptly 'Punya') if one publicized the deeds!

3.13 Limitations of study

(a) In-ordinate delays and reluctance on part of organizations to respond to researcher's request led to wastage of time on this survey.

(b) Important industrial area is represented adequately. Due phenomenal growth of industrial sector in and around Pune, researcher had to restrict the movement to distant companies considering time and money constraint.

(c) Industries under MSME sector either ignorantly got involved in CSR activities. They either did not know their benevolent activity to be labeled as Corporate Social Responsibility! Against this, large organizations made it a practice to publicize their performance about CSR officially. They stuck to their gun and did not want to further elaborate upon beyond publicized data. Thus data lacked homogeneity while acquiring.

(d) Benefits from Corporate Social Responsibility activities cannot be measured quantitatively. Profits in terms of rupee value under Corporate Social Responsibility activities cannot be judged. Hence, direct financial performance in money terms was excluded.

3.14 Testing of hypothesis

Testing of hypothesis was done through use of statistical tools such as ranking, averages and, X^2 (Chi Square) Test, 'z' test for proportion as was deemed fit on case to case basis.

3.15. Sampling Technique:

The samples were collected from different Pune industrial pockets where there were cluster of industries. Such clusters were not picked up proportionately. Some of them did not confine to the clusters. Hence, they would come under a category of convenience purposive sampling.

3.16 Area of Sample industries

Table 3.1 Area of Sample industries

Location	No of Ind	Location	No of Ind
Akurdi	2	KuruliKhed	1
Bhosari	22	Lonikand	1
Chakan	2	Nagar Road	2
Chinchwad	5	Phulgaon	1
Dapodi	1	Pimpri	6
Hadapsar	3	Pirangut	2
Hinjewadi	2	Pune city	58
Kasarwadi	2	Pune- Mumbai Highway	2
Kharadi	1	Talawade	1
KoregaonBhima	1	Talegaon	1
		Total Industries	116

3.17 Geographical representation of industrial location: Following approximate sketch of a map depicts industrial locations.

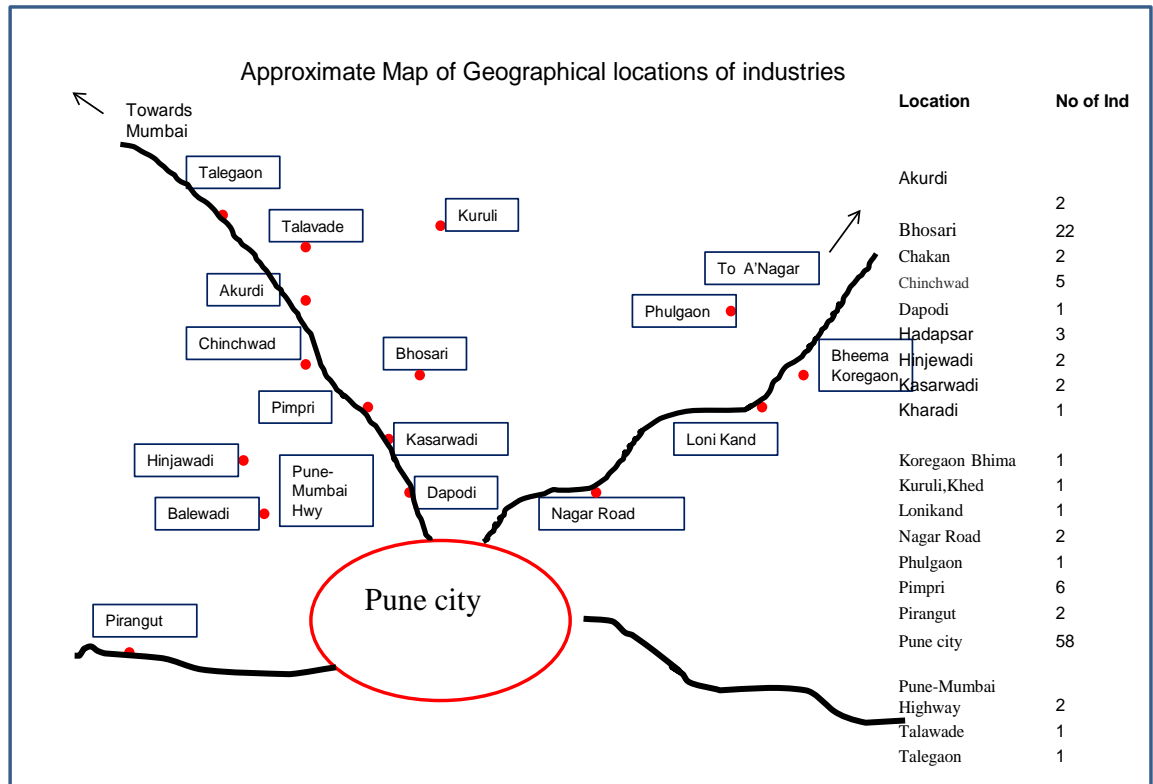


Fig 3.4 Geographical locations of industries on map of Pune region

Chapter- 4

Data Analysis and Interpretation

4.0 Data collection

4.0.1 Primary Data: Primary data was collected through various techniques adopted in pre-meditated course of action during the research. It was collected by various techniques - such as personal interview, interaction with company representatives / authorities, general observation during the visit etc. It is noteworthy to mention that while collecting the data, the researcher came across some highly opinionated individuals on CSR issue. They, of course, painted a canvas of very interesting views and even at times with diametrically opposite. Their cogent and convincing ideas opened up new vistas and are discussed under suggestions in the next chapter.

4.0.2 Secondary Data: Secondary data was collected by the researcher as and when asked by the respondents from some companies, to refer to their websites or company's annual reports etc. for getting the answers for the questions posed in the questionnaire. Honouring their request, the secondary data and information related to the study was then collected from the published and unpublished material. The information was tapped from various sources such as annual reports, books, journals, newspapers, articles, periodicals available on websites etc. Therefore, the authenticity in interpretation may be at variance.

4.0.3 Reliability of the questionnaire:

The questionnaire includes 1 demographic & 12 sections with 96 sub-questions related to study.

The formula for Cronbach's alpha is:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where:

- N = the number of items.

- \bar{c} = average covariance between item-pairs.(i.e.questions from questionnaire)
- \bar{v} = average variance.

The reliability of the questionnaire is calculated through SPSS tool and is as under-

Reliability Statistics	
Cronbach's Alpha	N of Items
.987	96

Interpreting alpha for dichotomous questions i.e. questions with two possible answers in 'yes' or 'no' in this case. The reliability of the questionnaire i.e. the Cronbach alpha = 0.987 the value of which is more than 0.9 and Hence the Cronbach's alpha is excellent & reliability of the questionnaire is good.

4.0.4 Sampling Procedure: For identification of sample for the study, the researcher obtained the information about the industrial pockets in Pune region. With a view to have wider coverage and cross-section of the industries, the researcher identified industries comprising of large scale , medium scale , small scale and micro scale enterprise sector. The sample consisted of 116 companies. These companies were selected through convenience sampling for the research. Hence, adequacy of data and sample size was felt just. Companies were from different areas of Pune spanning from Talegaon and Chinchwad on the west to Bhima Koregaon on the eastern side of Pune. Many areas within the city premises were also chosen in samples. In short, the representation of many areas and different types of industries were considered for the sample. The industries in Bhosari, Pimpri and Chinchwad area were given wider representation comparatively which was in consonance with the humongous number of industries in those MIDC area.

4.0.5 Selection of area for sample collection:-

Sample Industries under study: - 116 Sample Industries from Pune region were chosen. Their area of dispersion is indicated on maps towards the end of the previous chapter (refer fig 3.4).

A questionnaire, appended towards the end of this thesis is divided into sections . Section A contains preliminary information about industries as well as respondents. Further sub-categorization was done and is analyzed as foregoing. In the similar fashion, the questionnaire is further split into sections from A to N.

4.1 Section A

4.1.0 Preliminary Data

4.1.1 Respondents' gender

Respondents' gender was asked to ascertain if this factor would influence CSR activities. However, the proportion is too skewed to draw any conclusion. Following figure shows the Pi chart indicating percentage.

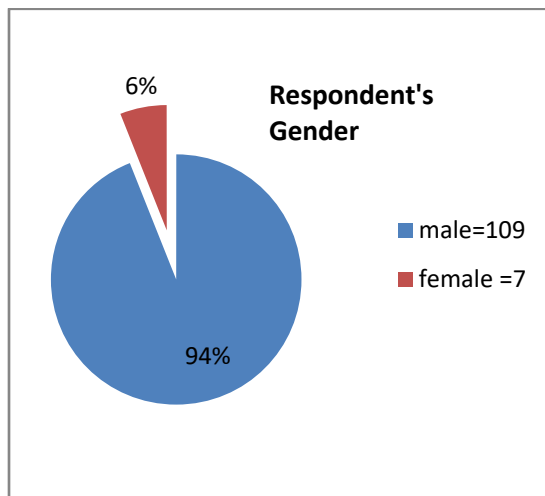


Fig.4.1 Pi chart indicating gender percentage of respondents.

4.1.2 Age group of respondents: Respondent's age was asked to ascertain if this factor influences CSR. However, no concrete conclusion can be drawn. Following Bar chart shows the pi chart indicating number of respondents' in different age groups.

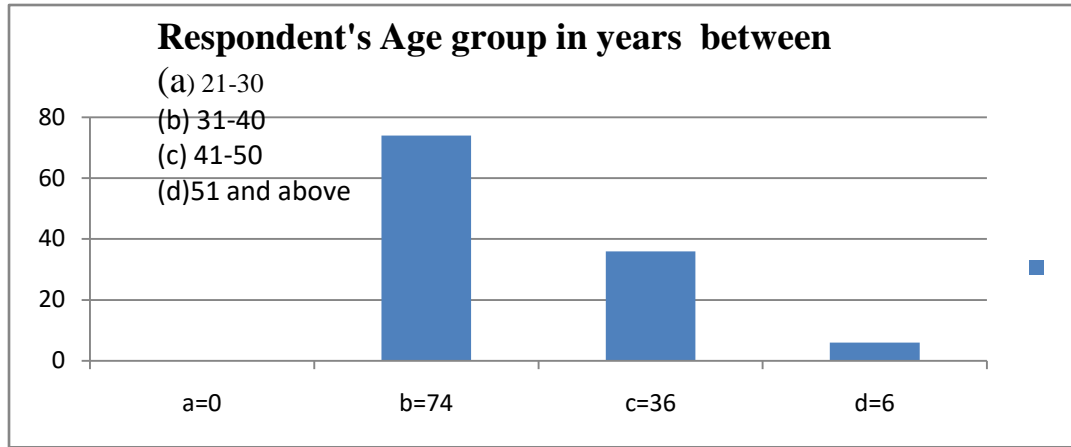


Fig. 4.2 Bar chart indicating age group of respondents

4.1.3 Respondent's Position / designation: Respondent's designation was asked to ascertain to get perception regarding CSR. The proportion is too skewed to draw any conclusion. Following figure shows the bar chart indicates percentage. Respondents from (b) and (c) form 65%. Generally, it is surmised to be mature and having broad outlook to answer the questionnaire.

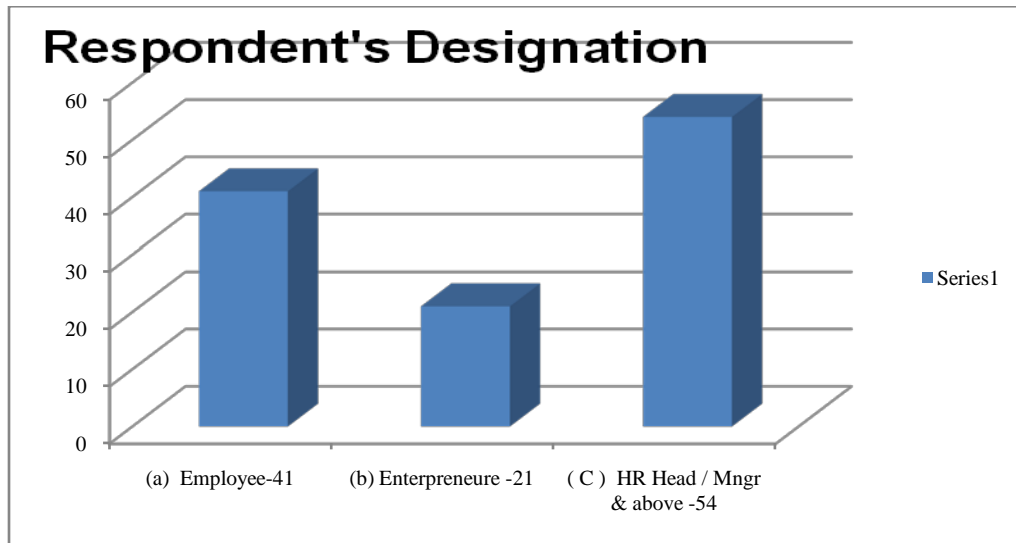
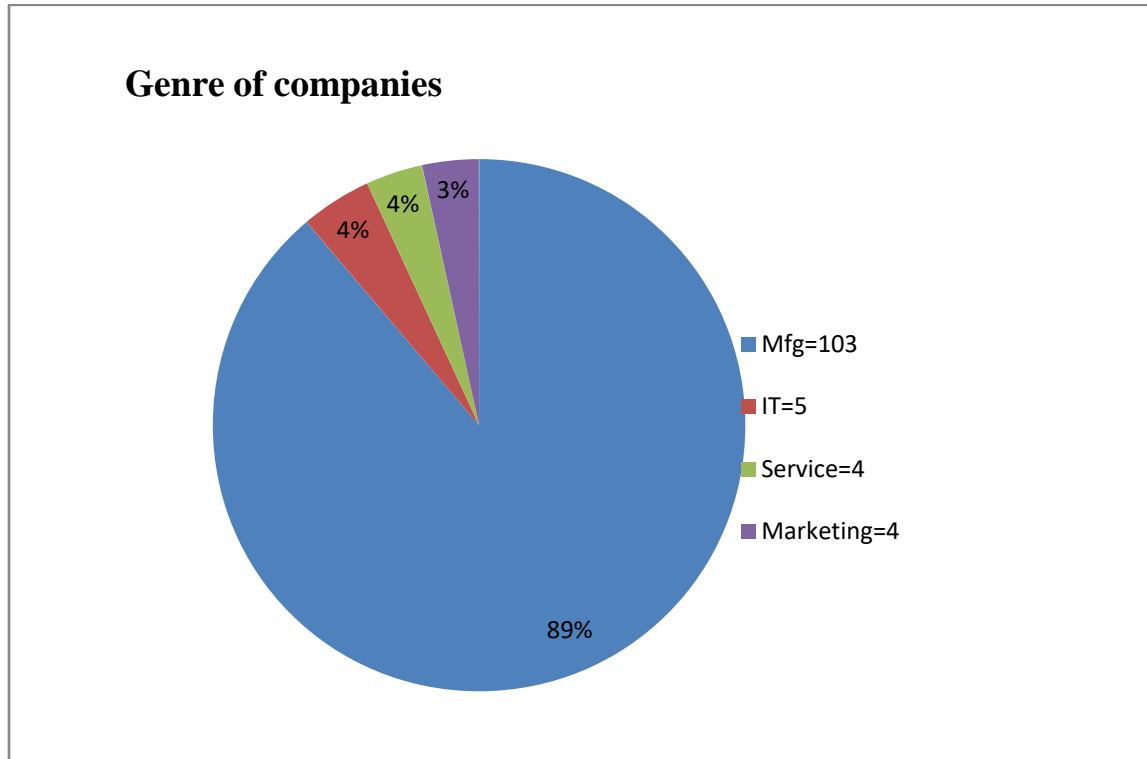


Fig. 4.3 Bar chart indicating position/ designation of respondents in the company

4.1.4 Genre of companies: To cover a fairly well mixed spectrum in order to eliminate any biases ,the companies were selected and their general nature is represented in the Pi chart below.



Fig, 4.4 Pi chart genre of companies

4.2 Section B:

4.2.1 Awareness level about CSR and perception of respondents.

The frequency distribution of respondents according to Section B along with its bar graph is as given below.

Table 4.1 The frequency distribution of respondents' awareness about CSR / charity / Philanthropy and sustainable Development

Are you aware about :	Yes	%	No	%
Corporate Social Responsibility (CSR)- which includes measures such as (a) building free facility of potable / drinking water, (b)Free health camps and checkups in remote areas, (c) providing of free educational facilities, giving scholarships, books, stationery , uniforms, (d) Undertaking free skill development and vocational training for adults? (e) conducts program for differently -abled children etc.	81	69.8	35	30.2
Charity and philanthropy- in which donation is given to blind schools, orphanages, old age homes or institutes for destitute etc. ?	113	97.4	3	2.6
Sustainable development in which - in-house R&D for products which consume lesser energy, waste water treatment plant / effluence management, Planting trees, Rain water harvesting, Energy saving programs, Resorting to renewable energy, Reduction / Recycling of waste material, Soil and water conservation program, substituting harmful chemicals, Production of goods with 'Eco-label' tags ?	99	85.3	17	14.7

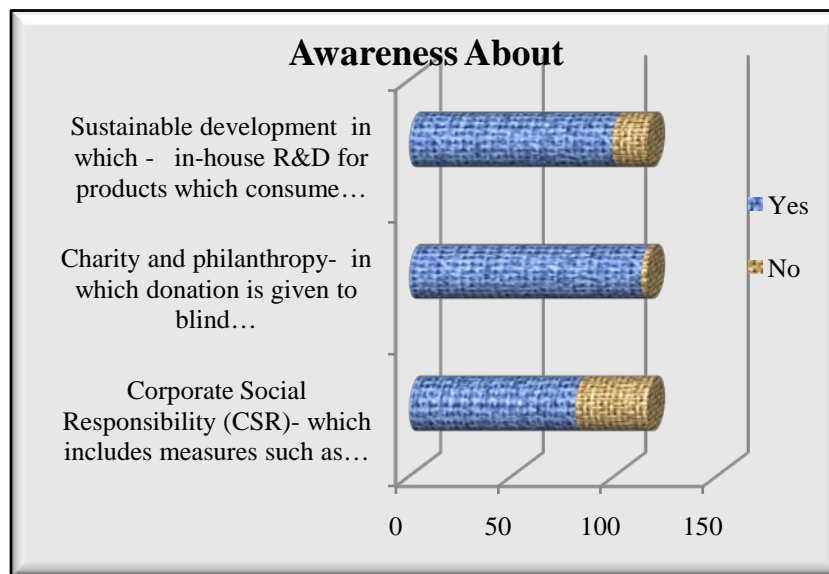


Fig.4.5 Bar chart of awareness about CSR / charity / Philanthropy and sustainable Development

4.2.2 Objective1 a : To study awareness about CSR w.r.to age of the companies.

To assess this objective , answers from Section A of the questionnaire are analyzed.

The cross tabulation along with its bar graph is as given below.

Table 4. 2: Cross tabulation of awareness about CSR & Age of companies

		Respondent's Awareness about CSR		Total
		No	Yes	
Age of Company	New (on or after 01Jan 2000)	25	23	48
	%	21.6	19.8	41.4
	Old (on or before Dec 1999)	28	40	68
	%	24.1	34.5	58.6
Total		53	63	116
%		45.7	54.3	100.0

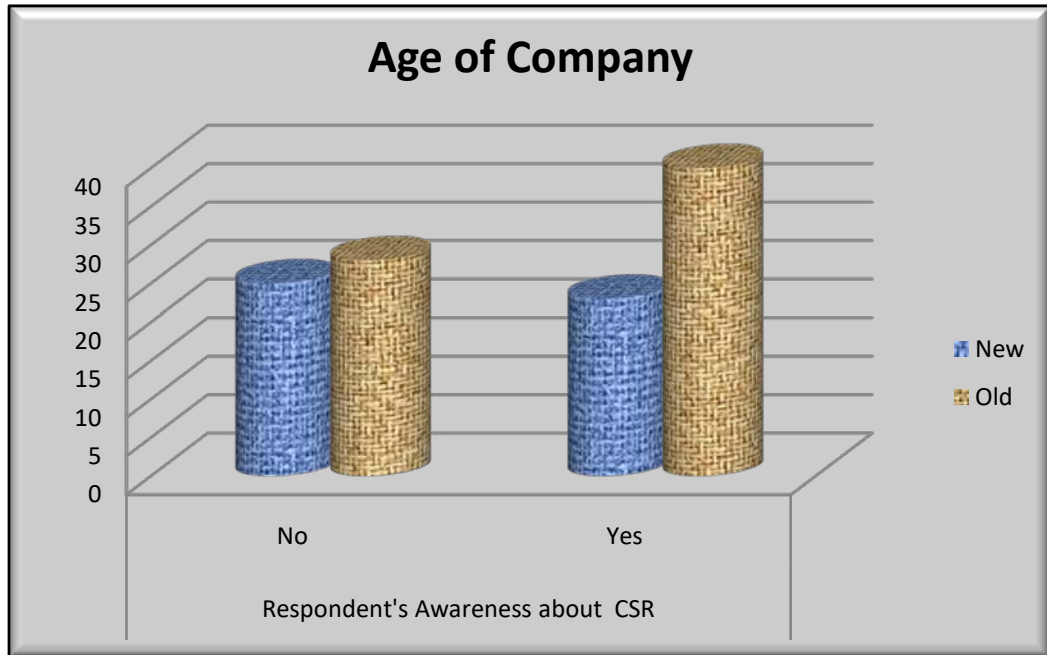


Fig 4.6 Bar graph of awareness about CSR w.r.to age of the companies

4.2.3 Summary: The highest frequency shows that there is awareness about CSR in old companies.

4.2.4 The size of company and CSR awareness -

The sample comprised of 82 small companies, 10 medium companies and 24 large companies. Their representation is as given in the Pi chart.

