

“A step towards achieving “Social Corporate India”

Through adoption of
Corporate Social Responsibility Voluntary Guidelines 2009

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To lead India to the path of a developed nation, it is utmost necessary for the Corporate Sector to compliment government actions and join hands in its efforts to bring in prosperity and growth uniformly to all regions and all community, thereby bridging the gap between the government and those governed.

While the Government undertakes developmental activities, the business sector also needs to discharge their responsibility of exhibiting socially responsible business practices that ensures fair distribution of wealth and well-being of the communities in which the business operates. With extending its operation across the globe, the Corporate India must play its role in nation’s socio-economic development.

Corporate Governance which basically relates to the governance of company in a manner that the interest of the shareholders be protected through transparency of information and involvement of independent directors for effective functioning of the company, Corporate Social Responsibility is a much wider term which extends beyond the interest of investors and brings within its ambit the interest of society and the nation as a whole.

Towards this end, the Apex industry body, FICCI issued Voluntary Guidelines for Business Corporate Social Responsibility, a voluntary activity to be undertaken by the corporate. To encourage the business sector for voluntary adoption of CSR Guidelines, FICCI recommended incentivizing CSR activities through tax incentives and creating markets for CSR credits like carbon credits.

The Ministry of Corporate Affairs on conclusion of “India Corporate Week- 2009” has announced **Corporate Social Responsibility Voluntary Guidelines 2009** which advocates value based and ethical business practices, cordial labour relations, customer satisfaction and loyalty, generating benefits to the community and the environment, being the major stakeholder.

Main highlights of the CSR Voluntary Guidelines

Business entity should formulate CSR policy in consultation with various level executives and approved by the Board of Directors. The Policy should be aligned with the major goals of the business and operate as an integral part of overall business policy. Core elements as contained in the CSR policy should include:

- ❖ Care for all stakeholders

- ❖ Ethical functioning
- ❖ Respect for Worker's Right and Welfare
- ❖ Respect for Human Rights
- ❖ Respect for Environment
- ❖ Activities for Social and Inclusive Development

The Guidelines also provide for implementation guidance of the CSR policy which should include identification of projects/activities, setting measurable physical targets with timeframe, organizational mechanism and responsibilities, time schedules and monitoring. Further, a specific amount in the budgets should be allocated to CSR policy and companies should disseminate information on CSR policy, activities and progress in a structured manner to all their stakeholders and the public at large through their website, annual reports, and other communication media to create awareness and set their example.

For full text of the Guidelines, click on http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf