



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Centre for
Excellence in
Research &
Training (CERT)

Gyan Ganga- 6

A fortnightly e-bulletin of Articles of Members of the ICSI on
CORPORATE GOVERNANCE THROUGH ANCIENT INDIAN SCRIPTURES



Daammyat: Self Control, Data: Charity, Dayadhvam: Compassion. Three pillars of the Ethical Philosophy as elucidated in Brthadaranyaka Upanishad

Inaugurated at the Hands of Shri Arjun Meghwal, Hon'ble Minister of state for Parliamentary Affairs and heavy Industries & Public Enterprise, Pandit Vijay Shankar Mehta, Life Management Guru, CS. Dr. Shyam Agrawal, Past President ICSI, CS. Ashish Garg, President ICSI and CS. Nagendra D Rao, Vice President of ICSI on 07th May 2020

06/08/2020

Contents

Sr No	Topic	Page No
1	Introduction	2
2	Contemporary Corporate Governance Ethos & its Roots Deriving from Holy Ancient Indian Scriptures	3
3	The Concept of Contemporary Corporate Social Responsibility vis-a-vis Notion from the Holy Bhagavad Gita 3.1. Current Statutory CSR provisions & CSR Scenario in India 3.2 Genesis of Ancient Indian Social Responsibility – CSR ethos in Holy Bhagavad Gita	8-14
4	Conclusion	15
	References	16

Preaching of Bhagavad Gita related to Contemporary Corporate Social Responsibility: An Analysis from Corporate Governance Perspective

BHARATSINH CHANDRASINH PARMAR

e-mail ID: bharatpcs@gmail.com

Abstract

An effective corporate governance structure which the stakeholders can rely upon usually comprises of essentials like legislation, regulation, institutional set up, self-regulatory arrangements, voluntary commitments and business practices that are the result of a particular country's specific state of affairs, history and custom. With numerous corporate laws, institutional setup to execute the same, India has created an effective and reliable corporate governance framework. Recently, the inflection of governance has started shifting or extending from "shareholder" to "stakeholder" and therefore from plain "Profitability" nowadays to "Sustainability". The Stakeholder approach advocates a company's responsibility towards the society, based on the justification that the organization is a part of the society in which it functions. Thus came in to picture the modern conception of corporate social responsibility. However, notably the concept of governance or corporate social responsibility is not new to India. Ancient Indian scriptures give ample information on the type of governance, which existed in ancient period, which was based on Dharma, the then governance conception. Similarly the notion of charity was also widespread and practiced as one's duty, the then concept of Swadharma / Daana, in ancient India.

The paper attempts to explore the influence of ancient Indian Scriptures on contemporary corporate governance regime and corporate social responsibility. The study reveals and concludes that the diverse characteristics of modern corporate governance, and corporate social responsibility, have deep roots in ancient Indian scriptures, hence more research is warranted on the subject to get guidance from the ancient Indian scriptures to address complex contemporary corporate governance issues.

1 Introduction

Governance in a broader perception refers to the variety of institutions, legislations, regulations and practices through which power is exercised to satisfy the interest of all the stakeholders including the society. Corporate Governance, primarily, is the recognition by the management of shareholder's rights as the true owners of the company and of management's role as trustees on behalf of the shareholders. Even so, it deals with managing the affairs of a company in such a way as to ensure fairness to all the stakeholders keeping always in mind

that its current and potential actions are beneficial to the maximum number of stakeholders. Conspicuously, in the context of India, Holistic Governance was not an unknown concept in Ancient India. Ancient India's Holy Scriptures showered knowledge and wisdom for each and every aspect of human life, emphasising good governance characterised by charity and philanthropy as an important aspect of a good society, and ancient Kingdoms and Rulers had infused such a culture. In this context, this paper attempts to explore how far the origin, belief and perception of contemporary concept of Corporate Social Responsibility (CSR), as an essential ingredient of corporate governance norms, can be traced from the Holy Bhagavad Gita.