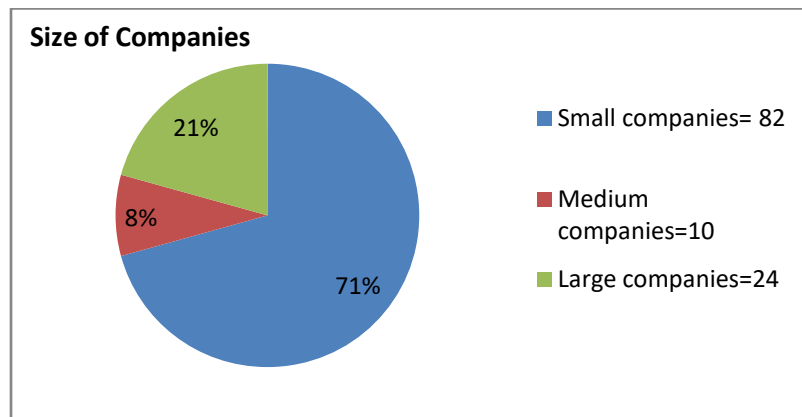


Fig. 4.7 Pi chart of size of companies

4.2.5 Objective1 (b): To study awareness about CSR with respect to size of the companies.

To assess this objective answers from Section B of the questionnaire were analyzed.

The cross tabulation along of awareness about CSR & size with its bar graph is as given below-

The cross tabulation along with its bar graph is as given below.

Table 4.3: Cross tabulation of awareness about CSR & size

		Respondent's Awareness about CSR		Total
		No	Yes	
Size of Company	Large	0	24	24
	%	0.0	20.7	20.7
	Medium	1	9	10
	%	0.9	7.8	8.6
	Small	52	30	82
	%	44.8	25.9	70.7
Total		53	63	116
%		45.7	54.3	100.0

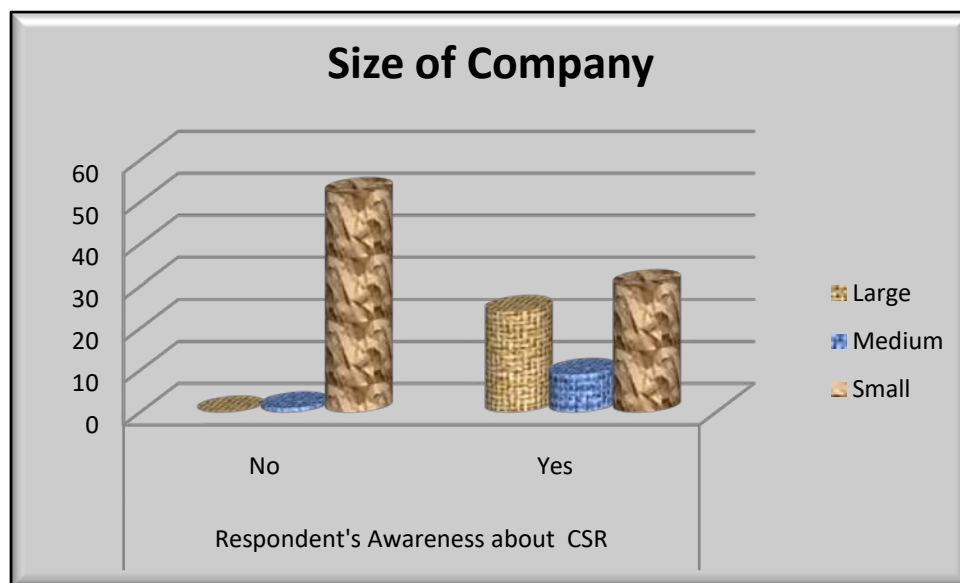


Fig. 4.8 Bar graph of Cross tabulation of awareness about CSR & size

4.2.6 Summary: The highest frequency shows that there is no awareness about CSR in small companies & there is awareness about CSR in large companies.

4.3 Section C

4.3.1 Organizational Perception & approach towards CSR.

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section C along with its bar graph is as given below.

Table 4.4 The frequency distribution of respondents having awareness about Perception & approach towards CSR

Perception & approach towards CSR	Yes	%	No	%
Undertakes CSR activities.	50	43.1	66	56.9
Spells out CSR policy with its vision & mission statement	35	30.2	81	69.8
Publicizes CSR policy.	35	30.2	81	69.8
Carries out CSR without spelling out CSR policy	12	10.3	104	89.7
Company allocates funds for CSR.	50	43.1	66	56.9
Draws strategic plan and has yearly or half yearly programs	42	36.2	74	63.8
Draws set objectives.	37	31.9	79	68.1
Draws set goals.	38	32.8	78	67.2
Carries out CSR training of employees in-house	33	28.4	83	71.6
Carries out CSR processes effectively such as planning, execution & review.	37	31.9	79	68.1
Spells out Long term strategy (more than 3 years) for CSR initiatives	36	31.0	80	69.0
Spells out Medium term strategy (less than 3 years) for CSR initiatives	2	1.7	114	98.3
Delegates authority and responsibility and demands accountability for CSR to lower rung	32	27.6	84	72.4
Company has conducive structure towards CSR effectiveness.	32	27.6	84	72.4

Company has inter-organizational/ departmental linkage for coordination of CSR activities.	31	26.7	85	73.3
Has effective strategic leadership at apex level	50	43.1	66	56.9
Allocates sufficient staff for CSR activities.	33	28.4	83	71.6
Provides infrastructure or incubators or machinery for CSR activity.	36	31.0	80	69.0

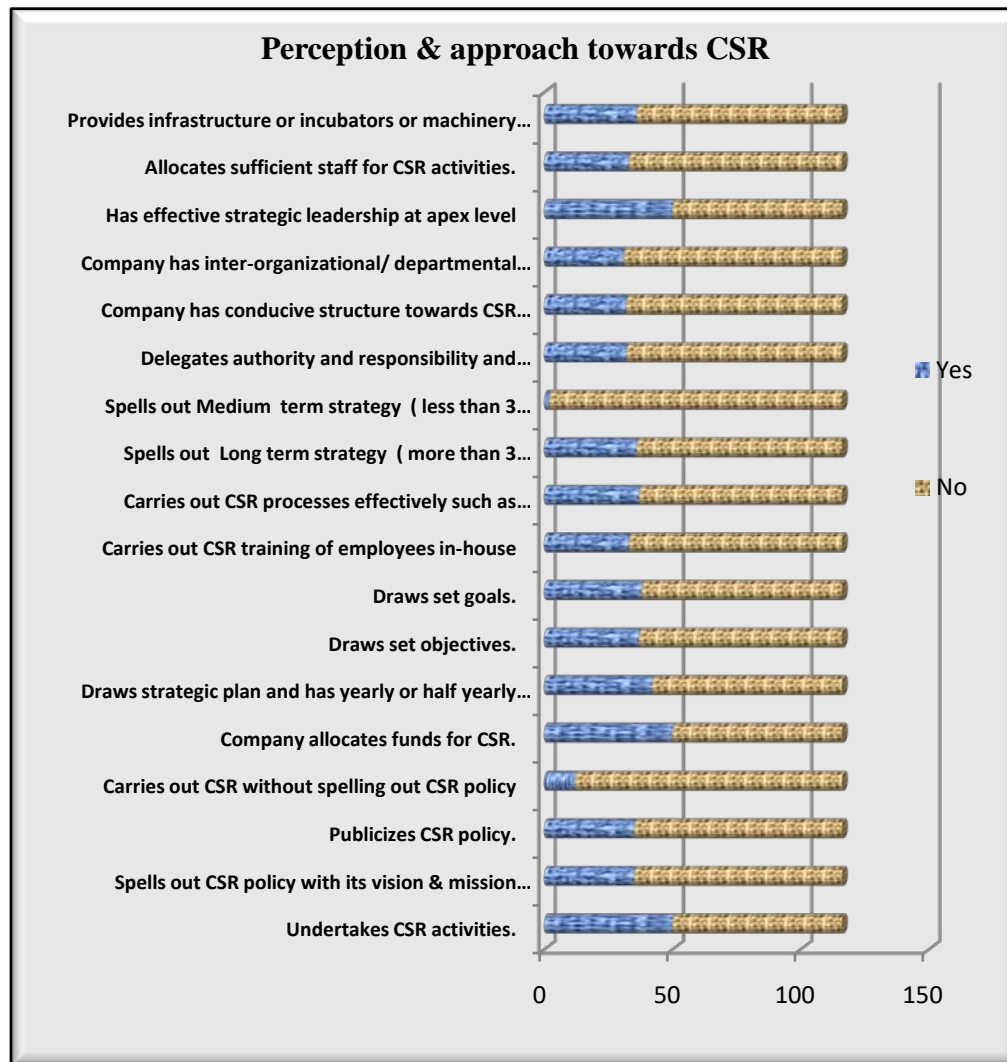


Fig. 4.9 Bar chart of the frequency distribution of respondents having Perception & approach towards CSR

4.3.2 Objective2: To study the Organizational Perception & approach towards CSR.

To assess this objective Section C is analyzed. The opinions regarding the questions (section C) of the respondents are as given below along with its bar graph.

Table 4. 5 Organizational Perception & approach towards CSR.

Company executes following activities -	Yes	%	Rank	No	%	Rank
Undertakes CSR activities.	50	43.1	1	66	56.9	11
Spells out CSR policy with its vision & mission statement	35	30.2	6	81	69.8	6
Publicizes CSR policy.	35	30.2	6	81	69.8	6
Carries out CSR without spelling out CSR policy	12	10.3	10	104	89.7	2
Company allocates funds for CSR.	50	43.1	1	66	56.9	11
Draws strategic plan and has yearly or half yearly programs	42	36.2	2	74	63.8	10
Draws set objectives.	37	31.9	4	79	68.1	8
Draws set goals.	38	32.8	3	78	67.2	9
Carries out CSR training of employees in-house	33	28.4	7	83	71.6	5
Carries out CSR processes effectively such as planning, execution & review.	37	31.9	4	79	68.1	8
Spells out Long term strategy (more than 3 years) for CSR initiatives	36	31.0	5	80	69.0	7
Spells out Medium term strategy (less than 3 years) for CSR initiatives	2	1.7	11	114	98.3	1
Delegates authority and responsibility and demands accountability for CSR to lower rung	32	27.6	8	84	72.4	4

Company has conducive structure towards CSR effectiveness.	32	27.6	8	84	72.4	4
Company has inter-organizational/ departmental linkage for coordination of CSR activities.	31	26.7	9	85	73.3	3
Has effective strategic leadership at apex level	50	43.1	1	66	56.9	11
Allocates sufficient staff for CSR activities.	33	28.4	7	83	71.6	5
Provides infrastructure or incubators or machinery for CSR activity.	36	31.0	5	80	69.0	7

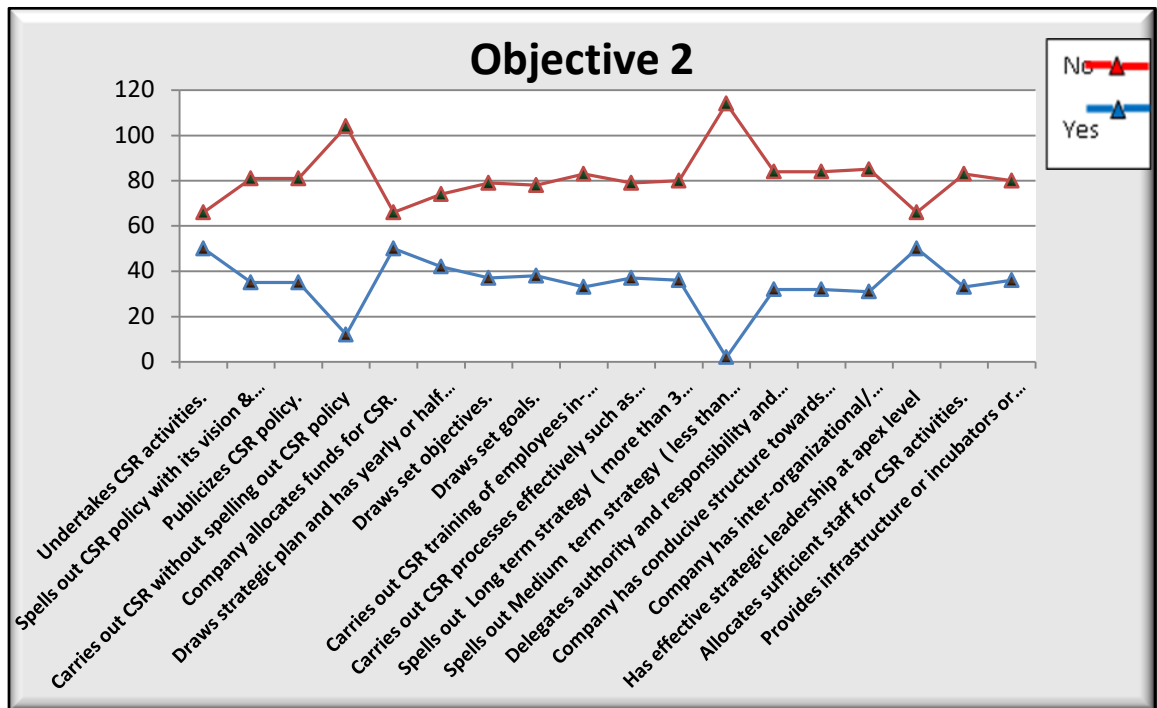


Fig. 4.10 Graphical representation of Organizational Perception & approach towards CSR.

4.3.3 Summary:

The graph clearly shows that the curve for ‘No’ lies above the curve for ‘Yes’. Hence the major proportion of respondents is denying every parameter.

The respondents favor mostly 'Undertakes CSR activities', 'Company allocates funds for CSR', & 'Has effective strategic leadership at apex level'; then 'Draws strategic plan and has yearly or half yearly programs'; then 'Draws set goals'; then 'Draws set objectives', 'Carries out CSR processes effectively such as planning, execution & review'; then 'Spells out Long term strategy (more than 3 years) for CSR initiatives', 'Provides infrastructure or incubators or machinery for CSR activity'; then 'Spells out CSR policy with its vision & mission statement', 'Publicizes CSR policy'; then 'Carries out CSR training of employees in-house', 'Allocates sufficient staff for CSR activities'; then 'Delegates authority and responsibility and demands accountability for CSR to lower rung', 'Company has conducive structure towards CSR effectiveness'; then 'Company has inter-organizational/ departmental linkage for coordination of CSR activities'; then 'Carries out CSR without spelling out CSR policy'; then 'Spells out Medium term strategy (less than 3 years) for CSR initiatives'.

The respondents are against mostly 'Spells out Medium term strategy (less than 3 years) for CSR initiatives'; then 'Carries out CSR without spelling out CSR policy'; then 'Company has inter-organizational/ departmental linkage for coordination of CSR activities'; then 'Delegates authority and responsibility and demands accountability for CSR to lower rung', 'Company has conducive structure towards CSR effectiveness'; then 'Carries out CSR training of employees in-house', 'Allocates sufficient staff for CSR activities'; then 'Spells out CSR policy with its vision & mission statement', 'Publicizes CSR policy'; then 'Spells out Long term strategy (more than 3 years) for CSR initiatives', 'Provides infrastructure or incubators or machinery for CSR activity'; then 'Draws set objectives', 'Carries out CSR processes effectively such as planning, execution & review'; then 'Draws set goals'; then 'Draws strategic plan and has yearly or half yearly programs'; then lastly 'Undertakes CSR activities', 'Company allocates funds for CSR', & 'Has effective strategic leadership at apex level'.

4.4 Section D

4.4.1 Some representative activities under CSR

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section D along with its bar graph is as given below.

Table 4.6 Companies' undertaking of some representative activities

Company undertakes various activities such as	Yes	%	No	%
- Charity	33	28.4	83	71.6
Donation to Foundations/NGOs/ CM or PM's Relief Fund , charity organizations such as orphanages, old age homes, blind schools ?	33	28.4	83	71.6
Building facility of potable / drinking water freely in remote areas (<i>Adivasi padas</i>) ?	22	19.0	94	81.0
Free health checkups and camps in remote areas?	34	29.3	82	70.7
Provision of free educational facilities, scholarships, books, stationery, uniforms?	33	28.4	83	71.6
Free skill development and vocational training for adults?	26	22.4	90	77.6
Company conducts program for differently - abled children	15	12.9	101	87.1
Tie up with local NGO for identification of need and discharge of its responsibilities.	31	26.7	85	73.3
Any periodic review about its efforts and outcome	32	27.6	84	72.4

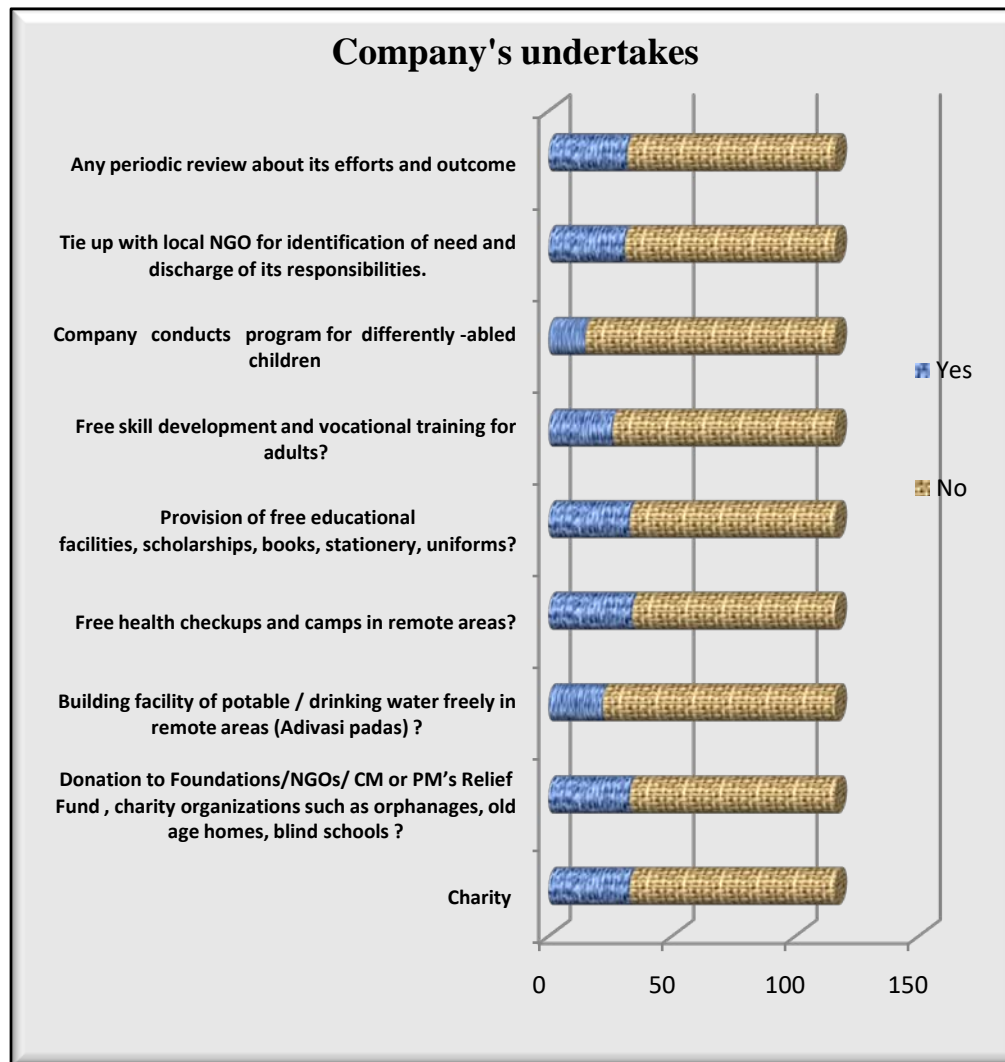


Fig. 4.11 Bar graph of some representative activities under CSR

4.4.2 Objective3: To study the undertaking some representative activities under CSR-

To assess this objective Section D is analyzed. The opinions regarding the questions (section D) of the respondents are as given below along with it's bar graph.

Table 4.7 Methodology of CSR activities.

