

V. Balachandran

# Corporate Social Responsibility and Sustainable Development



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Corporate Social Responsibility  
and  
Sustainable Development

*Dedicated to*  
Jagadh Guru His Holiness  
Kanchi Maha Swamigal

# Corporate Social Responsibility and Sustainable Development

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*Educational Publishers*  
New Delhi

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E-Mail : sultanchand74@yahoo.com; info@sultanchandandsons.com

Fax : 011-23266357; Website : www.sultanchandandsons.com

ISBN : 978-93-49290-28-0 (TC 1330)

**Price** : ₹ 395

**First Edition** : 2026

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**Author's Acknowledgement:** The writing of a Textbook always involves creation of a huge debt towards innumerable authors and publications. We owe our gratitude to all of them. We acknowledge our indebtedness in extensive footnotes throughout the book. If, for any reason, any acknowledgement has been left out we beg to be excused. We assure to carry out correction in the subsequent edition, as and when it is known.



## Foreword

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CSR is an universal phenomenon. The evolution concept of social responsibility of business has passed through different stages of struggle. Society provides the basic infrastructure for the establishment, protection, operation and development of business. The Vedic principle of *sarva loka hitam* ordained that every business need to be run with the intention of doing good to the members in the society.

CSR means commitment and accountable to the society as goods produced by the business firms are finally consumed by the society. Global industry across all sectors is experiencing an extraordinary transformation. CSR is one such subject that has transcended boundaries. There are several companies that have established corporate foundations/charitable trusts supporting specific issues of community aligning their corporate vision and values.

Corporate governance is a major component of wealth creator for owners, and growth and sustainability for all stakeholders. It is a combination of strong commitment of the management to safeguard the interest of various stakeholders, openness in ideas, fresh air for enterprises and corporate ethics. Further, Corporate sustainability is a business strategy for long-term growth that works in harmony with people and the planet. Against this backdrop, corporates started formulating sustainability strategies to reap the benefits of social governance and address various societal related aspects such as environmental concerns, socially responsible practices and economic cooperation.

Prof. V. Balachandran has done a commendable work designing the syllabus at all India level. Written in a lucid style, the book is well structured, designed and coordinated into 16 chapters covering key topics such as approaches and models of CSR, CSR voluntary and national guidelines, legal

framework of CSR, Business ethics, CSR and corporate governance, CSR and sustainability, CSR and Ethics, stakeholder theory and stakeholder engagement, environmental ethics, sustainable development practices, sustainable reporting framework, social accounting, social audit and social reporting, GRI, SASB, sustainable supply chain management, social stock exchange, contribution of NGOs in CSR. The final chapter is exclusively meant for case studies on CSR practices by socially responsible companies.

The Part V titled Knowledge Refresher provide adequate examination tips to the students such as CSR Quiz, Model question papers and past years question papers of various Universities in India from the point of view of preparing for examinations and they would find it very much useful as a class room textbook. An indispensable book for the students, teachers and stakeholders, the book exhaustively covers the syllabus of B.Com/BBA/BBM/M.Com/MBA and other allied business courses. I take this opportunity to congratulate the author for the excellent work with rich knowledge content. I am sure the book will be found useful to all those who wish to use it as a handbook and ready reckoner for all aspects of CSR and sustainable development.

I am happy to state that the current effort is the first of its kind in India, having contributed to the creation of the first draft of the CSR guidelines and been involved in the creation of Section 135 of the Companies Act 2013, when I held the first Chair on CSR in India.



(R. K Mishra)



## Foreword

Prof. G. Gopa Kumar  
*Former Vice-Chancellor,*  
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CSR is an evergreen subject because it is a continuous commitment on the part of corporates towards sustainable development. It refers to good business practices that promote fairness and assistance in local communities and countries where they operate. Global corporate citizenship goes beyond the concepts of corporate philanthropy, including social investing; corporate social responsibility; and corporate social entrepreneurship in that it entails focusing on “the global space,” which is increasingly shaped by forces beyond the control of nation-states. Global corporations have not only a license to operate in this arena but also a civic duty to contribute to sustaining the world’s well-being in cooperation with governments and civil society.

Companies are expected to actively participate in the development of standards and practices, adapting them continuously to the requirements of global markets and public expectations. A study conducted in 2002 analysed the major roles of public sector enterprises in promoting CSR. The report focuses on building awareness of the CSR agenda, developing a stable and transparent environment for pro-CSR investment, partnerships, maintain minimum standards, etc.

In the recent past, corporates started finding new means to accelerate development and increase competitive advantage through innovative business models, corporate governance practices and ESG practices to contribute substantially. Through CSR activities, many corporates have already taken key initiatives for social inclusion and sustenance. With the enactment of the Companies Act, 2013, India has become the forerunner to mandate corporates to spend on Corporate Social Responsibility (CSR) activities through a statutory provision. Today, Investors are pushing corporations to be more sustainable. Corporates have already started formulating sustainability strategies to reap the benefits of social governance and address various societal related aspects such as environmental concerns, socially responsible practices and economic cooperation.