2 Contemporary Corporate Governance Ethos & its Roots Deriving from Holy Ancient Indian Scriptures

The term Governance is believed to have been derived from the Latin term “*gubernare*” which means to steer or pilot, which was initially understood as a structure to exercise power and convey recognition of responsibility in administration of the then kingdoms. As the time passed by and the corporations grew, it gained importance and recognition in the corporate world as an administrative mechanism regulating multifarious issues. The term corporate governance covers wide range of attributes hence it is difficult to define it in one unique and universal definition; as a result it has been defined by various authorities in their own outline. The **Cadbury Committee** Report-1992, U.K., defined it as “Corporate governance is the system by which companies are directed and controlled.” The **Organisation for Economic Cooperation and Development (OECD)** describes corporate governance as “Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.”¹ The **Securities and Exchange Board of India's [SEBI]** Committee on Corporate Governance (2003) described Corporate Governance as: “Corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business

¹ OECD (2015), *G20/OECD Principles of Corporate Governance*, OECD Publishing, Paris. p.9, <http://dx.doi.org/10.1787/9789264236882-en> (Last visited on July 9, 2020)

conduct and about making a distinction between personal and corporate funds in the management of a company.” Thus, the contemporary Corporate Governance regime engrosses a set of relationships among a company’s board of directors, management, shareholders and other stakeholders thereby providing for structure through which the concerned company’s objects are sought to be achieved. The determinants of modern Corporate Governance are independence, transparency, accountability, responsibility, statutory compliance, values, ethics and trust. Contemporary Corporate Governance practices are designed to ensure that the companies perform efficiently and ethically to generate long term wealth and create value for its diverse stakeholders. The broad activities/categorical compliances covered, with the aims to ensure transparency, under the modern corporate governance mechanism relate to—

- ψ The formation of a governance structure with defined role comprising of the Board of Directors and its composition having Executive, Non-executive and Independent Directors and below that efficient Management Teams/ Committees.
- ψ Convening and constituting various Company meetings, Board/Committee meetings ensuring the related statutory compliances like Notice, Agenda, and Minutes etc.
- ψ Disclosure of corporate announcements/information to the Regulators, Stock Exchanges, SEBI, and RoC etc. in prescribed manner and time.
- ψ Stakeholders’ Relationships, Investor’s Grievances, Corporate Social Responsibility, Risk Management, Vigil and Whistle Blower Mechanism.
- ψ Financial, Cost and Secretarial Audit.
- ψ Prevention of insider trading and regulation of substantial acquisition of shares.
- ψ Managerial & KPM remuneration policies.
- ψ Compliance with the applicable provisions of The Companies Act, 2013, The Securities Contract Regulation Act, 1956, The Depositories Act, 1996 and the Regulations and By-laws framed there under, The Foreign Exchange Management Act, 1999 and various SEBI Regulations pertaining to substantial acquisition of shares, insider trading, listing, delisting, buyback, issue of capital etc.
- ψ Compliance of various Environment prevention/protection laws.
- ψ Regulatory compliances and means of disclosures of corporate information.

Thus, the modern corporate governance regime seeks to ensure that there are adequate systems and processes in the company which commensurate with the size and operations of

the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

However, the concept of governance is not new or unknown to India, which is evidenced by the information on the kinds of governance prevalent in ancient time, given by Ancient Indian Scriptures like Vedas, Upanishads, Epics like Ramayana, Mahabharata, Kautilya's Arthashastra etc. Contemporary corporate governance practices and ancient Indian scriptural rulings complement each other, both striving to establish good governance. In ancient Indian scriptures the concept and practice of governance had been thought of as an idea of Dharma. The term Swadharma, more specifically was meant as one's own duty. Societal propagation of Dharma was through Holy Scriptures preaching values, morals, qualitative standards of behaviour leading to spiritual development of community. It has remained a motto of ancient kingdoms to practice governance principles by ensuring welfare of all the living beings as well as environment etc. which is evidenced from the below mentioned ancient prayer-

*Svastiprabhaya Paripalayanam Nyayena Margena Mahim Mahisah |
Gobrahmanebhyah Subhamastu Nityam Lokah Samastah Sukhinobhavantu | |
Om Santih Santih | |
--Lokakhsema / Mangal Mantra.*