Company undertakes – (Explain where possible)	Yes	%	Rank	No	%	Rank
Charity	33	28.4	2	83	71.6	6

Donation to Foundations/NGOs/ CM or PM's Relief Fund , charity organizations such as orphanages, old age homes, blind schools ?	33	28.4	2	83	71.6	6
Building facility of potable / drinking water freely in remote areas (<i>Adivasi padas</i>) ?	22	19.0	6	94	81.0	2
Free health checkups and camps in remote areas?	34	29.3	1	82	70.7	7
Provision of free educational facilities, scholarships, books, stationery, uniforms?	33	28.4	2	83	71.6	6
Free skill development and vocational training for adults?	26	22.4	5	90	77.6	3
Company conducts program for differently-abled children	15	12.9	7	101	87.1	1
Tie up with local NGO for identification of need and discharge of its responsibilities.	31	26.7	4	85	73.3	4
Any periodic review about its efforts and outcome	32	27.6	3	84	72.4	5

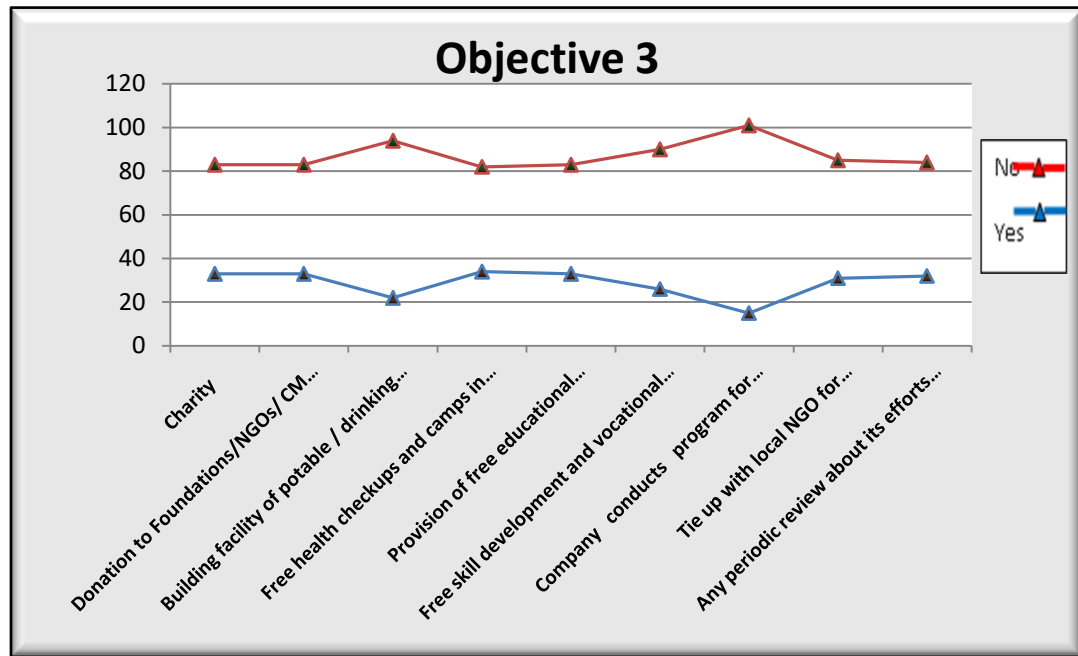


Fig. 4.12 Methodology of CSR activities

4.4.3 Summary:

The graph clearly shows that the curve for ‘No’ lies above the curve for ‘Yes’. Hence the major proportion of respondents is denying every parameter.

The respondents favor mostly ‘Free health checkups and camps in remote areas?’; then ‘Charity’, ‘Donation to Foundations/NGOs/ CM or PM’s Relief Fund , charity organizations such as orphanages, old age homes, blind schools ?’, ‘Provision of free educational facilities, scholarships, books, stationery, uniforms?’; then ‘Any periodic review about its efforts and outcome’; then ‘Tie up with local NGO for identification of need and discharge of its responsibilities’; then ‘Free skill development and vocational training for adults?’; then ‘Building facility of potable / drinking water freely in remote areas (*Adivasi padas*) ?’; then ‘Company conducts program for differently -abled children’.

The respondents are not much in favour such as ‘Company conducts program for differently -abled children’; then ‘Building facility of potable / drinking water freely in remote areas (*Adivasi padas*) ?’; then ‘Free skill development and vocational training for adults?’; then ‘Tie up with local NGO for identification of need and discharge of its responsibilities’; then ‘Any periodic review about its efforts and outcome’; then ‘Charity’, ‘Donation to Foundations/NGOs/ CM or PM’s Relief Fund , charity organizations such as orphanages, old age homes, blind schools ?’, ‘Provision of free educational facilities, scholarships, books, stationery, uniforms?’; then ‘Free health checkups and camps in remote areas?’.

4.5 Section E

4.5.1 Environmental activities

In this section of questionnaire following tabulated questions were asked and responses sought -In all 11 different questions were asked in relation to Environmental activities. The frequency distribution of respondents according to Section E along with its bar graph is as given below.

Table 4.8 The frequency distribution of respondents environmental activities -

Company carries out environmental activities such as	Yes	%	No	%
Innovation of products which consume lesser energy (with in-house R&D).	14	12.1	102	87.9
Running a waste water treatment plant / effluence management.	25	21.6	91	78.4
Planting trees.	54	46.6	62	53.4

Rain water harvesting in company premises.	35	30.2	81	69.8
Energy saving programs within premises.	40	34.5	76	65.5
Resorting to renewable energy within premises- such as wind mill/ solar panel ?	40	34.5	76	65.5
Reduction / Recycling of waste material during operations.	75	64.7	41	35.3
Cutting down the requirements or substituting harmful chemicals.	41	35.3	75	64.7
Soil and water conservation program.	42	36.2	74	63.8
Consumption of raw material with CSR tag?	13	11.2	103	88.8
Conducting CSR awareness programs e.g. door to door visits, distributing leaflets/ showing short films?	3	2.6	113	97.4

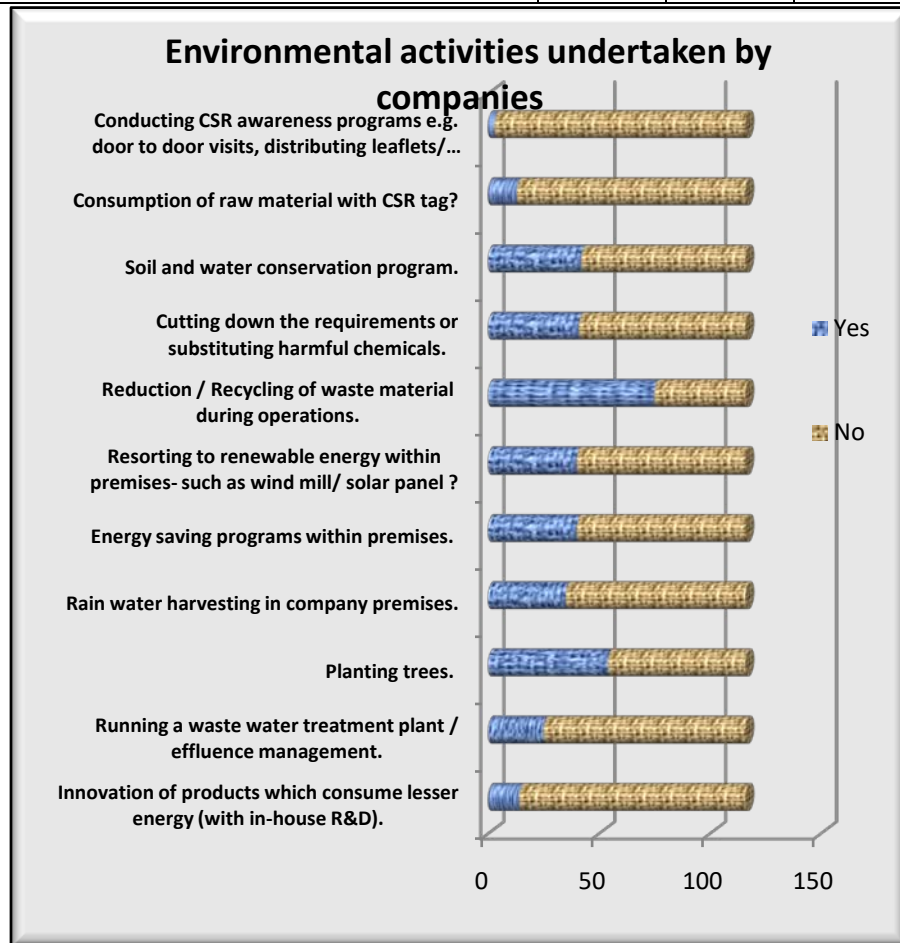


Fig. 4.13 Bar chart of environmental activities undertaken by companies

4.5.2 Objective 4: To study Environmental Responsibility taken by companies while undertaking of CSR activities.

To assess this objective Section E is analyzed. The opinions regarding the questions (section E) of the respondents are as given below along with its graphical representation.

Table 4.9 Environmental activities undertaken by companies –

Company carries out activities such as	Yes	%	Rank	No	%	Rank
Innovation of products which consume lesser energy (with in-house R&D).	14	12.1	8	102	87.9	3
Running a waste water treatment plant / effluence management.	25	21.6	7	91	78.4	4
Planting trees.	54	46.6	2	62	53.4	9
Rain water harvesting in company premises.	35	30.2	6	81	69.8	5
Energy saving programs within premises.	40	34.5	5	76	65.5	6
Resorting to renewable energy within premises- such as wind mill/ solar panel ?	40	34.5	5	76	65.5	6
Reduction / Recycling of waste material during operations.	75	64.7	1	41	35.3	10
Cutting down the requirements or substituting harmful chemicals.	41	35.3	4	75	64.7	7
Soil and water conservation program.	42	36.2	3	74	63.8	8
Consumption of raw material with CSR tag?	13	11.2	9	103	88.8	2

Conducting CSR awareness programs e.g. door to door visits, distributing leaflets/ showing short films ?	3	2.6	10	113	97.4	1
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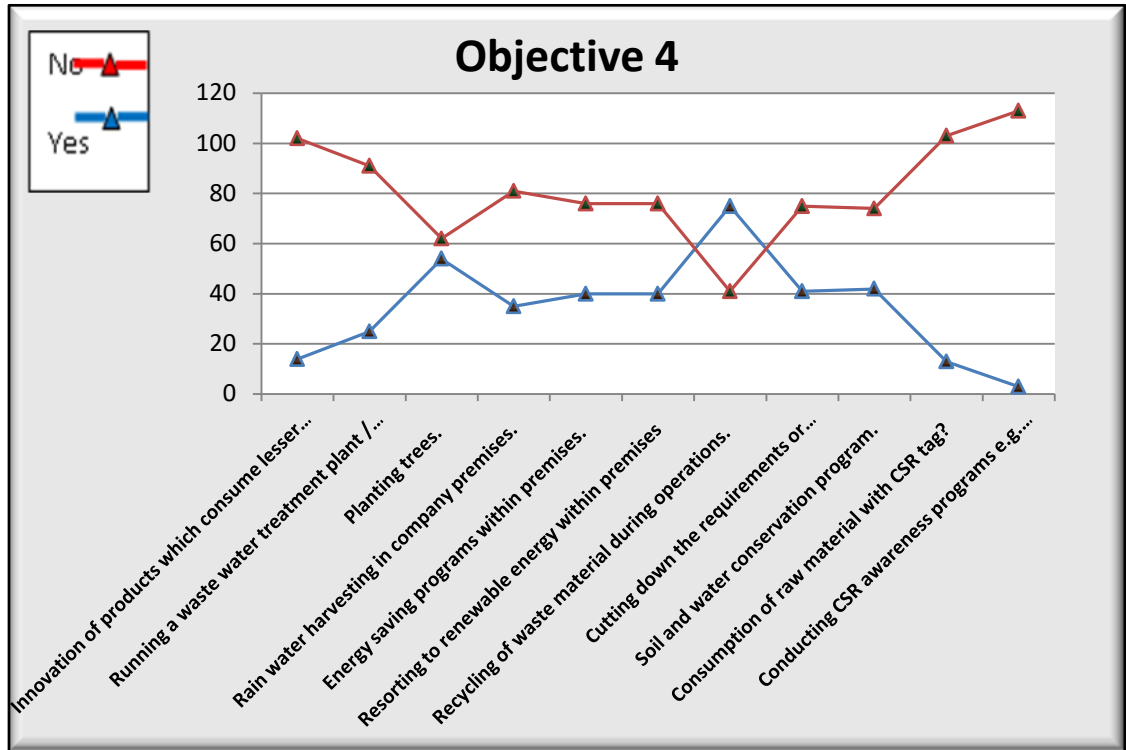


Fig. 4.14 Graphical representation of environmental activities undertaken by companies

4.5.3 Summary:

The graph clearly shows that the curve for ‘No’ lies above the curve for ‘Yes’. Hence the major proportion of respondents is denying every parameter except Reduction / Recycling of waste material during operations. For Reduction / Recycling of waste material during operations the major proportion of respondents is accepting it.

The respondents favor mostly ‘Reduction / Recycling of waste material during operations’; then ‘Planting trees’; then ‘Soil and water conservation program’; then ‘Cutting down the requirements or substituting harmful chemicals’; then ‘Energy saving programs within premises’, ‘Resorting to renewable energy within premises- such as wind mill/ solar panel ?’; then ‘Rain water harvesting in company premises’; then ‘Running a waste water treatment plant / effluence management’; then ‘Innovation of products which consume lesser energy (with in-house R&D)’; then

‘Consumption of raw material with CSR tag?’; then ‘Conducting CSR awareness programs e.g. door to door visits, distributing leaflets/ showing short films?’.

The respondents are against mostly ‘Conducting CSR awareness programs e.g. door to door visits, distributing leaflets/ showing short films?’; then ‘Consumption of raw material with CSR tag?’; then ‘Innovation of products which consume lesser energy (with in-house R&D)’; then ‘Running a waste water treatment plant / effluence management’; then ‘Rain water harvesting in company premises’; then ‘Energy saving programs within premises’, ‘Resorting to renewable energy within premises- such as wind mill/ solar panel?’; then ‘Cutting down the requirements or substituting harmful chemicals’; then ‘Soil and water conservation program’; then ‘Planting trees’; then ‘Reduction / Recycling of waste material during operations’.

4.6 Section F

4.6.1 Problems / Issues / Hurdles faced in execution of CSR activities

In this section of questionnaire, 6 different questions were asked in relation to the problems / issues / hurdles faced. The frequency distribution of respondents according to Section ‘F’ along with its bar graph is as given below.

Table 4.10 frequency distribution of respondents regarding Problems / Issues / Hurdles faced in execution of CSR activities

Problems / Issues / Hurdles faced in execution of CSR activities	Yes	%	No	%
Were any problems faced in execution of CSR?	43	37.1	73	62.9
If ‘Yes’ then were they attributable to any of the following reasons?-(Answer separately if otherwise.)	43	37.1	73	62.9
Shortage of employees for such work	17	14.7	99	85.3
Shortage of time due to completion of task at hand	25	21.6	91	78.4
Work Targets’ appearing at 11 th hour.	21	18.1	95	81.9
Strong handedness of local leaders	5	4.3	111	95.7

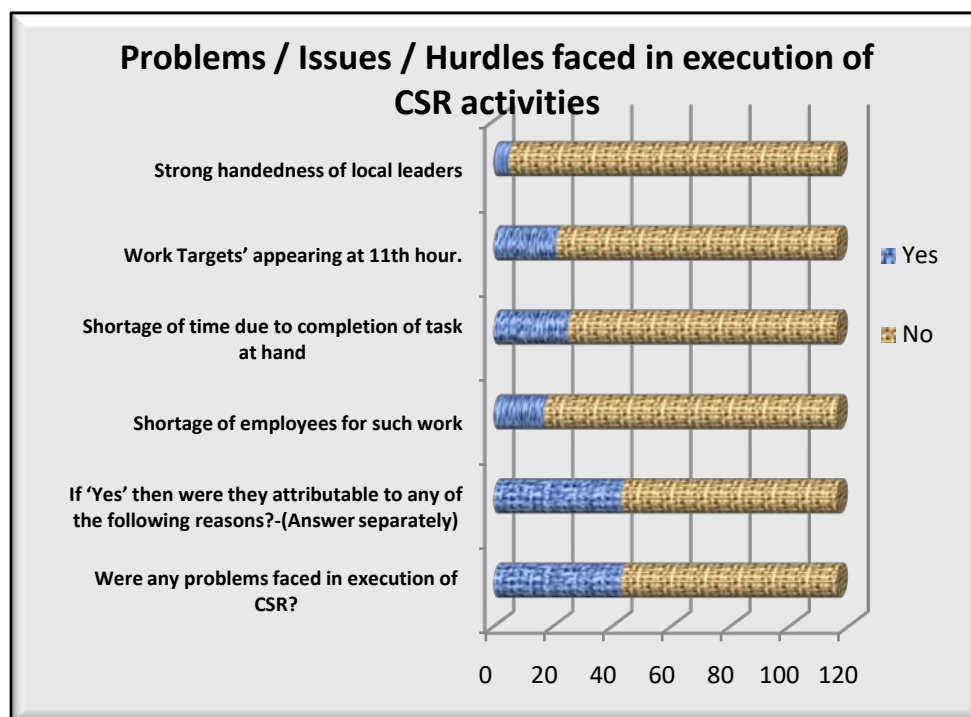


Fig. 4.15 Bar chart regarding Problems / Issues / Hurdles faced in execution of CSR activities

4.6.2 Objective5: To study the various Problems / Issues / Hurdles faced in execution of CSR activities.

To assess this objective Section F is analyzed. The opinions regarding the questions (section F) of the respondents are as given below along with its bar graph.

Table 4.11 Problems / Issues / Hurdles faced in execution of CSR activities and their ranking.

Problems / Issues / Hurdles faced in execution of CSR activities	Yes	%	Rank	No	%	Rank
Were any problems faced in execution of CSR?	43	37.1	-	73	62.9	-
If 'Yes' then were they attributable to any of the following reasons?-(Answer separately)	43	37.1	-	73	62.9	-
Shortage of employees for such work	17	14.7	3	99	85.3	2
Shortage of time due to completion of task at hand	25	21.6	1	91	78.4	4
Work Targets' appearing at 11 th hour.	21	18.1	2	95	81.9	3
Strong handedness of local leaders	5	4.3	4	111	95.7	1

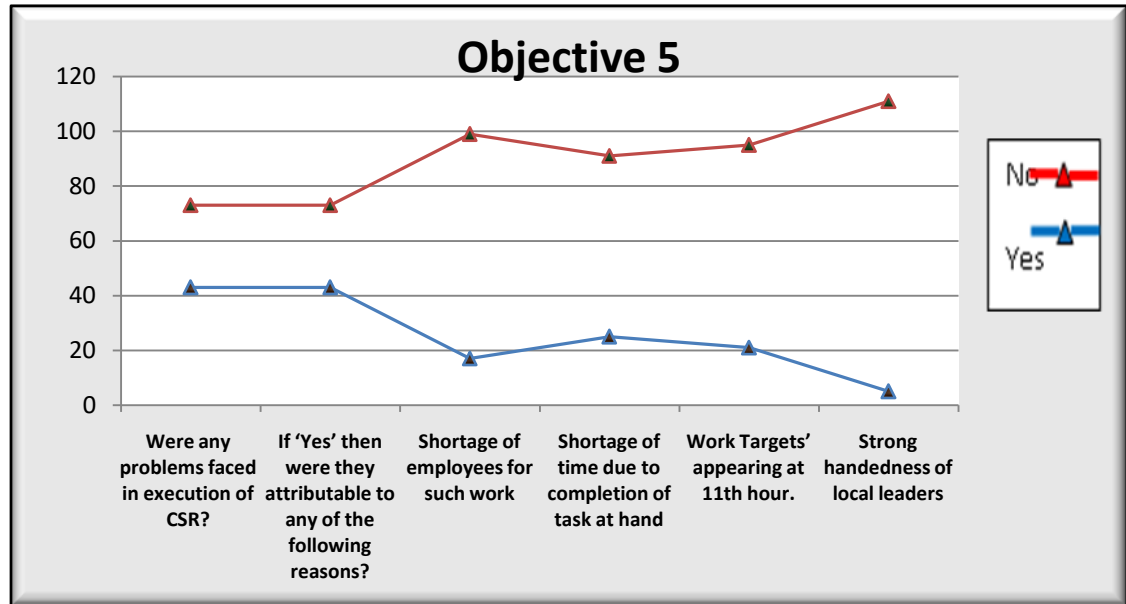


Fig. 4.16 Graphical representation of Problems / Issues / Hurdles faced in execution of CSR activities

4.6.3 Summary:

The graph clearly shows that the curve for 'No' lies above the curve for 'Yes'. Hence the major proportion of respondents is denying every parameter.

4.7 Section G

4.7.1 Purpose to undertake CSR activity : In this section of questionnaire , 5 different questions were asked in relation to purpose to undertake CSR activity. The frequency distribution of respondents according to Section G along with its bar graph is as given below.