The entire lesson contents are coordinated into 16 chapters comprehensively covering Conceptual framework of CSR, Legislative framework of CSR, Corporate Sustainability and Sustainable

Development and the initiatives undertaken by various corporates towards socially responsible business practices. At this juncture, I wish to congratulate Prof. V. Balachandran for structuring the topics in a systematic manner and for the excellent work done by him catering to the needs of hundreds of teachers and thousands of students.

The special feature of the book is that an exclusive chapter 16 is devoted for Case Studies and Part V titled Knowledge Refresher that has provided adequate examination tips to the students. Packed with rich content of the subject, I am sure the book will be found very much useful to both the students and teaching community.

(Prof. G. Gopakumar)

A handwritten signature in black ink, appearing to read 'G. Gopakumar', with a horizontal line underneath.



## Preface

The term, 'Corporate Social Responsibility' is not new to India. Many industrialists, business organisations and firms have been doing philanthropy not only with noble idea of providing necessities of life to the needy but also to build good rapport with public/society.

CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. It can shift capital flows to sustainable investment opportunities.

Corporate sustainability is a business strategy for long-term growth that works in harmony with people and the planet. Sustainability can contribute not only to reduce the production costs of the company but also to reduce potential negative environmental effects. Further, ESG goals are a set of standards for a company's operations that force companies to follow better governance, ethical practices, environment-friendly measures and social responsibility.

The book is coordinated into Six parts namely, CSR – A Conceptual Framework, CSR – Legislative Framework, Sustainability Development and Reporting, Social Governance, Knowledge Refresher and Annexures.

It has comprehensively covered topics such as principles and pillars of corporate governance, theories and models of corporate governance, levels of corporate governance, Board Committees, corporate governance regulatory framework, corporate governance forums, corporate governance initiatives and reforms, corporate governance challenges, failures, causes, consequences, various aspects of Business Ethics and Corporate Social Responsibility.

It is hoped that the Part V Knowledge Refresher would be very much useful for the students as it covers Quiz on CSR, Model question papers and past years of question papers of various Universities in India. Further, students will find the book as a textbook as it comprehensively covers the syllabus of most of the Universities in India for B.Com/BBA/BBM/M.Com/MBA and other allied business courses.

Suggestions are welcome for improvement of the book and would be gratefully acknowledged. We owe our immense gratitude to many of them particularly Ministry of Corporate Affairs, pertaining to Companies Act, Rules, circulars and notifications.

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I take this opportunity to profusely thank the Publisher, Sultan Chand & Sons, New Delhi for their commitment, dedication and neat printing of the book.

Prof. V. Balachandran



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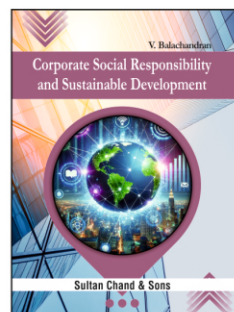
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## Silent Features

- ❖ A well-structured approach is adopted in simple and lucid style.
- ❖ Efforts taken to consider the syllabus on CSR at All India level and the book will be very much useful for students pursuing B.Com, BBA, M.com, MBA and business related courses.
- ❖ The book is coordinated into Six parts namely, CSR – A Conceptual Framework, CSR – Legislative Framework, Sustainability, Development and Reporting, Social Governance, Knowledge Refresher and Annexures.
- ❖ PART V titled Knowledge Refresher is introduced covering CSR Quiz, Model Question Papers and Past Years Questions Papers of a few Universities to enable the students to have better understanding of the intricacies of the subject.
- ❖ Relevant charts/figures have been included for clarity and understanding.
- ❖ Adequate review questions have been provided at the end of each chapter so that students can understand the various concepts easily.



## About the Author

**Prof. Dr. V. Balachandran**, FCS is an eminent Academician and Administrator with over 38 years of postgraduate teaching experience and 30 years of research expertise in Commerce, Corporate Secretaryship, and Management. He obtained his Ph.D. from Alagappa University, a NAAC A++ accredited State University in Tamil Nadu. He served for three decades at Alagappa University in several key positions including Dean, Senior Professor, Registrar, Finance Officer, Director of Distance Education, RUSA Coordinator, and Dean of Students' Welfare. He received UGC funding of Rs. 43 lakhs for an innovative programme on VAT and Service Tax. From July 2019 onwards, he served as Dean, School of Business Studies and Professor & Head, Department of Management Studies at Central University of Kerala, with additional charge as Head of MBA (Tourism and Travel Management).. He has successfully guided 30 Ph.D. scholars and 55 M.Phil. scholars and specializes in areas such as GST, Corporate Governance, CSR, Business Ethics, Capital Market, IPR, Consumer Protection, and Corporate & Economic Laws. He has published over 375 research articles and authored fifteen books through reputed publishers including Sultan Chand & Sons, Thomson Reuters and Tata McGraw-Hill, Bharat Law House and Prentice Hall. He completed many research projects funded by UGC and ICSI, New Delhi, and received ten prestigious academic awards. He served also as a UGC panel member for university recognition and as an evaluator for UGC Minor and Major Research Project proposals. He is widely recognized for his contributions to higher education, Research, Academic Administration, and Professional Development in Management and Commerce education.



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TC 1330

ISBN 978-93-49290-28-0