The meaning of this prayer is that, may there be well being to the people; may the kings rule the earth along the right path; may the cows and the Brahmans always be fortunate. May all the beings in all the worlds' become happy; Peace, peace and peace be to all, everywhere, in all circumstances! The above quoted prayer seeks to aspire happiness for all those who govern as well as those who are being governed, in all the circumstances. This casts an obligation on those who are having power to govern and to take care of all from top to the bottom, the corresponding modern thought of **stakeholders' welfare**. Similarly ancient Indian governance mechanism laid much emphasis on performance of one's own duty, the then called concept of Swadharma. This is evidenced from the preaching of the Holy Bhagavad Gita as stated below-

[Bhagavad Gita Addhyah 2, Shloka 31]

*Swadharmam Api Chaavekshya Na Vikampitam Arhasi |
Dharmyaaddhi Yuddhaacchreyo'nyat Kshatriya Na Vidyate | | 2.31*

Lord Shri Krishna preaches to Arjuna that considering the specific own duty of Arjuna as a Kshatriya, he should know that there is nothing better than fighting a war on religious principles and so there should not be any hesitation for him in doing so. The essence taught is the performance of one's specific duty assigned as per the dharma i.e. Varnashrama dharma. Further, it is taught that the consequences of non performance of one's specific assigned duty is disastrous, as shown in the following Shloka-

[Atha Chettwam Imam Dharmyam Samgraamam Na Karishyasi |
Tatah Swadharmam Keertim Cha Hitwaa Paapam Avaapsyasi || 2.33](#)

Lord Shri Krishna preaches that Arjuna if you do not perform your assigned specific duty of fighting this religious war, then you will surely incur sins for neglecting your duties as well as lose your reputation of being a fighter. Thus, to achieve the supreme status, Arjuna was advised to perform his duties without attachment to the results thereof, as is evidenced in the following Shloka-

[Tasmaad Asaktah Satatam Kaaryam Karma Samaachara |
Asakto Hyaacharan Karma Paramaapnoti Poorushah || 3.19](#)

In this way, Lord Shri Krishna unveiled the so called modern concept of '**Lead by example**' as is revealed in the following Shloka-

[Yadyad Achaarati Shreshthas Tattadevetaro Janah |
Sa Yat Pramaanam Kurute Lokas Tad Anuvartate || 3.21](#)

Meaning thereby is that the actions of great men are followed by common people, because such standards set by their exemplary acts are sought to be pursued and practiced by the world at large. Further, the fact that the governance mechanism should be such that it involves the '**Top management**' also so far as the performance of respective duty is concerned, is established in the preaching vide the following Shloka-

[Na Me Paarthaasti Kartavyam Trishu Lokeshu Kinchana |
Naanavaaptam Avaaptavyam Varta Eva Cha Karmani || 3.22](#)

Thus emphasising on the responsibility of modern top management, Lord Shri Krishna preaches that there is no duty for him to perform nor anything worth attaining or unattained for him, but still he continues to work and engages himself in actions/prescribed duties.

The modern governance notion that being a **law abiding corporate citizen** releases from punitive actions is well established by the preaching of Lord Shri Krishna as is revealed in the following Shloka-

[Ye Me Matamidam Nityam Anutishthanti Maanavaah |
Shraddhaavanto Nasooyanto Muchyante Te pi Karmaabhaia || 3.31](#)

Persons performing their duties according to teachings of god free themselves from the bondage of actions. Thus when you are a law abiding corporate citizen in the modern sense, you are awarded with the kind of '**governance excellence award**' i.e. an incentive mechanism in contemporary context. The same idea is taught and envisaged by Lord Shri Krishna in the following Shloka-

[Swe Swe Kaarmanyabhiratah Samsiddhim Labhate Narah |
Swakarmaniratah Siddhim Yathaa Vindati Tacchrinu || 18.45](#)

Means, each man keenly devoted to his own natural duty attains the highest perfection in the form of God realisation. Thus, this was thought of as an excellence level of governance in ancient time, and the concept corresponds with today's idea of excellence in corporate governance and proving inspiration to be a good law abiding corporate citizen. All these again are centred on the pivotal point i.e. performance of one's own specified duty, like today's concept of assignment of role, responsibilities, creating hierarchy etc. and compliances with the statutory provisions. Hence like today's governance regime lays emphasis on compliance of applicable statutory provisions, ancient governance laid heavy emphasis on 'swadharma' the then compliance perception/notion, as is taught by Lord Shri Krishna in the following Shloka-