Table 4.12 Purpose to undertake CSR activity

Purpose to undertake CSR activity	Yes	%	No	%
Improvement in brand image.	33	28.4	83	71.6
Get a fame that company does CSR which is held in high esteem.	36	31.0	80	69.0
Improvement in in organizational performance and business.	39	33.6	77	66.4

Building confidence in all stakeholders.	46	39.7	70	60.3
Increase in effective communication effectiveness within organization.	32	27.6	84	72.4

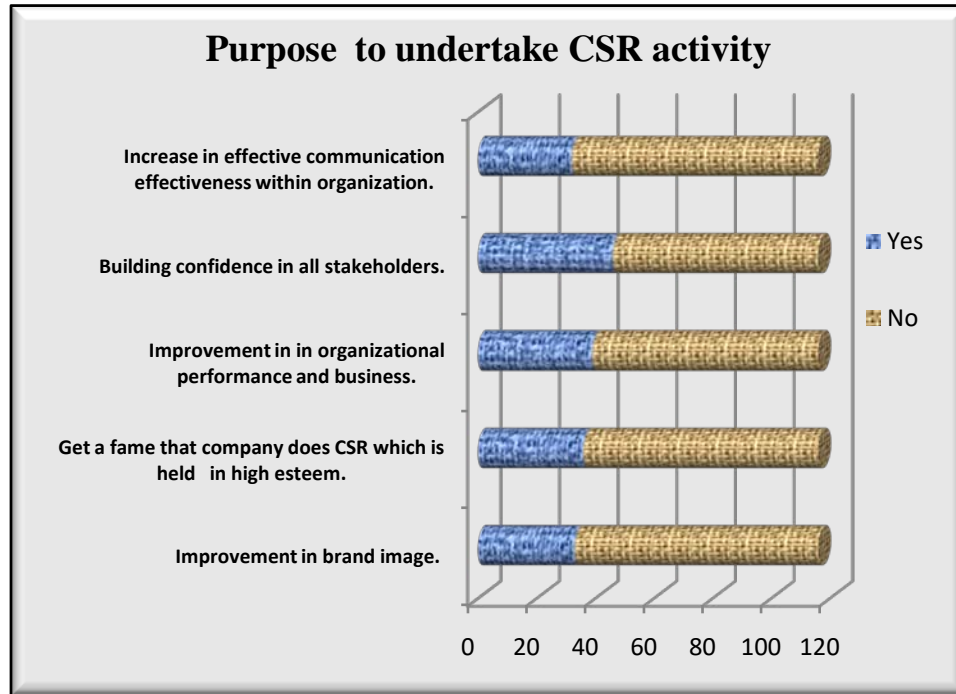


Fig. 4.17 Bar chart of purpose to undertake CSR activity

4.8 Section H

4.8.1 Impact on employees due to CSR activities :

In this section of questionnaire, 9 different questions were asked in relation to Impact on employees due to CSR activities. The frequency distribution of respondents according to Section H along with its bar graph is as given below.

Table 4.13 Impact on employees due to CSR activities

Impact on employees due to CSR activities :	Yes	%	No	%
Increase in job satisfaction amongst employees.	34	29.3	82	70.7

Increase in belongingness of employees towards company	35	30.2	81	69.8
Reduction in attrition rate of employees	34	29.3	82	70.7
Increase in recruitment quality.	34	29.3	82	70.7
Increase in retention of employees.	34	29.3	82	70.7
Boosting employees' morale and self esteem.	45	38.8	71	61.2
Increase in sense of care towards customer service.	45	38.8	71	61.2
Increase in effective communication within organization.	35	30.2	81	69.8
Employees are rewarded and appreciated suitably	44	37.9	72	62.1

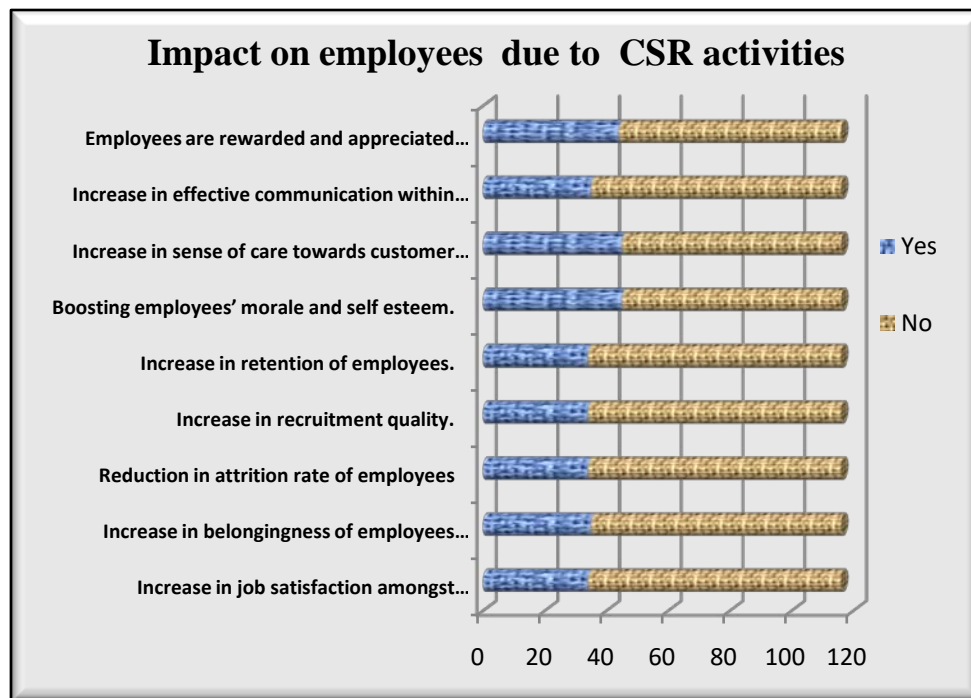


Fig. 4.18 Bar chart of impact on employees due to CSR activities

4.8.2 Objective 6: To Study the impact of CSR activities on employees, suppliers, customers & organization.

4.8.2.1 Part 6 (a) To Study the impact of CSR activities on employees.

To assess this objective Section H is analyzed. The opinions regarding the questions (section H) of the respondents are as given below along with its graphical representation.

Table 4.14 Impact of CSR activities on employees and their ranking .

Impact on employees due to CSR activities :	Yes	%	Rank	No	%	Rank
Increase in job satisfaction amongst employees.	34	29.3	4	82	70.7	1
Increase in belongingness of employees towards company	35	30.2	3	81	69.8	2
Reduction in attrition rate of employees	34	29.3	4	82	70.7	1
Increase in recruitment quality.	34	29.3	4	82	70.7	1
Increase in retention of employees.	34	29.3	4	82	70.7	1
Boosting employees' morale and self esteem.	45	38.8	1	71	61.2	4
Increase in sense of care towards customer service.	45	38.8	1	71	61.2	4
Increase in effective communication within organization.	35	30.2	3	81	69.8	2
Employees are rewarded and appreciated suitably	44	37.9	2	72	62.1	3

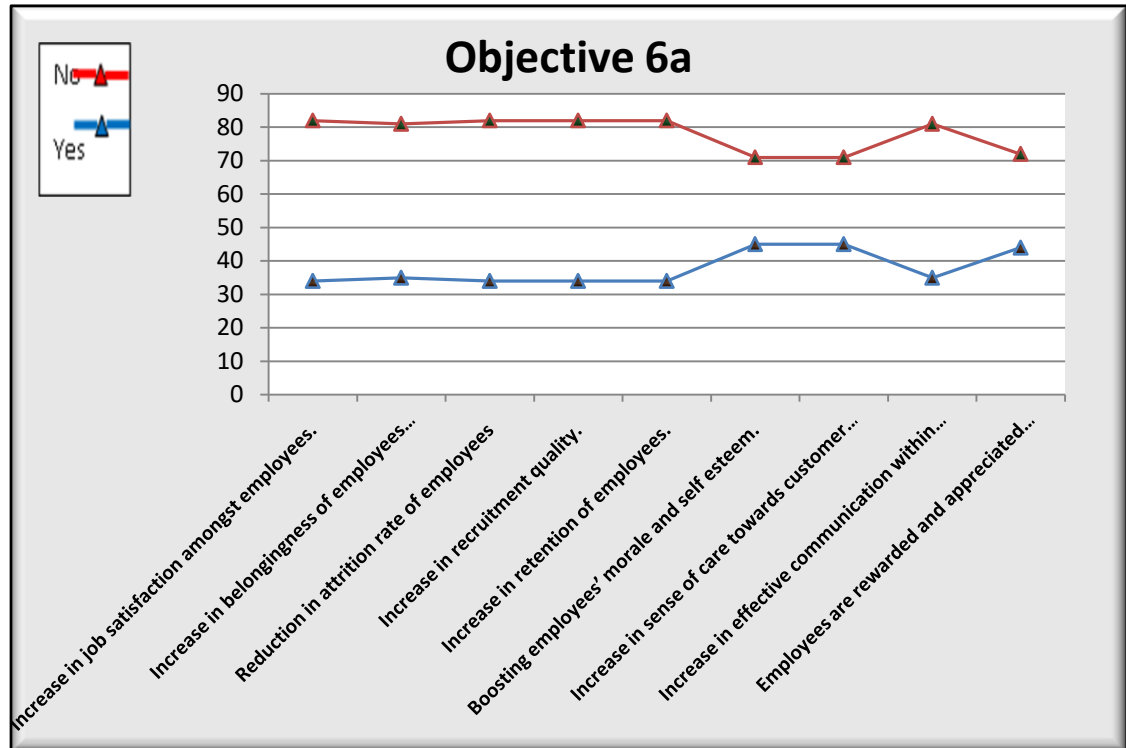


Fig. 4.19 Graphical representation of impact of CSR activities on employees.

4.8.2.1 Summary:

The graph clearly shows that the curve for 'No' lies above the curve for 'Yes'. Hence the major proportion of respondents is denying every parameter.

The respondents favor mostly 'Boosting employees' morale and self esteem', 'Increase in sense of care towards customer service'; then 'Employees are rewarded and appreciated suitably'; then 'Increase in belongingness of employees towards company', 'Increase in effective communication within organization'; then 'Increase in job satisfaction amongst employees', 'Reduction in attrition rate of employees', 'Increase in recruitment quality', 'Increase in retention of employees'.

The respondents are against mostly 'Increase in job satisfaction amongst employees', 'Reduction in attrition rate of employees', 'Increase in recruitment quality', 'Increase in retention of employees'; then 'Increase in belongingness of employees towards company', 'Increase in effective communication within organization'; then 'Employees are rewarded and appreciated suitably'; 'Boosting employees' morale and self esteem', 'Increase in sense of care towards customer service'.

4.9 Section J

4.9.1 Impact on suppliers due to CSR activities

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section J along with its bar graph is as given below.

Table 4.15 Impact on suppliers due to CSR activities

Impact on suppliers due to CSR activities	Yes	%	No	%
Suppliers prefer to supply companies undertaking CSR activities	35	30.2	81	69.8
Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business.	15	12.9	101	87.1

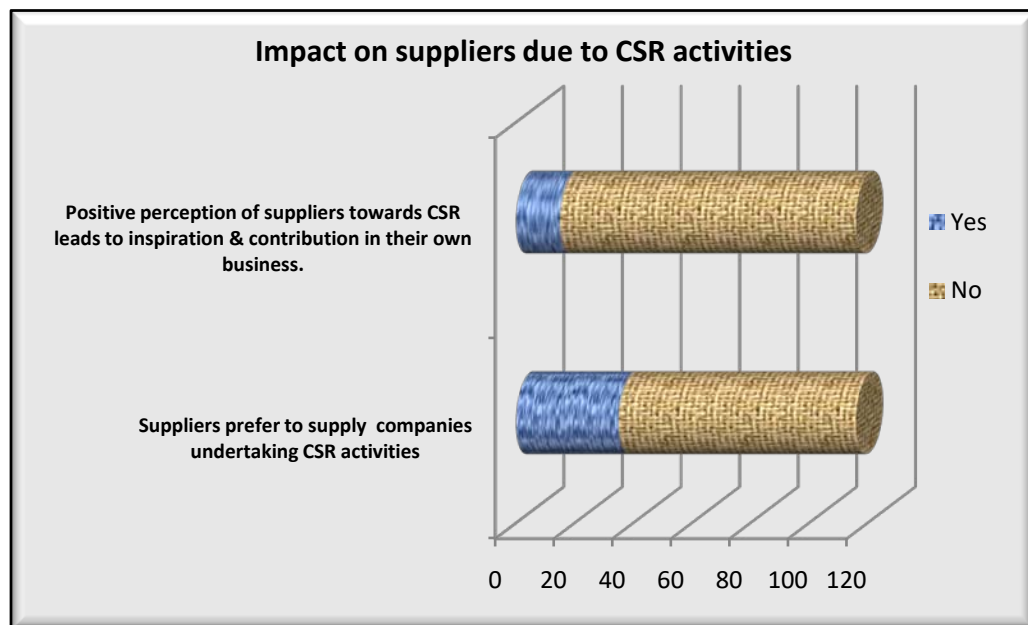


Fig. 4.20 Bar graph of Impact on suppliers due to CSR activities

4.9.2 Part (6b) To Study the impact of CSR activities on suppliers.

To assess this objective Section J is analyzed. The opinions regarding the questions (section J) of the respondents are as given below along with it's bar graph.

Table 4.16 Impact on suppliers due to CSR activities and their ranking

Impact on suppliers due to CSR activities	Yes	%	Rank	No	%	Rank
Suppliers prefer to supply companies undertaking CSR activities	35	30.2	1	81	69.8	2
Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business.	15	12.9	2	101	87.1	1

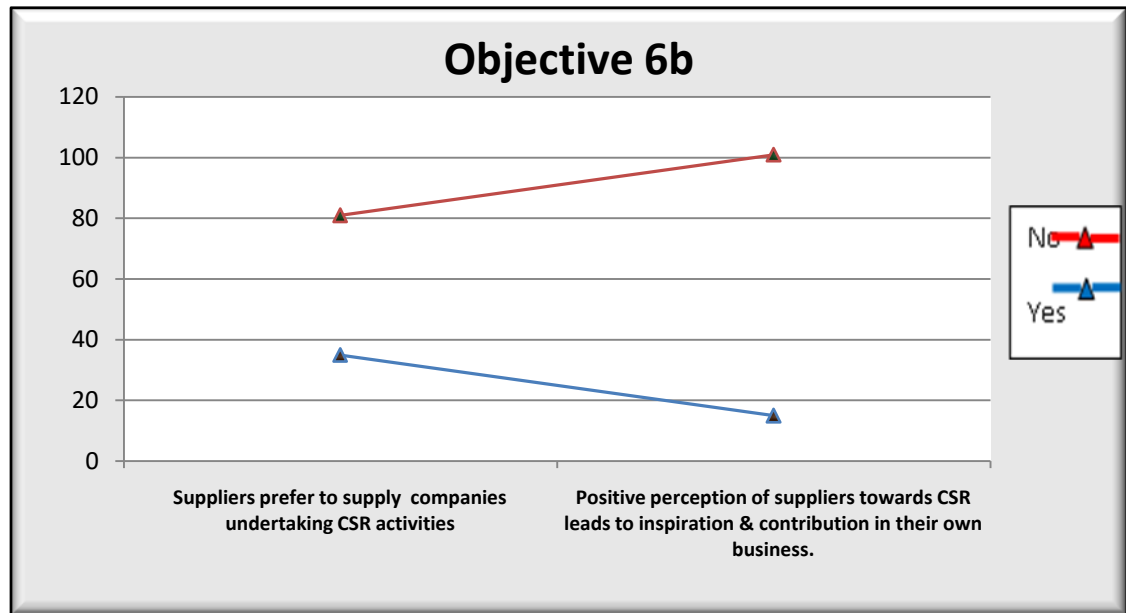


Fig. 4.21 Graphical representation of Impact on suppliers due to CSR activities

4.9.3 Summary:

The graph clearly shows that the curve for 'No' lies above the curve for 'Yes'. Hence the major proportion of respondents is denying every parameter.

The respondents favor mostly ‘Suppliers prefer to supply companies undertaking CSR activities’; then ‘Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business’.

The respondents are against mostly ‘Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business’; ‘Suppliers prefer to supply companies undertaking CSR activities’

4.10 Section K

4.10.1 Impact on customers due to CSR activities

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section K along with its bar graph is as given below.

Table 4.17 Impact on customers due to CSR activities

Impact on customers due to CSR activities	Yes	%	No	%
CSR attracts & retains customers.	32	27.6	84	72.4
Purchase of goods with CSR tag more than the goods of similar nature without a CSR tag.	5	4.3	111	95.7
Capturing more export orders.	41	35.3	75	64.7
Increase in brand awareness among customers	26	22.4	90	77.6
Customers welcome the newly introduced products of a company due to its CSR image	21	18.1	95	81.9

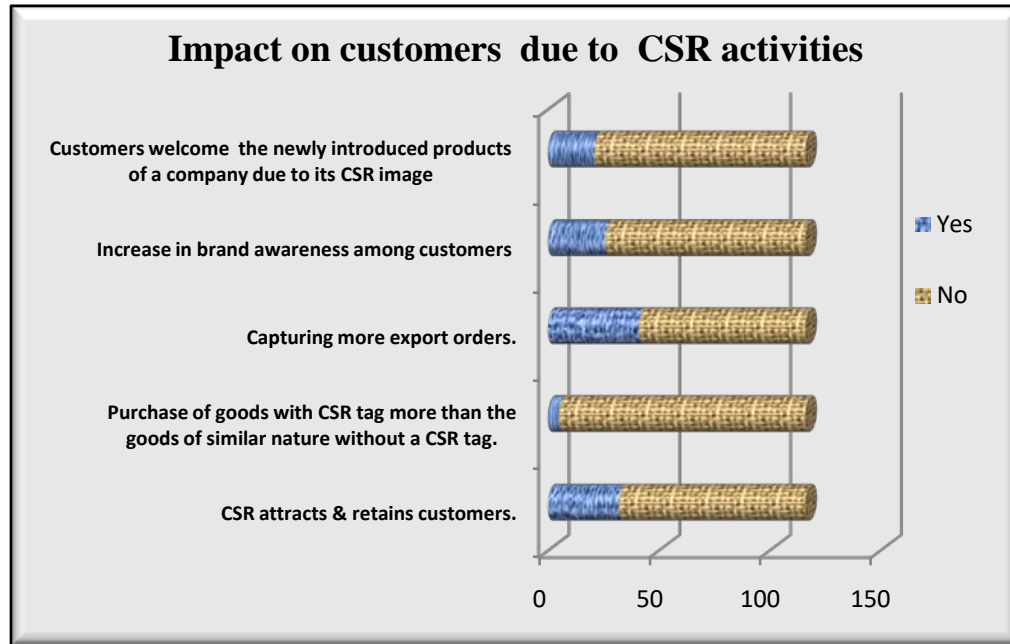


Fig. 4.22 Bar graph of Impact on customers due to CSR activities

4.10.2 Part 6c) To Study the impact of CSR activities on customers.

To assess this objective Section K is analyzed. The opinions regarding the questions (section K) of the respondents are as given below along with it's bar graph.

Table 4.18 Impact on customers due to CSR activities and their ranking

Impact on customers due to CSR activities	Yes	%	Rank	No	%	Rank
CSR attracts & retains customers.	32	27.6	2	84	72.4	4
Purchase of goods with CSR tag more than the goods of similar nature without a CSR tag.	5	4.3	5	111	95.7	1
Capturing more export orders.	41	35.3	1	75	64.7	5
Increase in brand awareness among customers	26	22.4	3	90	77.6	3

Customers welcome the newly introduced products of a company due to its CSR image	21	18.1	4	95	81.9	2
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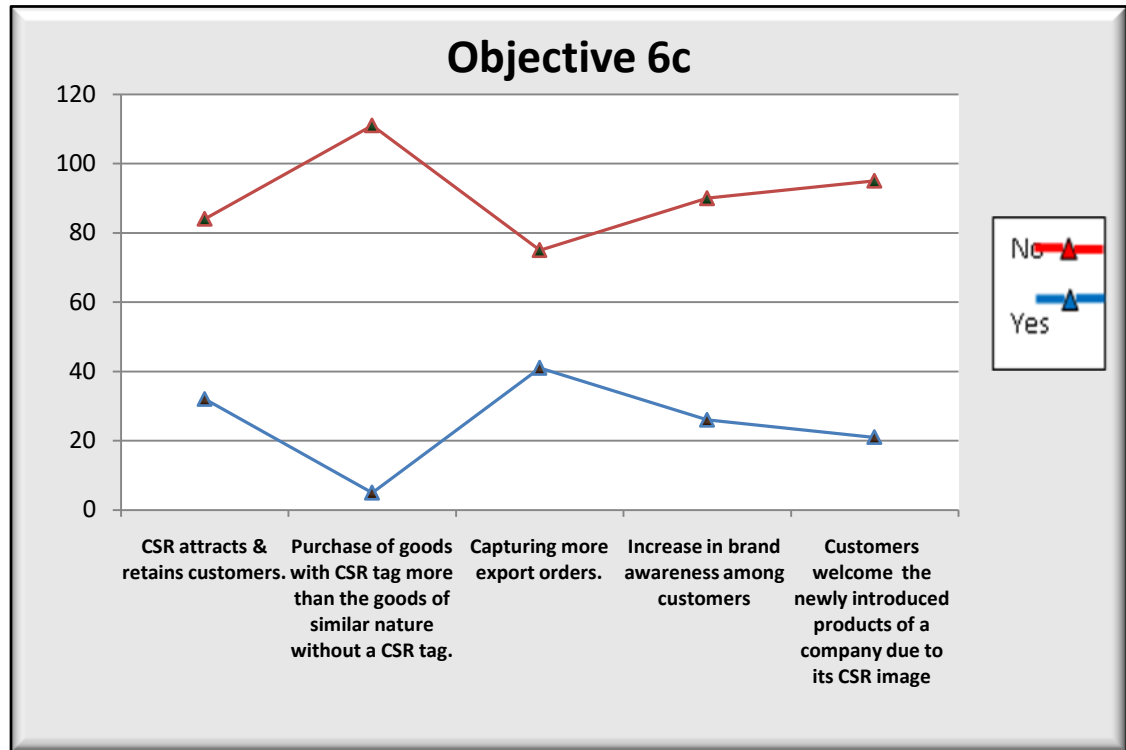


Fig. 4.23 Graphical representation of Impact on customers due to CSR activities

4.10.3 Summary:

The graph clearly shows that the curve for 'No' lies above the curve for 'Yes'. Hence the major proportion of respondents is denying every parameter.