[Shreyaanswadharmo Vigunah Paradharmaat Swanushthitaat |
Swabhaavaniyatam Karma Kurvannaapnoti Kilbisham || 18.47](#)

It means it is better to perform one's own duty; even though may be devoid of merits, than the duty of another well-performed, because by performing the duty ordained by his own nature,

man does not incur sin.² Thus, the ancient Indian concept of governance laid much emphasis on one's own duty not only towards self centred realisation of goals, but it did taught to take care of all other living beings including protecting the flora and fauna, animals, environment etc., because they also formed an integral part of the then existing society. Thus developed the culture to nurture the societal needs which in today's context is referred to as stakeholders' welfare through transparent corporate governance regime and Corporate Social Responsibility conception.

3 The Concept of Contemporary Corporate Social Responsibility vis-a-vis Notion from the Holy Bhagavad Gita

The Contemporary Corporate Social Responsibility is a conception whereby companies not only consider their profitability and growth, but alongside also the interests of society and environment by accepting responsibility for the impact of their activities on stakeholders, environment, consumers, employees, communities and all other members of the public sphere. The basic hypothesis for this is that when the corporations get bigger in size, apart from the economic responsibility of earning profits, there are many other responsibilities, which are more of non-financial and social in nature. These are expectations of the society from these corporates to give something in return to the society with whose explicit and implicit help these entities stand as well as survive and progress wherever they are.³ **The World Business Council for Sustainable Development** defines CSR as “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce and their families as well as of the local community and society at large”. Thus, CSR is about how the companies align their values to social cause by including and collaborating with their investors, suppliers, employees, regulators and society as a whole. A CSR initiative of a corporate is not a selfless act of giving, companies derive long term benefits from the CSR, and it is this self interest which is driving the CSR initiatives in companies.

² The Bhagavad Gita or The Song Divine, Fiftieth Reprint 2013, Gita Press, Gorakhpur, India & Bhagavad Gita – As it Is by A. C. Bhaktivedant Swami Praphupada, available at <https://krishna.org/bhagavad-gita-as-it-is-original-1972-edition-free-pdf-download/> (Last visited on July 31, 2020).

³ ICSI-Professional Programme-Module IV-‘Governance, Business Ethics & Sustainability’ p. 199, available at <http://www.icsi.inStudy%20Material> (last visited on December 11, 2013)

3.1 Current Statutory CSR provisions & CSR Scenario in India

In India, as per the Companies Act, 2013 ('Act') CSR is mandatory. Accordingly under Section 135 of the Act, every company crossing-

- (i) Net worth of Rs. 500 Crore or more, OR
- (ii) Turnover of Rs. 1000 Crore or more, OR
- (iii) Net profit of Rs. 5 Crore or more,

shall discharge the prescribed CSR obligations i.e. to constitute a CSR Committee, formulate and recommend a CSR Policy, and allocation of prescribed funds in prescribed CSR activities. The said Schedule VII of the Act enumerates the kind of activities that can be undertaken under CSR, broadly covering activities like-

- eradicating poverty,
- promoting education,
- gender equality,
- environmental sustainability,
- protection of heritage-art-culture,
- rural sports,
- armed forces veterans issues,
- contribution to Prime Minister's National Relief Fund, and
- rural development, technology etc.

The Companies (Corporate Social Responsibility) Rules, 2014 prescribe the manner in which companies can comply with the CSR provisions under the Act. The eligible company shall spend on CSR activities, at least 2% of the average net profit of the company made during the three immediately preceding financial years. If the amount is not spent on CSR, the same should be disclosed with reasons thereof in the Board's Report. To accord the official recognition for the outstanding CSR contribution by a company, the National CSR Award has been introduced.

(a) CSR Expenditure

The eligible companies in India do attempt to comply with the relevant CSR provisions by incurring their CSR expenditure. As per the MCA's 5th Annual Report, the CSR amount spent by the companies is given below⁴-

India's CSR Expenditure Rupees in Crore.						
Year	No.of PSU	Non PSU	Total	CSR Exp. PSU	CSR Exp. Non PSU	Total CSR Exp.
2014-15	493	16055	16548	2816.82	7249.11	10065.93
2015-16	532	17758	18290	4201.26	10302.39	14503.65
2016-17	545	18987	19532	3285.4	11026.63	14312.03
2017-18	523	20814	21337	2539.19	10787.5	13326.69

Table 1 India's CSR Expenditure.