The respondents favor mostly 'Capturing more export orders'; then 'CSR attracts & retains customers'; then 'Increase in brand awareness among customers'; then 'Customers welcome the newly introduced products of a company due to its CSR image'; then 'Purchase of goods with CSR tag more than the goods of similar nature without a CSR tag'.

The respondents are against mostly 'Purchase of goods with CSR tag more than the goods of similar nature without a CSR tag'; then 'Customers welcome the newly introduced products of a company due to its CSR image'; then 'Increase in brand

awareness among customers’; then ‘CSR attracts & retains customers’; ‘Capturing more export orders’.

4.11 Section L

4.11.1 Opinion about CSR which may lead to Organizational Performance

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section L along with its bar graph is as given below.

Table 4.19 Opinion about CSR which may lead to Organizational Performance

Opinion about CSR which may result into Increase in-	Not at all	To a less extent	To a moderate extent	To a great extent	To a very great extent
brand image	30	33	10	18	25
%	25.9	28.4	8.6	15.5	21.6
sales	54	20	7	21	14
%	46.6	17.2	6.0	18.1	12.1
brand value	41	31	9	19	16
%	35.3	26.7	7.8	16.4	13.8
Customers’ satisfaction	43	34	9	22	8
%	37.1	29.3	7.8	19.0	6.9
Employees’ satisfaction and earnings	37	37	26	6	10
%	31.9	31.9	22.4	5.2	8.6
Attracting and retaining of employees	48	34	24	6	4
%	41.4	29.3	20.7	5.2	3.4
Stockholders’ profits	52	28	14	16	6
%	44.8	24.1	12.1	13.8	5.2
Performance in business	16	46	35	14	5
%	13.8	39.7	30.2	12.1	4.3
Sustainability	14	38	28	29	7
%	12.1	32.8	24.1	25.0	6.0
Image in society	43	34	9	22	8
%	37.1	29.3	7.8	19.0	6.9
Support to industry and community	17	46	34	14	5
%	14.7	39.7	29.3	12.1	4.3

Channel partners	51	28	15	16	6
%	44.0	24.1	12.9	13.8	5.2
Organizational learning	17	46	34	14	5
%	14.7	39.7	29.3	12.1	4.3
Company's market share.	46	27	26	14	3
%	39.7	23.3	22.4	12.1	2.6
profitability	41	31	9	19	16
%	35.3	26.7	7.8	16.4	13.8
Winning over the competitors.	43	34	9	22	8
%	37.1	29.3	7.8	19.0	6.9
Facilitation when introducing a new product in the market.	16	47	34	14	5
%	13.8	40.5	29.3	12.1	4.3
Innovation and continuous improvement in the CSR activities that creates better impact on community.	52	28	14	16	6
%	44.8	24.1	12.1	13.8	5.2
Chances of collaboration with other companies.	14	48	30	19	5
%	12.1	41.4	25.9	16.4	4.3
Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances.	16	46	34	15	5
%	13.8	39.7	29.3	12.9	4.3
Shareholders & other stakeholders extend support	32	27	37	14	6
%	27.6	23.3	31.9	12.1	5.2
Encouragement from Central/ State/ Local Govt by giving awards	31	31	34	14	6
%	26.7	26.7	29.3	12.1	5.2
Motivation from Govt to undertake R&D through various reliefs / concession / subsidies for import substitutes	16	46	27	15	12
%	13.8	39.7	23.3	12.9	10.3

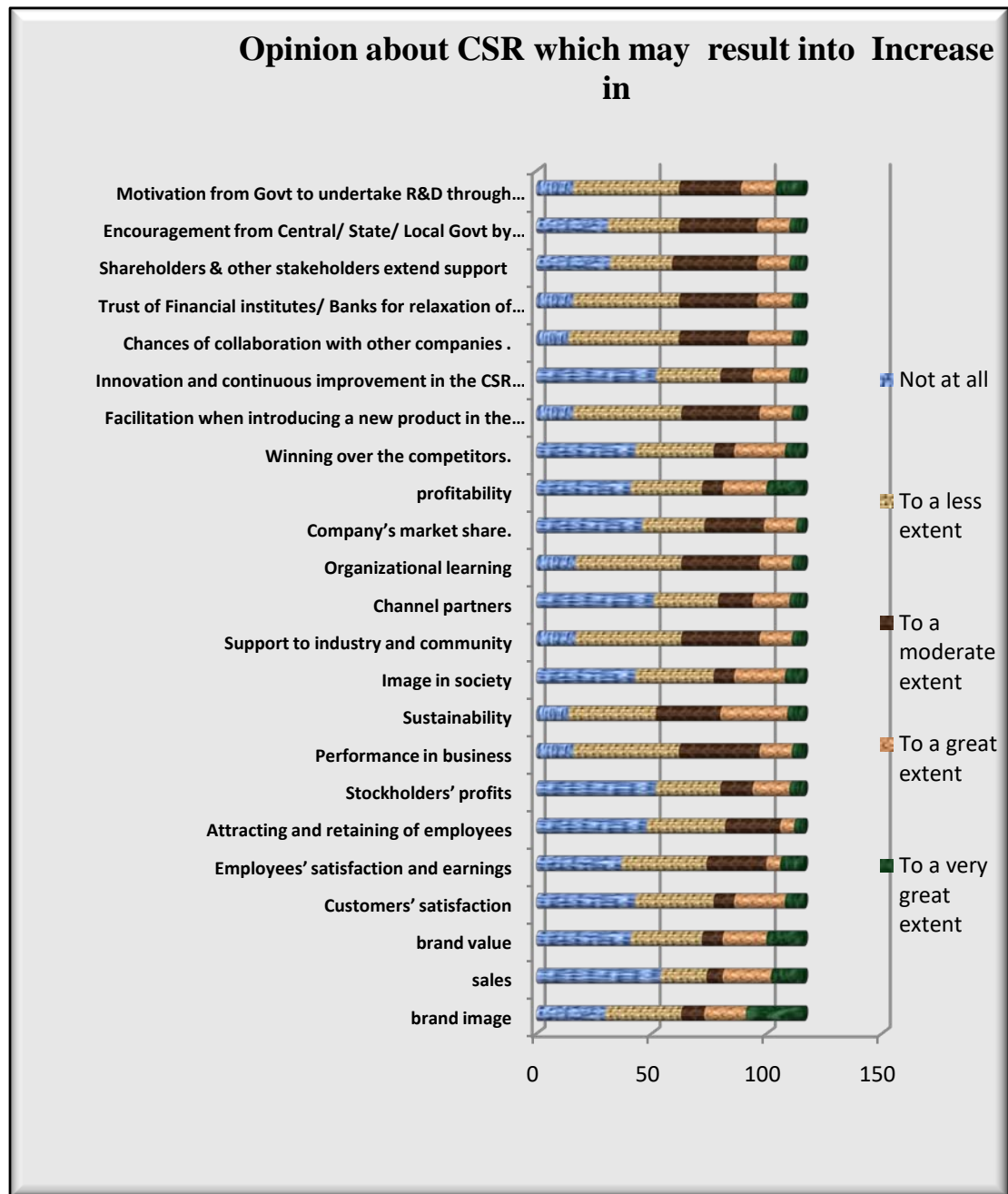


Fig. 4.24 Bar graph of Opinion about CSR which may lead to Organizational Performance

4.11.2 Part 6d) To Study the impact of CSR activities on organizational performance.

To assess this objective Section L is analyzed. The opinions regarding the questions (section L) of the respondents are as given below along with its bar graph.

Table 4.20 Opinion about Impact of CSR activities on organizational performance.

Opinion about CSR which may result into Increase in-	Yes	%	Rank	No	%	Rank
brand image	86	74.1	4	30	25.9	11
sales	62	53.4	14	54	46.6	1
brand value	75	64.7	8	41	35.3	7
Customers' satisfaction	73	62.9	9	43	37.1	6
Employees' satisfaction and earnings	79	68.1	7	37	31.9	8
Attracting and retaining of employees	68	58.6	11	48	41.4	4
Stockholders' profits	64	55.2	13	52	44.8	2
Performance in business	100	86.2	2	16	13.8	13
Sustainability	102	87.9	1	14	12.1	14
Image in society	73	62.9	9	43	37.1	6
Support to industry and community	99	85.3	3	17	14.7	12
Channel partners	65	56.0	12	51	44.0	3
Organizational learning	99	85.3	3	17	14.7	12
Company's market share.	70	60.3	10	46	39.7	5
profitability	75	64.7	8	41	35.3	7
Winning over the competitors.	73	62.9	9	43	37.1	6
Facilitation when introducing a new product in the market.	100	86.2	2	16	13.8	13
Innovation and continuous improvement in the CSR activities that creates better impact on community.	64	55.2	13	52	44.8	2
Chances of collaboration with other companies .	102	87.9	1	14	12.1	14
Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances.	100	86.2	2	16	13.8	13
Shareholders & other stakeholders extend support	84	72.4	6	32	27.6	9

Encouragement from Central/ State/ Local Govt by giving awards	85	73.3	5	31	26.7	10
Motivation from Govt to undertake R&D through various reliefs / concession / subsidies for import substitutes	100	86.2	2	16	13.8	13

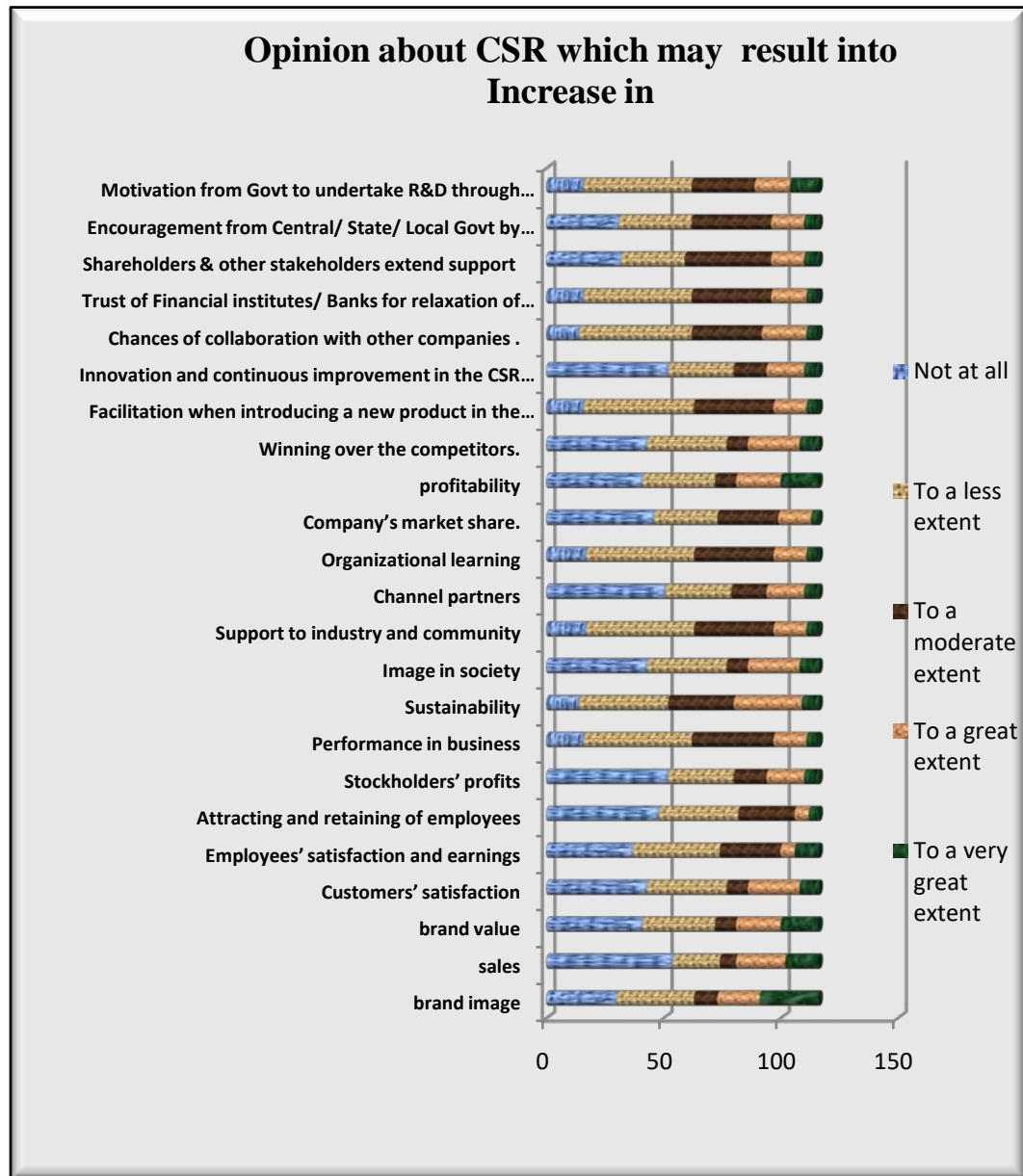


Fig. 4.25 Bar graph of opinion about Impact of CSR activities on organizational performance.

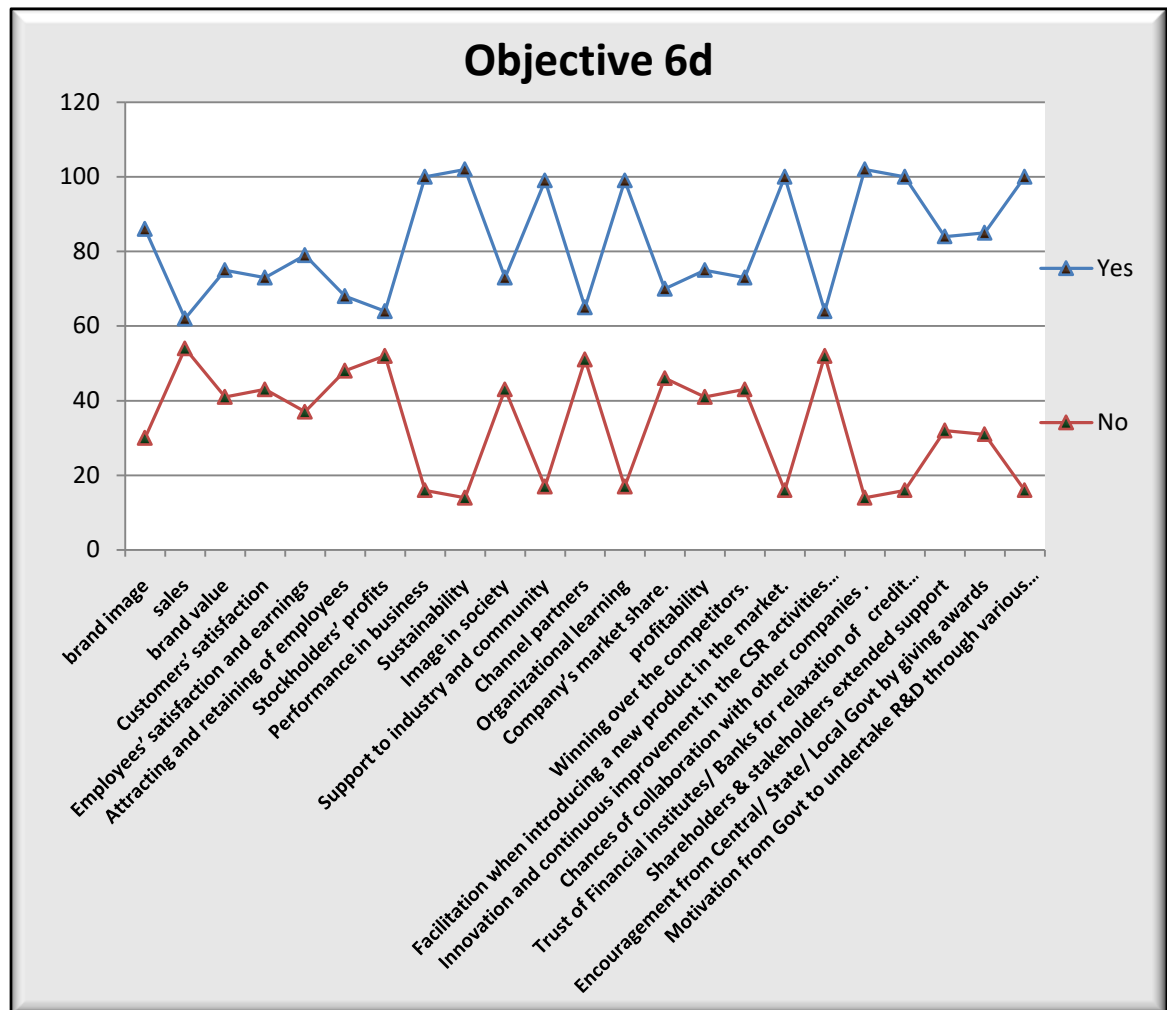


Fig. 4.26 Graphical representation of opinion about Impact of CSR activities on organizational performance.

4.11.3 Summary:

The graph clearly shows that the curve for 'Yes' lies above the curve for 'No'. Hence the major proportion of respondents is accepting every parameter.

The respondents favor mostly 'Sustainability', 'Chances of collaboration with other companies'; then 'Performance in business', 'Facilitation when introducing a new product in the market', 'Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances', 'Motivation from Govt to undertake R&D through various reliefs / concession / subsidies for import substitutes'; then 'Support to industry and community', 'Organizational learning'; then 'brand image'; then 'Encouragement from Central/ State/ Local Govt by giving awards'; then

‘Shareholders & other stakeholders extend support’; then ‘Employees’ satisfaction and earnings’; then ‘brand value’, ‘profitability’; then ‘Customers’ satisfaction’, ‘Image in society’, ‘Winning over the competitors’; then ‘Company’s market share’; then ‘Attracting and retaining of employees’; then ‘Channel partners’; then ‘Stockholders’ profits’, ‘Innovation and continuous improvement in the CSR activities that creates better impact on community’; then ‘sales’.

The respondents are against mostly ‘sales’; then ‘Stockholders’ profits’, ‘Innovation and continuous improvement in the CSR activities that creates better impact on community’; then ‘Channel partners’; then ‘Attracting and retaining of employees’; then ‘Company’s market share’; then ‘Customers’ satisfaction’, ‘Image in society’, ‘Winning over the competitors’; then ‘brand value’, ‘profitability’; then ‘Employees’ satisfaction and earnings’; then ‘Shareholders & other stakeholders extend support’; then ‘Encouragement from Central/ State/ Local Government by giving awards’; then ‘brand image’; then ‘Support to industry and community’, ‘Organizational learning’; then ‘Performance in business’, ‘Facilitation when introducing a new product in the market’, ‘Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances’, ‘Motivation from Government to undertake R&D through various reliefs / concession / subsidies for import substitutes’; then ‘Sustainability’, ‘Chances of collaboration with other companies’.

4.12 Section M:

4.12.1 Reasons for success in achieving strategic targets towards CSR

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section M along with its bar graph is as given below.

Table 4.21 Reasons for success in achieving strategic targets towards CSR

Reasons for success in achieving strategic targets towards CSR	Not at all	To a less extent	To a moderate extent	To a great extent	To a very great extent
Thoughtful planning & execution	0	8	7	9	26

%	0.0	6.9	6.0	7.8	22.4
Efficient coordination at all levels of management within and outside organization (outside stakeholders)	14	4	14	9	9
%	12.1	3.4	12.1	7.8	7.8
Monitoring and timely review	0	4	13	11	23
%	0.0	3.4	11.2	9.5	19.8
Effective horizontal and vertical communication	10	4	16	15	5
%	8.6	3.4	13.8	12.9	4.3



Fig. 4.27 Bar graph of Reasons for success in achieving strategic targets towards CSR

4.13 Section N:

4.13.1 Futuristic view & action towards CSR

In this section of questionnaire following tabulated questions were asked and responses sought -The frequency distribution of respondents according to Section N along with its bar graph is as given below.

Table 4.22 Futuristic view & action towards CSR

Futuristic view & action towards CSR	Yes	%	No	%
Based on previous experience have you made any futuristic plan regarding more effective implementation of CSR activities?	44	37.9	72	62.1

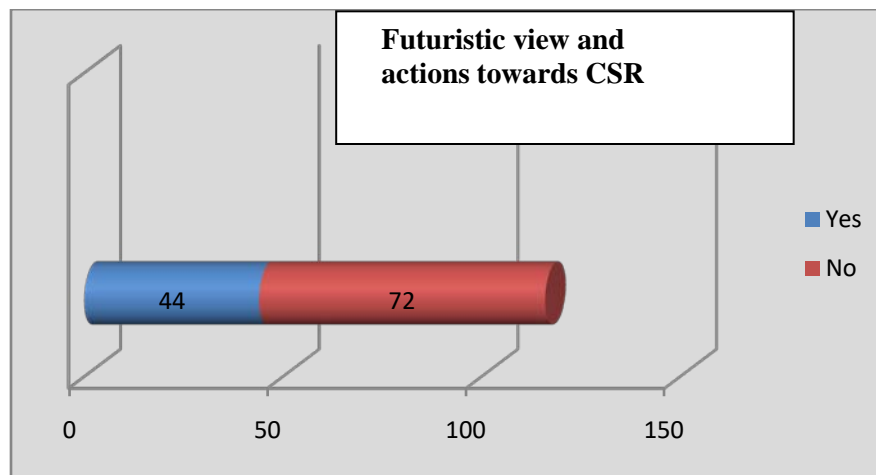


Fig. 4.28 Bar graph of Futuristic view & contemplating action towards CSR

4.14 Hypotheses :

4.14.1 Hypothesis1:

The awareness about CSR depends on size of industries and MSMEs.

To test the hypotheses,

The null hypothesis, H_0 : The awareness about CSR does not depend on size of industries & MSMEs.

Vs.

The alternative hypothesis, H_a : The awareness about CSR depends on size of industries & MSMEs.

The test used is chi square test for association of attributes.

Calculation Table 4.23 : Hypothesis 1 for CSR awareness versus size of industries

Crosstab				
Count				
		Respondent's Awareness about CSR		Total
		No	Yes	
Size of Company	Large	0	24	24
	Medium	1	9	10
	Small	52	30	82
Total		53	63	116

Table 4.24 Chi-Square Tests for Hypothesis 1

Chi-Square Tests			
	Value	df	P value (2-sided)
Pearson Chi-Square	35.706 ^a	2	.000
Likelihood Ratio	45.745	2	.000
N of Valid Cases	116		
a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.57.			

Since p value is less than 0.05, the level of significance; there is strong evidence to reject the null hypothesis.

4.14.1.1 Conclusion:

The awareness about CSR depends on size of industries & MSMEs. The higher frequencies show that when the size is small, there is poor awareness about CSR & there is large awareness about CSR in large companies.

Hence hypothesis 1 is accepted.

4.14.2 Hypothesis 2:

The awareness about CSR depends on age of industries .

To test the hypotheses,

The null hypothesis, H_0 : The awareness about CSR does not depend on age of industries.

Vs.

The alternative hypothesis, H_a : The awareness about CSR depends on age of industries

The test used is chi square test for association of attributes.

Calculation Table 4.25 Hypothesis 2 for Respondent's Awareness about CSR

Crosstab				
Count				
		Respondent's Awareness about CSR		Total
		No	Yes	
Age of Company	New	25	23	48
	Old	28	40	68
Total		53	63	116

Table 4.26 Chi-Square Tests for Hypothesis 2

Chi-Square Tests			
	Value	df	p value (2-sided)
Pearson Chi-Square	1.349 ^a	1	0.245

Continuity Correction ^b	0.945	1	0.331
Likelihood Ratio	1.349	1	0.245
Fisher's Exact Test			
N of Valid Cases	116		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 21.93.			
b. Computed only for a 2x2 table			

Since p value is greater than 0.05, the level of significance; there is no sufficient evidence to reject the null hypothesis.

4.14.2 .1 Conclusion:

The awareness about CSR does not depend on age of industries . Hence hypothesis 2 is rejected.

4.14.3 Hypothesis3:

There is positive impact on the job of the employees due to CSR activities

The questions considered for the assessment of this hypothesis are all questions from section H.

To test the hypotheses,

The null hypothesis, H₀: The population percent of agreement about the above statement is less than or equal to 50%.

Vs.

The alternative hypothesis, H_a: The population percent of agreement about the above statement is greater than 50%.

The test used is z test for proportions.

Test statistics:

$$Z = \frac{\hat{p} - p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$$

Here \hat{p} = sample proportion, p_0 = hypothetical value = 50% = 0.50, n = sample size = 116

Calculation Table 4.27: Hypothesis3 for Impact on employees due to CSR activities

Impact on employees due to CSR activities :	Yes	Proportion	Z statistic	P value	Significance
Increase in job satisfaction amongst employees.	34	0.29	-4.46	1.0000	Not Significant
Increase in belongingness of employees towards company	35	0.30	-4.27	1.0000	Not Significant
Reduction in attrition rate of employees	34	0.29	-4.46	1.0000	Not Significant
Increase in recruitment quality.	34	0.29	-4.46	1.0000	Not Significant
Increase in retention of employees.	34	0.29	-4.46	1.0000	Not Significant
Boosting employees' morale and self esteem.	45	0.39	-2.41	0.9921	Not Significant
Increase in sense of care towards customer service.	45	0.39	-2.41	0.9921	Not Significant
Increase in effective communication within organization.	35	0.30	-4.27	1.0000	Not Significant
Employees are rewarded and appreciated suitably	44	0.38	-2.60	0.9953	Not Significant

Since p value is greater than 0.05, the level of significance for all parameters; there is no sufficient evidence to reject the null hypothesis for all parameters.

4.14.3.1 Conclusion: The population percent of agreement about the above statement is less than or equal to 50% for all parameters. Hence there is no positive impact on the job of the employees due to CSR activities.

Hence hypothesis 3 is rejected.

4.14.4 Hypothesis4:

Companies undertaking CSR spell out their vision and plans to achieve strategic aim.

The questions considered for the assessment of this hypothesis is ‘C1: Undertakes CSR activities.’ & ‘C2: Spells out CSR policy with its vision & mission statement’

To test the hypotheses,

The null hypothesis, H_0 : The population percent of agreement about the above statement is less than or equal to 50%.

Vs.

The alternative hypothesis, H_a : The population percent of agreement about the above statement is greater than 50%.

The test used is z test for proportions.

Test statistics:

$$Z = \frac{\hat{p} - p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$$

Here \hat{p} = sample proportion, p_0 = hypothetical value = 50% = 0.50, n = sample size = 116

The questions considered for the assessment of this hypothesis is ‘C1: Undertakes CSR activities.’ & ‘C2: Spells out CSR policy with its vision & mission statement’.

The number of respondents with response ‘Yes’ to both the questions is 35 out of 50.

Hence sample proportion, $\hat{p} = 35/50 = 0.70$

Table 4.28 Hypothesis4 for Companies undertaking CSR spell out their vision and plans to achieve strategic aim (Z test for proportion)

Frequency	Proportion	Z statistic	P value	Significance
35	0.70	2.83	0.0023	Significant

Since p value is less than 0.05, the level of significance; there is sufficient evidence to reject the null hypothesis.

4.14.4.1 Conclusion: The population percent of agreement about the above statement is greater than 50%. Hence Companies undertaking social responsibility spell out their vision and plans to achieve strategic aim.

Hence hypothesis 4 is accepted.

4.14.5 Hypothesis 5:

Companies undertaking social responsibility publicize CSR policy.

The questions considered for the assessment of this hypothesis is ‘C1: Undertakes CSR activities.’ & ‘C3: Publicizes CSR policy’

To test the hypotheses,

The null hypothesis, H_0 : The population percent of agreement about the above statement is less than or equal to 50%.

Vs.

The alternative hypothesis, H_a : The population percent of agreement about the above statement is greater than 50%.

The test used is z test for proportions.

Test statistics:

$$Z = \frac{\hat{p} - p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$$

Here \hat{p} = sample proportion, p_0 = hypothetical value = 50% = 0.50, n = sample size = 116

The questions considered for the assessment of this hypothesis is ‘C1: Undertakes CSR activities.’ & ‘C3: Publicizes CSR policy’.

The number of respondents with response ‘Yes’ to both the questions is 35 out of 50.

Hence sample proportion, $\hat{p} = 35/50 = 0.70$

Table 4.29 Hypothesis 5: Companies undertaking social responsibility publicize CSR policy. (Z test for proportion)

Frequency	Proportion	Z statistic	P value	Significance
35	0.70	2.83	0.0023	Significant

Since p value is less than 0.05, the level of significance; there is sufficient evidence to reject the null hypothesis.

4.14.5.1 Conclusion: The population percent of agreement about the above statement is greater than 50%. Hence Companies undertaking social responsibility publicizes CSR policy.

Hence hypothesis 5 is accepted.

4.14.6 Hypothesis6: There is positive impact on organizational performance due to CSR activities.

The questions considered for the assessment of this hypothesis are all questions from section L.

To test the hypotheses,

The null hypothesis, H_0 : The population percent of agreement about the above statement is less than or equal to 50%.

Vs.

The alternative hypothesis, H_a : The population percent of agreement about the above statement is greater than 50%.

The test used is z test for proportions.

Test statistics:

$$Z = \frac{\hat{p} - p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$$

Here \hat{p} = sample proportion, p_0 = hypothetical value = 50% = 0.50, n = sample size = 116

Calculation Table 4.30 Opinion about CSR which may result into Increase in-

Opinion about CSR which may result into Increase in-	Yes	Proportion	Z statistic	P value	Significance
brand image	86	0.74	5.20	0.0000	Significant
sales	62	0.53	0.74	0.2288	Not Significant
brand value	75	0.65	3.16	0.0008	Significant
Customers' satisfaction	73	0.63	2.79	0.0027	Significant
Employees' satisfaction and earnings	79	0.68	3.90	0.0000	Significant
Attracting and retaining of employees	68	0.59	1.86	0.0317	Significant
Stockholders' profits	64	0.55	1.11	0.1326	Not Significant
Performance in business	100	0.86	7.80	0.0000	Significant
Sustainability	102	0.88	8.17	0.0000	Significant
Image in society	73	0.63	2.79	0.0027	Significant
Support to industry and community	99	0.85	7.61	0.0000	Significant
Channel partners	65	0.56	1.30	0.0968	Not Significant
Organizational learning	99	0.85	7.61	0.0000	Significant

Company's market share.	70	0.60	2.23	0.0129	Significant
profitability	75	0.65	3.16	0.0008	Significant
Winning over the competitors.	73	0.63	2.79	0.0027	Significant
Facilitation when introducing a new product in the market.	100	0.86	7.80	0.0000	Significant
Innovation and continuous improvement in the CSR activities that creates better impact on community.	64	0.55	1.11	0.1326	Not Significant
Chances of collaboration with other companies .	102	0.88	8.17	0.0000	Significant
Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances.	100	0.86	7.80	0.0000	Significant
Shareholders & other stakeholders extend support	84	0.72	4.83	0.0000	Significant
Encouragement from Central/ State/ Local Govt by giving awards	85	0.73	5.01	0.0000	Significant
Motivation from Govt to undertake R&D through various reliefs / concession / subsidies for import substitutes	100	0.86	7.80	0.0000	Significant

If p value is less than 0.05, the level of significance; then the null hypothesis is being rejected.

Since p value is less than 0.05 for 19 factors out of 23 factors; the null hypothesis can be rejected for these factors.

4.14.6.1 Conclusion:

The percentage of respondents supporting the above questions is greater than 50% for 19 factors out of 23 factors.

For the majority of questions the null hypothesis is being rejected. Hence there is positive impact on organization due to CSR activities.

Hence the hypothesis⁶ is accepted.

Chapter 5

Findings, Conclusions and Suggestions

5.1 Findings:

(a) **Sample:** A Sample of 116 units selected for the study which *inter alia* covered different products and services represented MSME companies as well as large companies from Pune region adequately.

(b) **Gender:** It was thought that respondents gender may have some role to play in CSR activities. Especially females may have a soft corner for communities and hence they were thought to be more proactive towards CSR. However, Out of 116 only 7 were females. Hence, a concrete conclusion cannot be arrived at. (Ref 4.1.1)

(c) **Respondents' age group:** It was tried to ascertain if maturity played any role. However, no concrete relationship is established.

d) **Genre of companies:** The companies were selected to cover a fairly well mixed spectrum, in order to eliminate any biases.

(e) **Awareness level about CSR and perception of respondents:** Respondents were asked about awareness of Corporate Social Responsibility, Charity and philanthropy and Sustainable development. 81 said they had awareness about CSR, while 35 said that they did not have. 113 knew about charity or philanthropy while only 3 did not have. 99 revealed that they had awareness about Sustainable development while 17 did not have.

(f) **Awareness about CSR w.r.to age of the companies.** Companies established prior to 1997 (fairly old at the time of data collection) were considered to be old since they would have had a fairly long standing in the business. Companies

established thereafter established were considered to be new . It was found that in 48 companies were new and 68 were old. Through statistical analysis (Ref table 4.2) 21.6 % new companies lacked the awareness about CSR and 19.8 % had awareness. Among old companies, 24% lacked awareness and 34% had awareness. Thus the highest frequency shows that there is awareness about CSR in old companies.

(g) **The size of company and CSR awareness** -The Sample comprised of 82 small companies , 10 medium companies and 24 large companies. Researcher tried to find whether size of a company determines the awareness about CSR .all large companies i.e. 24 possessed awareness about CSR, while 9 out of 10 medium scale companies possessed and 30 out of 82 companies possessed awareness about CSR. Objective was to find whether size of company matters the awareness. The highest frequency shows that there is no awareness about CSR in small companies & there is awareness about CSR in large companies.

(h)**Organizational Perception & approach towards CSR.**The section contained 18 parameters regarding approach and administration of the activities. The parameters were as good as in a company's operational level. It is considered to be inasmuch important as operational and economic activity. Fig. 4.10 in the previous chapter shows clearly that the curve for 'No' lies above the curve for 'Yes'. Hence the major proportion of respondents denied every parameter of this section of questionnaire. It is concluded that majority companies do not have a long term perspective and structured approach towards CSR .

(i) **Some representative activities under CSR:**Companies had diverse areas for CSR activities. E.g. Donation to Foundations/NGOs, activities related to provision of drinking water, health, facilities, educational facilities, skill development , tying up with local NGO for identification of need. Etc and with a periodic follow up to assess outcome. Their favourite activities were health then education, charity, donation then review and assessment then tie up with local NGO, then skill

development, then provision of drinking water. Free health check up and medical camps was on top of priority list perhaps because it establishes people to people relationship by way of company employees coming in contact with locals during camps. This activity seemed to be more rewarding since it keeps company's visibility better. Other factors follow thereafter.

(j) **Environmental activities-** 11 parameters included in this section E, although they were representative. Reduction / Recycling of waste material during operations factor was found on top of the list since it served a dual purpose such as cutting on excess of raw material as it assisted environmental programmes. Rest other parameters followed.

(k) **Problems / Issues / Hurdles faced in execution of CSR activities:** In this section of questionnaire, 4 different questions were asked in relation to the problems / issues / hurdles faced. 43 respondents faced problems while as 73 did not. The respondents favor mostly 'Shortage of time due to completion of task at hand'; then 'Work Targets' appearing at 11th hour'; then 'Shortage of employees for such work'; then 'Strong handedness of local leaders'.

The respondents are against mostly 'Strong handedness of local leaders'; then 'Shortage of employees for such work'; then 'Work Targets' appearing at 11th hour'; then 'Shortage of time due to completion of task at hand'. The major proportion of respondents is denied every parameter because they did not carry out CSR activity.

(l) **Purpose to undertake CSR activity** – In all 5 parameters were examined. 39.7% respondents were in favour of building confidence in all stakeholders., then 33.6 % were in favour of 'Improvement in in organizational performance and business., then 31% were in favour of 'getting fame that elevates them in high esteem', then 28.4% were in favour of Improvement in brand image and then 27.6% respondents were in favour of 'Increase in effective communication effectiveness within organization'. Since majority companies were not involved in CSR activities 'no- sayers' were more. Thus purposes were found to be diverse in nature.

(m) **Impact on employees due to CSR activities-** The respondents favored mostly 'Boosting employees' morale and self esteem', 'Increase in sense of care towards customer service'; then 'Employees are rewarded and appreciated suitably'; then 'Increase in belongingness of employees towards company', 'Increase in effective communication within organization'; then 'Increase in job satisfaction amongst employees', 'Reduction in attrition rate of employees', 'Increase in recruitment quality', 'Increase in retention of employees'.

The respondents are against mostly 'Increase in job satisfaction amongst employees', 'Reduction in attrition rate of employees', 'Increase in recruitment quality', 'Increase in retention of employees'; then 'Increase in belongingness of employees towards company', 'Increase in effective communication within organization'; then 'Employees are rewarded and appreciated suitably'; 'Boosting employees' morale and self esteem', 'Increase in sense of care towards customer service'

It was contemplated that impact on employees due to CSR activities would lead to better organizational performance. However, this concept was in negation. During interaction, it was revealed that employees like to undertake only assigned work mostly, related to production activity alone.

(n) **Impact on suppliers due to CSR activities :**The respondents favor mostly 'Suppliers prefer to supply companies undertaking CSR activities'; then 'Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business'.

The respondents are against mostly 'Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business'; 'Suppliers prefer to supply companies undertaking CSR activities'

Thus the major proportion of respondents denied every parameter.

(o) Impact on customers due to CSR activities :The respondents favored mostly ‘Capturing more export orders’; then ‘CSR attracts & retains customers’; then ‘Increase in brand awareness among customers’; then ‘Customers welcome the newly introduced products of a company due to its CSR image’; then ‘Purchase of goods with CSR efforts more than the goods of similar nature without a CSR efforts’.

The respondents were against mostly ‘Purchase of goods with CSR efforts more than the goods of similar nature without a CSR efforts; then ‘Customers welcome the newly introduced products of a company due to its CSR image’; then ‘Increase in brand awareness among customers’; then ‘CSR attracts & retains customers’; ‘Capturing more export orders’.

Thus the major proportion of respondents denied every parameter. Possibility existed that customers preferred to have cheap price with reasonable quality in the era of ‘use and throw’ mentality without getting into the nitty-gritty of the wellbeing of poor communities.

(p) Opinion about CSR which may lead to Organizational Performance:

The major proportion of respondents expressed their opinion in favour of about every parameter that may increase brand image, sales brand value , satisfaction of customers, employees ,Attracting and retaining of employees , Stockholders’ profits, Performance in business, Sustainability, image in society , support to industry and community, channel partners , organizational learning , market share of company, profitability ,winning over competitors, facilitation of , introduction of new product , innovation, collaboration , financial trust and support from shareholders and stakeholders.

5.2 Conclusion:

5.2.1 Improved organizational performance :Although only 50 companies from a sample of 116,carried out CSR activities in some form or the other, majority of them were found to be in favour of CSR factor leading to improved organizational performance.

It is felt pertinent to bring out a classic case during an interview before the opinions are discussed. The example is of beneficial outcomes due to CSR activities which that was narrated by Mr. V S Patil , PRO and Manager-in-charge of CSR activities of INA Bearings Pvt Ltd . Talegaon.

He told about the benefits of CSR accrued to a company he was earlier working for:

Some local employees in his previous company were very arrogant. They had received hefty amount for the sale of their land to the company for which they were working. Due to prevalent law, they all had to be given employment in that company.

Managers found it extremely challenging to control these employees and extract the work out of them since they had a lethal combination of both muscle and the money power. To get rid of this crisis, the CEO contemplated upon the solution. He studied the deficiency in the village next to Talegaon in which these employees resided.

The first deficiency in the village was that of water .The wells would go dry in summers. Second deficiency, he found, was that this village had only one school which had no proper facilities -like blackboards, classroom benches, chairs and tables for class teachers. Due to lack of concrete flooring it used to remain wet during rainy season thus necessitating prolonged holidays during monsoons.

The CEO urged the board sanction some budget for CSR activity. A pipeline was provided from nearby river to pump up water in a common overhead tank located in this village. Water taps were provided in every household. The school got necessary face lift and deficiencies removed.

In next few months, these positive changes created a dramatic effect! The women folks held this company now in a very high esteem and vowed for well being of it. They urged their errant male folks (i.e. employees) to work with a missionary zeal for the company. They threatened them with dire consequences if they shammed. As expected, results were fruitful! Thus it was an extremely wise strategy and rewarded good profits to the company the very next year. The CSR initiatives gave them very handsome rewards.

Strategic efforts allow an organization to be more proactive than reactive in shaping its own future; it allows an organization to initiate and influence CSR activities and thus to exert control over its own destiny.