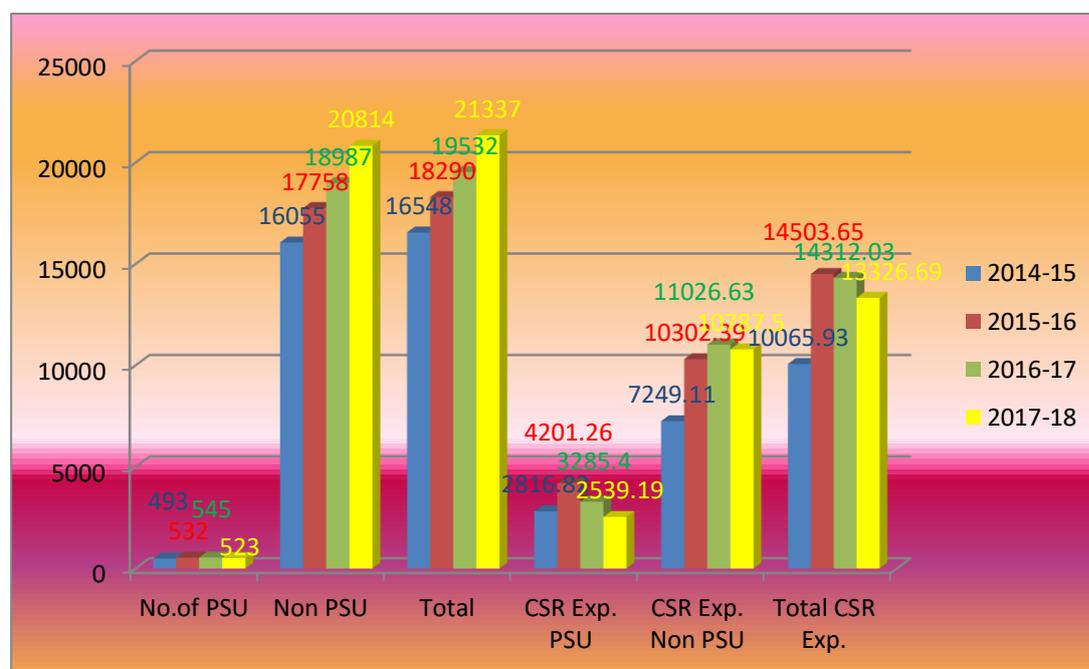


Figure 1 India's CSR Expenditure

The above information of amount spent by the companies on CSR is based on the filings made by the companies till 31st March, 2019 in the MCA's Registry pertaining to the years from 2014-15 to 2017-18. So if more filings are made figures may vary or improve. Nonetheless the data show an increasing trend in the number of companies engaging in CSR

⁴ 5th Annual Report on Working and Administration of the Companies Act, 2013 – Year ending 31/03/2019, Ministry of Corporate Affairs, Government of India, pp. 53-58, available at [AnnualReportEnglish2019_20_07012020httpwww.mca.gov.in/Ministry/pdf/AnnualReportEnglish2019_20_07012020.pdf](http://www.mca.gov.in/Ministry/pdf/AnnualReportEnglish2019_20_07012020.pdf) (Last visited on August 1, 2020)

activities as well as the amount spent on CSR by these companies. Further companies are noted to have spent on diverse areas specified in Schedule VII of the Act.