It comprises of review and planning process that is undertaken to make thoughtful decisions about an organization's future in order to ensure its success. CSR includes providing education, health facilities, and empowering women, conducting skill development programs etc. to the people from community who are financially and socially challenged.

5.2.2 Ecological and environmental profits due to sustainable development (SD)–

In the overall management of a business while observing SD, companies can aim for-

1. Reduction in industrial waste (even aiming zero waste). This may improve companies' profitability;
2. Better use of renewable resources like use of bio-fuel, solar energy may reduce carbon footprint;
3. Reduction in air, water & noise pollution leading to improved health;
4. Improving forest cover that leads to preservation of local flora and fauna;
5. Mitigation of green house gas effects leading to reduction in earth warming effect.

5.3 Suggestions:

While foreseeing the future of CSR in India, some time-bound steps are required to be taken. Some suggestions for undertaking CSR activities few points could be considered for the betterment of both people and businesses which are enumerated below:

5.3.1. Build toilets in slums under Swachh Bharat Yojana (Clean India Programme):

Under Clean India Programme, companies should build toilets in slum areas. Researcher observed that area in which survey was conducted especially area like Lonikand, Bhosari, it was observed that basic facilities did not exist for the people living in slum area. Companies may align the CSR efforts in achieving national goals e.g. toilets in every household or a common one in the slum area. This is one form of CSR as announced by the Indian government under Swachh Bharat Yojana.

Generally, it will entail expenditure of approx. Rs30,000 on an average (in 2016) to get toilets in a house where such facilities do not exist. If 6 small scale industries contribute Rs 5000 every year they will be able to provide one toilet to a household. A Consortium could be formed cluster-wise to pool in resources. Further, Rs 5000 (in 2016) will not pinch the pockets of entrepreneurs and hence they can raise such capital to donate it for these purposes.

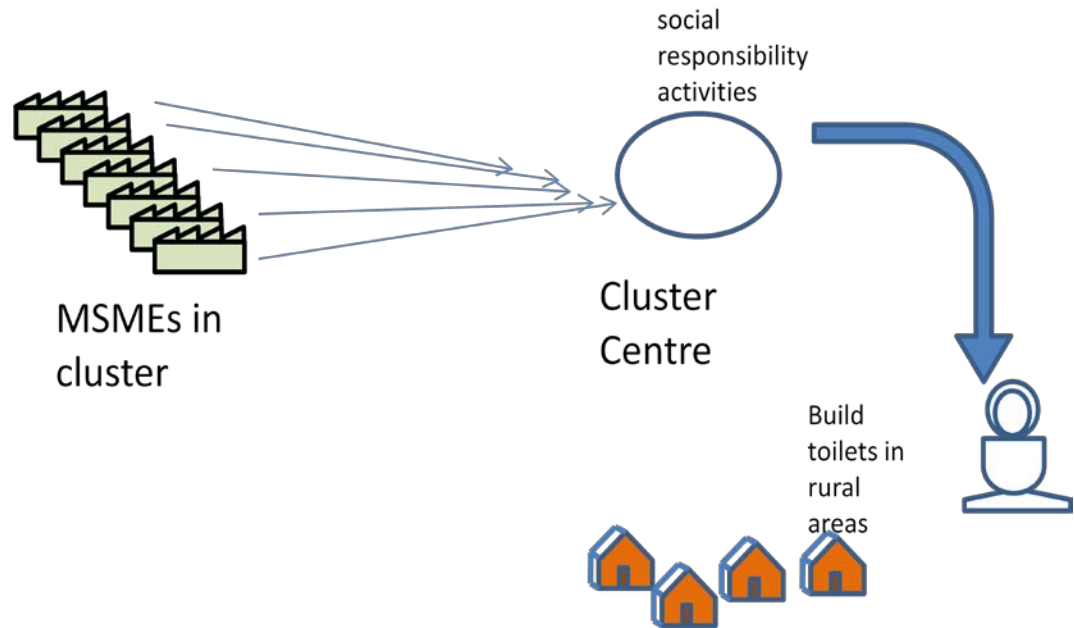


Fig. 5.1 Do-able small projects for SR / CSR by small scale industries

5.3.2. Investment in sensitizing employees towards CSR:

Large companies should invest in sensitizing programmes of employees. They may employ well trained, qualified and experienced professionals from social science or sociology background to ensure better understanding. These same experts may look after continuity, reviewing the demand and thereafter directing the CSR efforts. These experts may sensitize employees towards CSR for effective implementation of CSR initiatives and different projects. Symposiums, workshops or lectures by other eminent persons in the field may also be organized.

Training of employees for undertaking CSR activities would go a long way in order to increase their awareness and outlook, motivate them and arm them with the required knowledge to undertake the CSR activities. This will enhance competence of employees of a company for effective implementation of CSR initiatives and success in projects. Their training will not only accomplish the desired output of intended CSR activity but also improve their work culture in company.

Optimum efforts are needed to make CSR activity more effective and meaningful, continual and scalable. The training should involve impressing the minds of employees to have substantial endeavor. The efforts have to be strategic in nature keeping the interests of company and those of community. This will go a long way in building the nation. In turn, it would increase company's brand value which may wither out undulations during bad times.

5.3.3. Handholding of small companies by large companies for CSR activities:

During the field survey, a fact emerged that a few MSME units implemented CSR in their own way. Many of them were more inclined towards philanthropic activities.

This finding builds a case for MSME companies to be encouraged to undertake Social Responsibility activities. In order to reach out in wider geographical areas, the involvement in the CSR domain by micro and small enterprises (MSMEs) is essential. It is suggested that MSMEs may be involved with a collaborative approach by handholding with large companies. This will ensure that CSR program reach out to remote locations. This approach will also help CSR activities get ingrained into the DNA of companies. Large companies should tie up their ancillary companies for CSR efforts.

5.3 .4. Creation of baseline study to find the needs of communities:

It would be worthwhile to have CSR programmes and their plans focusing on the needs of the communities. Communities need not be only local but even placed in remote areas too. The logic behind this is that when electricity is used by a company, it is invariably generated at a location physically at a very far off distance wherein adjacent areas next to electricity generation stations are affected due to smoke pollution. If the case is so then, using the same logic, why one should not choose communities which are placed far off from company premises? Similarly, the raw material from remote mines may affect the health of local populace or

adivasis(aboriginals) in the mountainous or forest areas. Thus the same above logic applies here also.

Under baseline study, the needs of those communities could well be ascertained. This will create a data about the community which will pinpoint the needs. Such needs may totally be different from those communities living in urban areas. Arms of micro and small companies may not reach up to those locations. In that case, help from NGOs may be taken.

The baseline data could be shared with other interested companies so as to have concerted efforts. Collaborative approach with other companies or with NGOs may facilitate CSR activity in such cases. This will ensure all round development rather than only the local communities. It may also prevent a large scale exodus from remote and rural areas to urban areas. This will direct the efforts to enhance the life of communities at remote locations even.

5.3 .5. Undertaking Social Impact audit of organizations:

Social audit is an independent evaluation of a company to find whether the goals set by it in the beginning of the CSR activity are met and to what extent. It will be prudent to have Social Impact audit conducted by an external agency to assess the CSR performance of a company. This may make companies reviewing their strategy.

Social audit can validate whether CSR programs are able to meet their intended purpose and objectives. Audit has inbuilt-in system of feedback activity.

5.3.6. Adopting rewarding Policy:

Government should motivate and facilitate companies rather than urging them to undertake SR/CSR. Government should think about recognizing and rewarding corporate houses and their associated non-governmental organizations for implementing projects effectively. Rewards are motivational and hence they should be instituted sumptuously and their distribution judiciously. Incentives may be offered to the MSME companies to appreciate their good work. Rewards should

not just stop at company level but should permeate up to employees' level. By this action, employees will get recognized for their good work and also would get invigorated to do something more. This way company's brand image is expected to improve as well as development of communities.

5.3.7 Creating Common Social Responsibility Centers among the clusters of MSMEs:

During the discussions with respondents, a point came up that the NGOs did not undertake activities satisfactorily. For small clusters of micro and Small industries such as 'Parvati' Industrial complex or 'Shivane' Industrial complex, where less number of workers exist in a company, a 'Common SR Centre' with a small committee be developed. Some respondents expressed that they could spare some manpower from those industries. It was suggested that such centre be headed by a proprietor on rotational basis. Companies from this area had indicated their willingness to contribute their share for a common cause.

They further suggested that these centers should undertake CSR initiatives with the suggestions from the contributors. They further cautioned that the centers should remain apolitical. Centre should keep giving feedback on activities for any verification by the contributors periodically (at least quarterly). If such Centers fail to meet the required goals, they should be dissolved and a fresh committee be set up.

5.3.8 Using own Employees rather than NGOs or Trusts:

If the employees of the company are asked to take part in SR/ CSR activities, it will flag a contact point with the recipients needing help. Employees can become a bridge between a company and the needy people. This will have a renewed interest and the trust between employees in the management. This in turn increase productivity of employees can increase quality of work and consequently quality of product or services.

A model given as under would quickly offer a glimpse how companies are carrying out activities by their own SR/ CSR Centre rather than some NGO /Trusts. Pictorially it is depicted in the following figure.

An observation was made that generally the manpower allocation was done by HR department and therefore they involved their department employees. This could be because the work content being less critical compared to other departments such as Production or Security or Stores /Logistics, despite the proportion of manpower remaining quite less.

Secondly, in order to have better trust and relationship between the management and the employees of a company, it may be prudent to involve own employees rather than funding NGOs or Trusts for CSR activities.

5.3.9 Easing stakeholders' pressure by doing SR/ CSR and SD activities:

Business firms may come under pressures / threat, in future, from various corners such as suppliers, buyers, competitors and even the threat from substitute products. Even the stakeholders in the form of government bodies, NGOs, bankers, financial institutions may exert undue pressures. The only way to wriggle out from such pressures and yet remain steadfast in the market is to undertake CSR and SD activities.

5.3.10 Holistic approach by owners/ Management of MSMEs:

It came out from owners of MSMEs that CSR may not to be considered as a compelling function, but it can be treated as self motivating activity with a holistic approach which will go a long way in taking all towards a sustainable growth.

5.3.11 Display of CSR efforts on websites or portals:

It is suggested that SSI units or MSMEs should put up information about their SR/ CSR efforts on websites or portals. Thus it will be available to all those who may like to go through it. It will also bring some amount of pressure on management to display the facts.

5.3.12 Publishing a magazine or booklet or literature containing CSR efforts:

It would be a worthwhile effort to publish a magazine or booklet or literature containing CSR efforts, its impact on work performance and brand, success stories, etc. This may appeal all stakeholders as well as customers. Subsequently, reviewing own old success stories will not only boost up morale but can become a benchmark and a milestone.

5.4 Summary

Corporate social responsibility may be regarded as an important business activity of companies. It should be undertaken irrespective of the size, sector, business goal, location of any company. To gain stability and sustainability for doing business, companies have to undertake SR/ CSR activities. CSR initiatives do not have a fixed form, but include broad banding ideas such as rural up-liftment , health check-up camps, education, agricultural development, provision of drinking water, etc.

It was observed that some of the large organizations did not have any full-fledged CSR department. Instead, they were undertaking the activities through some Trusts or Charity Foundations or NGOs by funding them or even donating for philanthropic activities.

It would be worthwhile to utilize the organization's employees for the activity. In the beginning, these employees may falter, but eventually they would muster experience. Employees become company's ambassadors automatically when they intermingle with local community. This intermingling may enhance the brand image and reputation. After proper nurturing the relationship with the society, the fame may attract stakeholders' loyalty and may help retaining its experienced manpower.

It is said that man sows seeds for his grandson enjoys the fruits. Therefore one has to wait for long for effects to be discernable from CSR activity. Thus, CSR is not one day's business -but a prolonged and continual activity, in short a strategic.

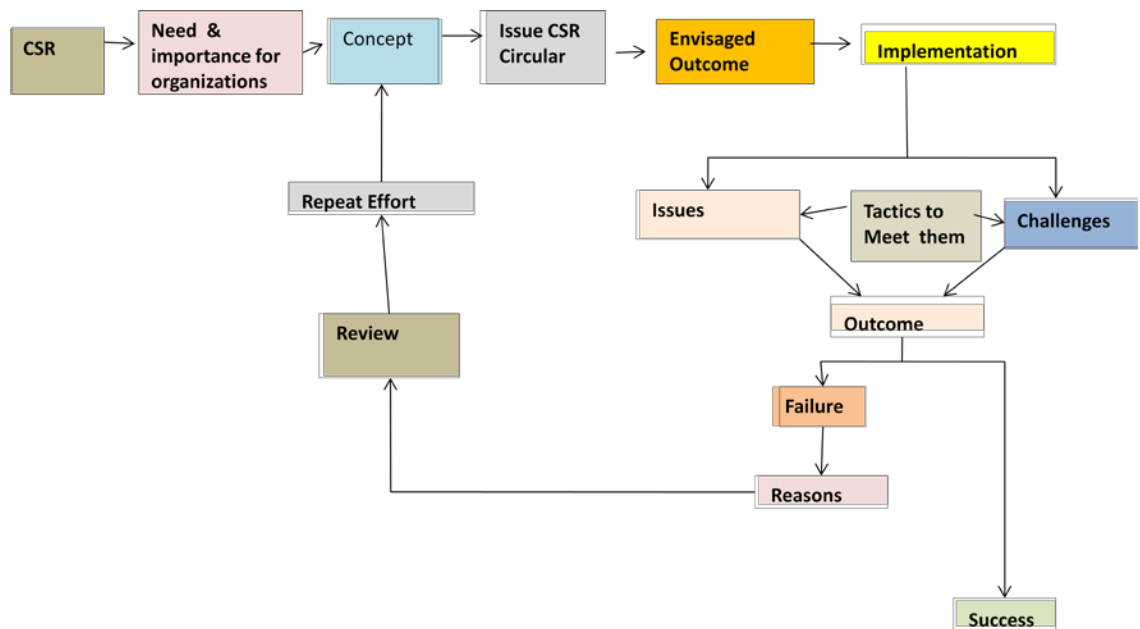
With the passage of time, organization starts reaping harvest. Benefits like getting easy access to capital through banks, FIs , gaining competitive edge over other competitors, retention of employees, improvement of brand image, loyalty of customers /vendors /stakeholders canbe reaped.

On the part communities, they will also stand to gain. They may have improved life style, better health, education, skills, income, sanitation etc. Communities can get guidance for enhancement in quality of life;gain self confidence and above all selfdependence. This will bridge the gap between ‘haves’ and ‘haves not’.Following schematic diagram, as a proposed model, will be a good guidance for those who would like to reap the fruits of strategic efforts for gains in organizational performance.

5.4.1 Model for Processes in CSR activity in an organization

Following is the model for processes in CSR which would guide the persons involved in CSR activities.

Fig.5.2A proposed Model for Processes in CSR activity in an organization



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Chapter -3

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Chapter -4

Nil

Chapter -5

Nil

QUESTIONNAIRE

Preliminary Data

Section (A)

1	Your Name: Mr / Mrs Age : Qualification :
2	Your designation

	(a).Number of years of service in the present Org : (b) Number of years of service in the past Org :	
3	Name of Company/ Organization	_____ Addr: (a) Year of Establishment :
4	Type of Company (Tick correct ans.)	Large / Medium / SSI / Micro
5	Company's Main Business	a. Manufacturing of Product : _____ b. Service industry _____ (e.g. IT, Education, Trading etc.)

Awareness level about Corporate Social Responsibility (CSR) and Perception of respondents Section B

Sr No	Are you aware about :	Yes	No
1	Corporate Social Responsibility (CSR) - which includes measures such as (a) building free facility of potable / drinking water, (b)Free health camps and checkups in remote areas, (c) providing of free educational facilities, giving scholarships, books, stationery , uniforms, (d) Undertaking free skill development and vocational training for adults? (e) conducts program for differently -abled children etc.		
2	Charity and philanthropy - in which donation is given to blind schools, orphanages, old age homes or institutes for destitute etc. ?		
3	Sustainable development in which- in-house R&D for products which consume lesser energy, waste water treatment plant / effluence management, Planting trees, Rain water harvesting, Energy saving programs, Resorting to renewable energy, Reduction / Recycling of waste material, Soil and water conservation program, substituting harmful chemicals, Production of goods with 'Eco-label' tags ?		

Organizational Perception & approach towards CSR Section C

Sr No	Company executes following activities -	Yes	No
1	Undertakes CSR activities.		
2	Spells out CSR policy with its vision & mission statement		
3	Publicizes CSR policy.		
4	Carries out CSR without spelling out CSR policy .		
5	Company allocates funds for CSR.		
6	Draws strategic plan and has yearly or half yearly programs		

7	Draws set objectives.		
8	Draws set goals.		
9	Carries out CSR training of employees in-house		
10	Carries out CSR processes effectively such as planning, execution & review.		
11	Spells out Long term strategy (more than 3 years) for CSR initiatives		
12	Spells out Medium term strategy (less than 3 years) for CSR initiatives		
13	Delegates authority and responsibility and demands accountability for CSR to lower rung		
14	Company has conducive structure towards CSR effectiveness.		
15	Company has inter-organizational/ departmental linkage for coordination of CSR activities.		
16	Has effective strategic leadership at apex level		
17	Allocates sufficient staff for CSR activities.		
18	Provides infrastructure or incubators or machinery for CSR activity.		

Does company undertake some representative activities under CSR ?

Section D

Sr No	Company undertakes	Yes	No
1	Charity		
2	Donation to Foundations/NGOs/ CM or PM's Relief Fund , charity organizations such as orphanages, old age homes, blind schools ?		
3	Building facility of potable / drinking water freely in remote areas (<i>Adivasipadas</i>) ?		
4	Free health checkups and camps in remote areas?		
5	Provision of free educational facilities, scholarships, books, stationery, uniforms?		
6	Free skill development and vocational training for adults?		
7	Company conducts program for differently -abled children		
8	Tie up with local NGO for identification of need and discharge of its responsibilities.		
9	Any periodic review about its efforts and outcome		

Environmental Responsibility

Section (E)

Sr No	Company carries out activities such as	Yes	No
1	Innovation of products which consume lesser energy (with in-house R&D).		
2	Running a waste water treatment plant / effluence management.		
3	Planting trees.		

4	Rain water harvesting in company premises.		
5	Energy saving programs within premises.		
6	Resorting to renewable energy within premises- such as wind mill/ solar panel ?		
7	Reduction / Recycling of waste material during operations.		
8	Cutting down the requirements or substituting harmful chemicals.		
9	Soil and water conservation program.		
10	Consumption of raw material with CSR tag?		
11	Conducting CSR awareness programs e.g. door to door visits, distributing leaflets/ showing short films ?		

Problems / Issues / Hurdles faced in execution of CSR activities:

Section (F)

Sr No	Problems / Issues / Hurdles faced in execution of CSR activities	Yes	No
1	Were any problems faced in execution of CSR? If 'Yes' then were they attributable to any of the following reasons?		
2	Shortage of employees for such work		
3	Shortage of time due to completion of task at hand		
4	Work Targets appearing at 11 th hour.		
5	Strong handedness of local leaders		
6	Any other problems not mentioned above? If yes – furnish the information separately		

Purpose to undertake CSR activity

Section (G)

Sr No	Purpose to undertake CSR activity	Yes	No
1	Improvement in brand image.		
2	Get a fame that company does CSR which is held in high esteem.		
3	Improvement in in organizational performance and business.		
4	Building confidence in all stakeholders.		
5	Increase in effective communication effectiveness within organization.		

Impact on employees due to CSR activities

Section H

Sr No	Impact on employees due to CSR activities :	Yes	No
1	Increase in job satisfaction amongst employees.		
2	Increase in belongingness of employees towards company		
3	Reduction in attrition rate of employees		
4	Increase in recruitment quality.		
5	Increase in retention of employees.		

6	Boosting employees' morale and self esteem.		
7	Increase in sense of care towards customer service.		
8	Increase in effective communication within organization.		
9	Employees are rewarded and appreciated suitably		

Impact on suppliers due to CSR activities
Section J

Sr No	Impact on suppliers due to CSR activities -	Yes	No
1	Suppliers prefer to supply companies undertaking CSR activities		
2	Positive perception of suppliers towards CSR leads to inspiration & contribution in their own business.		