3.2 Genesis of Ancient Indian Social Responsibility – CSR ethos in Holy Bhagavad Gita

The Sanskrit saying, **Atithi Devo Bhava**, meaning – ‘Taking care of / Treating our guests like the God’, sets the cord for services to be rendered with highest order of responsibility, be it to individuals or to society. Thus, people’s attitude and approach of socially responsible behavior show a well-established tradition in ancient India. Further, the societal governance contained a belief that whatever you earn, you get it from the society only. So it is your pious duty to give something back to the society, assuming that the members of society at large are ultimately your kinsfolk. Thus was developed and practiced in daily life the concept of **“Vasudhaiva Kutimbakam”** i.e. the entire world is our family, which ultimately reflected the spirit of socially responsible behavioural patterns in the then governance machinery in ancient India. The Holy Bhagavad Gita also throws light on several aspects of socially responsible behavior related to governance regime, which can be treated / understood as the modern day conception called the corporate social responsibility. Through the Holy Bhagavad Gita, Lord Shri Krishna preaches about the nature and consequences of Charity / Donation / Gift given, which is discussed in the following Shlokas-

[Daatavyamiti Yaddaanam Deeyate Nupakaarine |](#)

[Deshe Kaale Cha Paatre Cha Taddaanam Saattwikam Smritam || 17.20](#)

The essence of this sermon is that a gift /charity bestowed as a part of one’s duty and for which no return is expected, and which is given to a worthy person at the proper time and proper place is treated and declared as Sattvika i.e. a kind of righteousness / rectitude. The Shloka clearly explains as to:-

- What is the real charity?
- To whom should it be given?
- When & Where should it be given?

In ancient India charity was not given randomly or arbitrarily, rather charity to spiritual activities, to poor people etc. was recommended, because it was meant to be given out of one’s own duty and was not meant to be expected to be returned. How specific, express, scheduled governance mechanism in ancient India was, becomes clear from the then

arrangements made for charity i.e. charity was to be given at places of pilgrimage (**PLACE**), at Lunar or Solar eclipse or at the end of the month (**TIME**), to a qualified *brahmana* or devotee or poor people (**WORTHY PERSON**) without being returned. These instances are a few examples of CSR and Corporate Governance lessons from the Holy Bhagavad Gita and the same can be a useful connected learning for today's CSR principles and practices. Inspiration can be drawn from them on what constitutes CSR & good governance. Thus, a crystal clear connection can be seen regarding influence of such ancient Indian scriptures on the contemporary CSR mechanism and Corporate Governance structure in India. That is to say, precisely, the Companies Act, 2013 under Section 135, read with Schedule VII of the Act and The Companies (Corporate Social Responsibility) Rules, 2014, deliberate on issues like-

- What is CSR?
- How much contribution is called CSR?
- To whom CSR contribution is to be given?
- What does & what does not constitute CSR?
- How to incur CSR?
- What are the consequences of non-compliance of CSR provisions?

Ostensibly, it is now clearly established that all these current CSR issues have roots in the above quoted and discussed Shloka No. 17.20 of the Holy Bhagavad Gita, and a direct influence of scriptures on contemporary CSR mechanism is visible.

Moving ahead, the next Shloka No. 17.21 speaks about charity done with intention of getting something in return there for.

[Yattu Pratyupakaaraartham Phalamuddishya Vaa Punah |
Deeyate Cha Pariklishtam Taddaanam Raajasam Smritm || 17.21](#)

It says a charity given in a grudging spirit and with the object of getting a service in return or in the hope of obtaining a reward is called *Rajasika* i.e a charity done in the mood of passion. The modern day example of this can be construed as the CSR contribution given by a particular Company to say an Educational institution / University with the expectation that the potential Professionals graduating there from may be absorbed for services in the company in future time. In modern context it is called the **Strategic CSR**, the newest form of CSR to be defined, seeks to infuse social responsibility through the overall business strategy of the corporation to create a competitive advantage for the business. Nonetheless such CSR is not

condemnable *per se*. Further, the next Shloka deliberates on what ought not to be considered as good/permitted CSR activity, which is stated hereunder-

[Adeshakaale Yaddaanamapaatrebhyascha Deeyate |
Asatkritamavagyaatam Tattaamasamudaahritam ||17.22](#)

The preaching of Lord Shri Krishna in this Shloka is that a gift given / charity done without grace and in a disdainful spirit, without respect or with insult, at impure time and an impure place and to unworthy and undeserving persons is considered as Tamasika i.e in a mode of ignorance. The theme idea seems to prevent illegality being legalised through the medium of charity or philanthropy. Thus, charities for activities like intoxication, gambling are not encouraged, being in the mode of ignorance (Tamasika). The same being not beneficial, conversely sinful persons are encouraged thereby. In the same way if a person gives charity to a suitable person but without respect and without attention, it is also considered to be in the mode of darkness. Viewed in the contemporary context, contributing through CSR, say for eg. for tactfully avoiding or evading tax payments, or for immoral pursuit is prohibited. Such illegal activities cannot be endorsed as legitimate in the guise of CSR.