Impact on customers due to CSR activities
Section K

Sr No	Impact on customers due to CSR activities	Yes	No
1	CSR attracts & retains customers.		
2	Purchase of goods with CSR efforts more than the goods of similar nature without a CSR efforts.		
3	Capturing more export orders.		
4	Increase in brand awareness among customers		
5	Customers welcome the newly introduced products of a company due to its CSR image		

Impact of CSR on organizational performance or Organizational Performance Indicators (OPI)
Section L

Sr No	Opinion about CSR which may result into Increase in-	Not at all (1)	To a less extent (2)	To a moderate extent (3)	To a great extent (4)	To a very great extent (5)
1	brand image					
2	sales					
3	brand value					
4	Customers' satisfaction					
5	Employees' satisfaction and earnings					
6	Attracting and retaining of employees					
7	Stockholders' profits					
8	Performance in business					
9	Sustainability					
10	Image in society					

11	Support to industry and community					
12	Channel partners					
13	Organizational learning					
14	Company's market share.					
15	profitability					
16	Winning over the competitors.					
17	Facilitation when introducing a new product in the market.					
18	Innovation and continuous improvement in the CSR activities that creates better impact on community.					
19	Chances of collaboration with other companies .					
20	Trust of Financial institutes/ Banks for relaxation of credit policies while sanctioning loans or advances.					
21	Shareholders & other stakeholders extend support					
22	Encouragement from Central/ State/ Local Govt by giving awards					
23	Motivation from Govt to undertake R&D through various reliefs / concession / subsidies for import substitutes					

Reasons for success in achieving strategic targets towards CSR

Section M

Sr No	Reasons for success in achieving strategic targets towards CSR	Not at all (1)	To a less extent (2)	To a moderate extent (3)	To a great extent (4)	To a very great extent (5)
1	Thoughtful planning & execution					
2	Efficient coordination at all levels of management within and outside organization (outside stakeholders)					
3	Monitoring and timely review					
4	Effective horizontal and vertical communication					

Futuristic view & action towards CSR

Section N

Sr No	Futuristic view & action towards CSR	Yes	No

1	Based on previous experience have you made any Futuristic plan regarding more effective implementation of CSR activities ?		
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<p>Appx A(Source : <i>THE GAZETTE OF INDIA ,Extra Ordinary ,Part II Section 3- Sub-section (i)MINISTRY OF CORPORATE AFFAIRS NOTIFICATION, New Delhi, the 27th February' 2014</i>) THE COMPANIES ACT, 2013 Section 135. Source : http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf</p>
<p>Appx B Source : http://www.business-tandard.com/article/companies/an-overview-of-csr-rules-under-companies-act-2013-114031000385_1.html as accessed on 12 mar 15</p>
<p>AppxC Guidelines on CSR and SD _CPSE</p>
<p>Appx 'D'Guidelines on Corporate Social Responsibility and Sustainability For Central Public Sector Enterprises Source : www.dpemou.nic.in/MOUFiles/Revised_CSR_Guidelines.pdf</p>
<p>Appx'E'THE COMPANIES ACT, 2013 Section 135. Source : http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf</p>

Corporate Social Responsibility Policy Rules. 2014

These rules may be called the Companies (Corporate Social Responsibility Policy Rules. 2014.

& shall come into force on the 1st day of April, 2014

3. Corporate Social Responsibility, -

(1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act.

(2) Every company which ceases to be a company covered under subsection (1) of section 135 of the Act for three consecutive financial years shall not be required to -

(a) constitute a CSR Committee; and

(b) comply with the provisions contained in sub-section (2) to (5) of the said section' till such time it meets the criteria specified in sub-section (1) of section 135

4. CSR Activities.-

(1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

(2) The Board of a company may decide to undertake its CSR activities approved by the CSR

committee, through a registered trust or a registered society or a company established by the

company or its holding or subsidiary or associate company under section 8 of the Act or

otherwise:

provided that-

(i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

(ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

(3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

(4) Subject to provisions of sub-section (5) of section 135 of the Act the CSR projects or programs or Activities undertaken in India only shall amount to CSR expenditure.

(5) The CSR projects or programs or activities that benefit only the employees of the company and their Families shall not be considered as CSR activities in accordance with section 135 of the Act'

THE GAZETT OF INDIA : EXTRAORDINARY (Part II Sec.3(i))

(6) Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent. of total CSR expenditure of the company in one financial year.

(7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

5. CSR Committees,-

(1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-

(i.) an unlisted public company or a private company covered under sub-section (I) of section I 35 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

(ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors:

(iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.

(2) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

6. CSR Policy.-

(I) The CSR Policy of the company shall, inter-alia, include the following, namely -

(a) a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same ; and

(b) monitoring process of such projects or programs:

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.

(2) The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

7. CSR Expenditure,- CSR expenditure shall include all expenditure Including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on alt item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

8. CSR Reporting,-

(1) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure

(2) In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 38 i shall contain an Annexure regarding report on CSR.

9. Display of CSR activities on its website, -

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particular\$ specified in the Annexure.

[F. No. 1/18/2013-CL.V]

RENUKA KUMAR Jt.

Secy.

*(Source :THE GAZETTE OF INDIA ,Extra Ordinary ,Part II Section 3- Sub-section (i)
MINISTRY OF CORPORATE AFFAIRS NOTIFICATION, New Delhi, the 27th February' 2014)*

THE COMPANIES ACT, 2013 Section 135.

Source : <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>

Corporate Social Responsibility.—

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub -section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) 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;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) 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 also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy: Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—

For the purposes of this section —average net ~~profit~~ shall be calculated in accordance with the provisions of section 198.

**The National Voluntary Guidelines on Socio-Economic and
Environmental Responsibilities of Business**

brought out by the **Ministry of Corporate Affairs** jointly signed by **MurliDeora Union Minister**, Corporate Affairs, Ministry of Corporate Affairs and **R. P.N. Singh** Minister of State, Corporate Affairs, Ministry of Corporate Affairs in New Delhi on **July, 2011**

Chapter 4 on Application of Guidelines to Micro, Small and Medium Enterprises (MSMEs) says -

1 As per the MSME Development Act 2006, MSMEs are defined on the basis of investment in plant and machinery having further different slabs for manufacturing and service units.(which are given in subsequent paragraph)

Environment may also be discouraging a responsible enterprise. Hence, promoting Responsible Business practices among MSMEs may necessitate a multipronged approach which should include:

- Facilitating MSMEs to recognize the business case for adopting Responsible Business practices
- **Handholding** MSMEs during the adoption of the Guidelines .The public agencies as well as large enterprises may catalyze the process further by supporting collective initiatives of the MSMEs in clusters. The capacity of the MSME associations could be built for awareness creation and to carry out collective initiatives.

These Responsible Business practices are on lines with social and ecological aspect.

Definitions of Micro, Small & Medium Enterprises

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

(a) **Manufacturing Enterprises**- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the

industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprises are **defined in terms of investment in Plant & Machinery.**

(b) **Service Enterprises:** The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipment.**

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under:

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

(Source: www.dcmsme.gov.in/ssiindia/defination_msme.htm as accessed on 12 Mar 15)

The financial liability of a company on CSR is as follows :

It may be prudent to place an article directly which appeared in Business-Standard-

With effect from April 1, 2014, every company, private limited or public limited, which either has

a net worth of Rs 500 crore

or a turnover of Rs 1,000 crore

or net profit of Rs 5 crore,

needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act. Contribution to any political party is not considered to be a CSR activity and only activities in India would be considered for computing CSR expenditure.

Profit

criteria

The net worth, turnover and net profits are to be computed in terms of Section 198 of the 2013 Act as per the profit and loss statement prepared by the company in terms of Section 381 (1) (a) and Section 198 of the 2013 Act. While these provisions have not yet been notified, it has been clarified that if net profits are computed under the Companies Act, 1956 they needn't be recomputed under the 2013 Act. Profits from any overseas branch of the company, including those branches that are operated as a separate company would not be included in the computation of net profits of a company. Besides, dividends received from other companies in India which need to comply with the CSR obligations would not be included in the computation of net profits of a company.

Obligation of holding companies

The CSR Rules appear to widen the ambit for compliance obligations to include the holding and subsidiary companies as well as foreign companies whose branches or project offices in India fulfill the specified criteria. There is a need for clarity with respect to the compliance obligations of a company as well as its holding and subsidiary companies.

Activities that can be undertaken by a company to fulfill its CSR obligations -

The activities that can be undertaken by a company to fulfill its CSR obligations include

- eradicating hunger,
- poverty and malnutrition,
- promoting preventive healthcare,
- promoting education and promoting gender equality,
- setting up homes for women, orphans and the senior citizens,
- measures for reducing inequalities faced by socially and economically backward groups,
- ensuring environmental sustainability and ecological balance,
- animal welfare,
- protection of national heritage and art and culture,
- measures for the benefit of armed forces veterans, war widows and their dependents,
- training to promote rural, nationally recognized, Para -Olympic or Olympic sports,
- contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio economic development and relief and welfare of SC, ST, OBCs, minorities and women,
- contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and rural

development

projects.

However, in determining CSR activities to be undertaken, preference would need to be given to local areas and the areas around where the company operates.

(Source : http://www.business-standard.com/article/companies/an-overview-of-csr-rules-under-companies-act-2013-114031000385_1.html as accessed on 12 mar 15)

Guidelines on Corporate Social Responsibility and Sustainability For Central Public Sector Enterprises

(These shall come into effect on 1st April 2013)

Source : www.dpemou.nic.in/MOUFiles/Revised_CSR_Guidelines.pdf

Relevant Excerpts from the above-named document

Chapter I

1.1 Preamble

1.1.1 In the context of public sector enterprises Corporate Social Responsibility (CSR) should be viewed as a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders, through the implementation and integration of ethical systems and sustainable management practices.

1.1.2 CSR is the process by which managers of an organization think about and evolve their relationships with stakeholders for the common good, and demonstrate their commitment in this regard by adoption of appropriate business processes and strategies.

1.1.3 CSR does not emanate directly from external demands but instead from organizationally embedded processes. These processes prompt the organization to view its relationships with stakeholders in a different perspective, which in turn influences its engagement with them.

1.2 Executive Summary

1.2.1 There is infusion of policy content in a large measure in the revised guidelines. The expectations of the key stakeholders, including the Government, expressed in general and specific terms in this Chapter, constitute the 'Policy statement' on CSR and Sustainability. The earlier guidelines focused mainly on CSR activities for external stakeholders i.e. how social causes and environmental concerns could be addressed

through CSR projects funded by an earmarked budget for this purpose. Whereas, in the revised guidelines, CSR and Sustainability agenda is perceived to be equally applicable to internal stakeholders (particularly, the employees of a company), and a company's corporate social responsibility is expected to cover even its routine business operations and activities.

1.2.2 Corporate Social Responsibility and Sustainable Development were treated as two separate subjects and consequently, dealt with separately for the purpose of MoU evaluation in the earlier guidelines. This reportedly posed practical difficulties for CPSEs in deciding in which category to report their sustainability initiatives, with both the departments in the organisation making competing claims for credit for such work. Dealing with the two concepts separately does not make practical sense from the business standpoint because of their close linkage. Hence, in line with the international practice, in the revised guidelines CSR and Sustainable Development have been clubbed together in one set of guidelines for CSR and Sustainability. For the purpose of MoU evaluation, the performance of the CPSEs would be judged on the basis of the revised guidelines.

1.2.3 In the revised guidelines, the thrust of CSR and Sustainability is clearly on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalised and under-privileged sections of the society. Making it mandatory in the revised guidelines for CPSEs to take up at least one major project for development of a backward district has the potential of contributing significantly in the long run to socio-economic growth in all the backward regions of the country.

1.2.4 The revised guidelines give a clear, unequivocal message that CPSEs are expected to act in a socially responsible manner at all times. Even in their normal business activities, public sector companies should try to conduct business in a manner that is beneficial to both, business and society. They are advised not to lose sight of their social

responsibility and commitment to sustainable development even in their normal business activities. Rather, they are prompted to use social responsibility and sustainability initiatives for business gains as well as social value creation through adoption of “shared value” approach, wherever possible in their routine business operations.

1.2.5 The revised guidelines emphatically underscore the need for the top management of the public enterprises to be passionately involved in carrying forward the agenda of corporate social responsibility and sustainability. Experience testifies that the delegation of the task of planning and implementation of activities under this policy to some officials in the company is not of much help. If the philosophy of CSR and Sustainability is to be ingrained in the DNA of the organization, and be reflected in the organizational culture and involve all employees engaged in diverse business operations and activities, it is imperative that the top management leads from the front in bringing about the required attitudinal and processual transformation. They have to demonstrate their belief in the change in order to bring about the desired change. This message is conveyed very clearly in the revised guidelines. The two-tier structure, comprising of a Board level committee headed by either the Chairman and / or Managing Director, or an Independent Director, and a group of officials headed by a senior executive of not less than one rank below the Board level – which the CPSEs are mandated to create, is expected to have the authority and influence to be able to steer the CSR and Sustainability agenda of the company.

1.2.6 In the revised guidelines, the utility of a baseline survey in any need assessment study before taking up a CSR and Sustainability project is recognized, but keeping in view the vocal protests of several CPSEs against making it a mandatory provision, baseline survey is not insisted upon in every case. The CPSEs have been granted the flexibility to opt for other methods, including use of their own in-house expertise and resources for need assessment studies. The only requirement insisted upon in the revised guidelines is that the CPSEs should submit credible evidence of having made a fairly accurate assessment of the needs of the stakeholders likely to be benefitted from their

CSR and Sustainability activity, which would also help in making a fair estimation of the social / environmental impact after the conclusion of the activity.

1.2.7 As in the previous guidelines, there is provision in the revised guidelines that the unutilized budget for CSR activities planned for a year will not lapse and will, instead, be carried forward to the next year. However, in order to ensure that the CPSEs take their corporate social responsibility seriously, some new provisions have been incorporated in the revised guidelines. Henceforth, CPSEs will have to disclose the reasons for not fully utilizing the budget allocated for CSR and Sustainability activities planned for each year. Besides, the unspent amount of the budget allocated for CSR and Sustainability activities for a year will have to be spent within the next two financial years, failing which, it would be transferred to a 'Sustainability Fund' to be created separately for CSR and Sustainability activities.

1.2.9 In line with the same reasoning as mentioned in para above, regarding the scalability of projects, public sector enterprises are exhorted in the revised guidelines to join hands with other public sector companies for planning, implementing & monitoring mega projects for optimal use of resources and synergy of expertise and capabilities for maximum socio-economic or environmental impact.

1.2.10 In a radical departure from the previous guidelines which prohibited employees from being the direct beneficiaries of the CSR policies and activities of their parent company, the revised guidelines allow the employees to avail the infrastructure facilities created by their company from its CSR and Sustainability budget, provided the facilities are originally created essentially for the external stakeholders, and the use of these facilities by the company's employees (internal stakeholders) is only incidental and confined to less than 25% of the total number of beneficiaries. This provision has been introduced to resolve the problem of several CPSEs who find themselves stuck in situations where the expenditure incurred on the construction and maintenance of their infrastructure facilities is not being treated as CSR endeavour, simply because a few of their employees also happen to be availing such facilities.

1.2.11 Some changes have been made in the financial component of CSR and Sustainability agenda. One, there is no separate allocation of budget for sustainable development, as was mandated earlier. Two, the slab of budgetary expenditure on CSR and Sustainability activities for the CPSEs having PAT over Rs.500 crore in the previous year, would now be from 1% - 2%. This is only a marginal change because, in any case, CPSEs are now advised to maximise their expenditure on CSR activities and move towards the higher end of their respective slabs of budget allocation for this purpose. Third, in the earlier guidelines there was a provision of a minimum expenditure of Rs.3 crores on CSR activities for CPSEs having a net profit of Rs. 100 – 500 crores. This created an anomalous situation vis-à-vis the CPSEs placed in the higher slab, having a net profit of over Rs.500 crore, for which no minimum expenditure was specified in the earlier guidelines. The requirement of a minimum expenditure of Rs.3 crore has been removed in the revised guidelines. However, these CSR guidelines and especially the suggested slabs of budgetary allocation for CSR and Sustainability activities would stand modified as and when the new Company Law brings in provisions in this regard, which would need to be followed by all companies including the CPSEs.

Appx 'D'

THE COMPANIES ACT, 2013 Section 135.

Source : <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>

Corporate Social Responsibility.—

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) 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;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) 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 also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net

profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy: Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section —average net profit|| shall be calculated in accordance with the provisions of section 198.

Appx E

Sample companies in Pune region

1	Sharp India Pvt Ltd	59	Tech Mahindra Limited
2	Asian Power Sys (I) Pvt Ltd	60	Cappgemini Ltd
3	Alto Power Sys Pvt Ltd	61	Omega Heater Industries (P) Ltd
4	Protocontrol Instru Pvt Ltd	62	HRS Process Systems (P) Limited
5	Vivek Engrs Pvt Ltd	63	PratapTex-Chem Pvt. Ltd
6	Maval Technologies Pvt Ltd	64	INDPRO Engineering Systems Pvt. Ltd.
7	Mayoor Pressings Pvt Ltd	65	Vatturkar Industrial Pvt Ltd
8	Scan Thermoscan Inc Pvt Ltd	66	De-luxe Trading Company
9	Royal Engineering Pvt Ltd	67	Pricol Limited
10	Shiv Engg Pvt Ltd	68	KK Nag Pvt Ltd
11	J P Enterprises Pvt Ltd	69	Thyssenkrupp Industries (I) Pvt Ltd
12	S P Engrs Pvt Ltd	70	Kudale Instruments (P) Ltd
13	Bharat Forge Ltd	71	Nectar Projects Pvt Ltd
14	Super Profiles Pvt Ltd	72	Relique Technologies Pvt Ltd
15	Threadwell India Pvt Ltd	73	Spinn India Pvt Ltd
16	Swati Enterprises Pvt Ltd	74	Rakhoh Industries Pvt. Ltd
17	Satyam Industries Pvt Ltd	75	Nes India Engineers, Pvt Ltd Pune
18	Sandvik asia Pvt Ltd	76	Samarth Engineers Pvt Ltd
19	INA Bearings Pvt Ltd	77	Shitole Engineering Pvt Ltd
20	Flexi-tek Engg Pvt Ltd	78	Biogreen Energy Pvt Ltd
21	Onyx (ndia Engg Pvt Ltd	79	Auric Techno Services Pvt Ltd
22	IKC Pvt Ltd	80	Microfinish Valves Pvt. Ltd
23	Atlas Copco(I)Ltd	81	Equipack Engineers Pvt Ltd
24	Synerzip Pvt Ltd	82	CTR Manufacturing Industries Ltd
25	Wohr Parking Syst Pvt ltd	83	Refractory Shapes Pvt. Ltd
26	Aaditya Ceramics Pvt Ltd	84	Arora Refractories Pvt Ltd
27	Advance Agro Ripe (P)Ltd	85	Advanced Technologies Corporation
28	Ruchi Pesto Chem Pvt. Ltd.	86	Falcon Enterprises Pvt Ltd
29	Amar Seeds pvt Ltd	87	Niyo Engineers Pvt Ltd
30	Amphenol India Pvt Ltd	88	Vardhan Works Pvt Ltd
31	Analogic Automation Pvt Ltd	89	Shende Sales Corporation Pvt Ltd
32	Chordia Food Prod Ltd	90	Fairdeal Corporates Sales & Services Pvt Ltd
33	Cognizant Technology Solutions	91	Lectrotek Systems Pvt Ltd
34	Dai Ichi Karkaria Ltd	92	Procom Systems Pvt Ltd
35	Deepak Fertilisers & Petrochem Corp Ltd	93	V-SMART GROUP Pvt Ltd
36	Eaton Ind Pvt Ltd	94	Universal Motion Inc Pvt Ltd
37	Finolex Ind Ltd	95	DGM Tubes Pvt Ltd
38	Forbes Marshall Ltd	96	Naveen Hydrocontrol Pvt Ltd
39	Force Motors Ltd.	97	Virgo Engg(P) Ltd

40	Garware-Wall Ropes Ltd	98	Ferrocare Machine Pvt. Ltd.
41	Kirloskar Pneumatic Co. Ltd.	99	Vacuum Plant & Instruments Mfg Co(P) Ltd
42	Premier Ltd	100	Aquarius Chemical Industries Pvt Ltd
43	Suzlon Group Ltd	101	Embark Water Pvt Ltd
44	Tata Motors	102	Horizon Environmental Services Pvt Ltd
45	Thermax Ltd	103	Axayya Alloys Pvt Ltd
46	Zensar Technologies Limited	104	Indoswe Engineers Pvt Ltd
47	John Deere India Private Limited	105	Kolex Industries Pvt Ltd
48	KSB Pumps Limited	106	Poona Shims Pvt Ltd
49	Bajaj Auto Ltd	107	Century Enka Limited
50	Cummins(I) Ltd	108	Lana Valves Mfg Co.Ltd
51	Aqua Fine Injecta Pvt Ltd,	109	Vishay Components (I) Pvt Ltd
52	Auro Pharmaceuticals & Fine Chemicals Pvt. Ltd.	110	Tantra Niketan Enterprises (P)Ltd
53	Emcure Pharmaceuticals Ltd	111	FAB-CARE Pvt Ltd
54	Indus Biotech Pvt. Ltd.	112	Metafold Pvt Ltd
55	DBS Chemicals Pvt Ltd	113	Kohli Industrial Packers Pvt Ltd
56	Pune Hi Tech Gas Pvt Ltd	114	Kallagher Services Centre(P) Ltd
57	Vijay Chemicals Pvt Ltd	115	Multi Crafts Pvt Ltd
58	Melzer Chemicals Pvt Ltd	116	Thoro Buildcare Pvt Ltd