Further, the next Shloka guides on important issues like:-

- ❖ Why a person should at all engage in charity through CSR?
- ❖ What is the morale booster for doing so? Such questions are clearly answered by the following Shloka-

[Tadityanabhisandhaaya Phalam Yagnatapah Kriyaah |
Daanakriyaaschcha Vividhaah Kriyante Mokshakaangkshibhih || 17.25](#)

The preaching of this Shloka is an inspiration that all these belong to God, who is denoted by the appellation “TAT”, hence all the activities like sacrifice, austerity and charity are performed by the seekers of liberation, expecting no return for them. To get you elevated to the spiritual position, you should not act for any material gain, but shall act for the ultimate gain of being transferred to the spiritual kingdom, i.e back to home, back to Godhead.⁵ Viewed in the contemporary corporate governance context, it is undisputed reality that today’s corporations operate in society, whatever they get or gain is from the society itself,

⁵ Supra 2

hence this by implication generates a corresponding duty on the part of corporations that they do give something back to the society, with whose explicit and implicit help, these corporations stand survive and progress. The corporations' acts have effect and influence on the society. Thus if a particular action of a corporation is disastrous for the society, then such corporations are rejected by the society, i.e. corporations operate at the will of the society. Further, this can also be correlated with the modern Approaches about CSR. The *shareholder approach* can be simply explained in the words of Milton Friedman, "There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" (Friedman, 1970).

However, the *stakeholder approach* is about going beyond the interest of shareholders to a multitude of stakeholders who are affected by the activities of the organization. The broader view of CSR and the full coverage of the various perspectives come forth in the *societal approach*, which advocates responsibility to the society. The basis for this argument is the fact that the organization is a part of the society in which it functions. Consequently, three schools of thought have emerged regarding **the end purpose of the CSR**. Wan-Jan (2006) has done a literature review of the three.

→ First school is which promotes CSR from an ethical standpoint, which talks of CSR for the sake of **CSR without any expectation** from the CSR activities. This "**noble way**" for corporate behaviour is the only form of CSR according to this perspective.

→ Looking at CSR from a business strategy is another school of thought. This thought has its origin in the **agency theory** according to which the primary aim of corporate managers is to increase **shareholder value**.

→ The third school of thought focuses on the common denominator of the first two schools of thought and takes the "**serving stakeholders**" stance. According to the ethical stance, the corporation should treat its stakeholders properly and behave ethically with them and business strategy also focuses on treating stakeholders ethically, through which, managers believe that their businesses will stand to gain. Thus, it can be seen from this discussion, that the modern CSR discourses have deep rooted derivation from the above referred ancient Indian scriptures.

4 Conclusion

Thus the modern corporate governance as well as corporate social responsibility conception has deep rooted influence from the preaching of ancient Indian scriptures. The Holy Bhagavad Gita is the essence of Vedic knowledge. The fundamentals of Actions (*Karma*), Knowledge (*Gyan*), Principles (*Dharma*) are well explained therein, which serve as a sound source of inspiration and problem solving paths for today's governance issues. From today's corporate governance perspective, there is unlimited stuff in the Holy Bhagavad Gita which can be used as an inspiration to solve contemporary issues, like for illustration:-

- Selection of Lord Shri Krishna's Army by Duryodhana & Lord Shri Krishna himself by Arjuna – **Selection of Right Manpower, Resources.**
- Driving Arjuna's Ratha by Lord Shri Krishna – **Quality and result of sound Leadership.**
- Pandavas in Exile (*Vanvaas*) - **Surviving strategies during adversities.**
- Arrangement of food by Draupadi during Exile and by King of Udipi during the Kurukshetra War– **Economically ensuring welfare measures, catering arrangements.**
- Death of Abhimanyu in war – **The need and importance of complete knowledge.**
- Performance of Yagna and donation given by kings at that time corresponds to the **modern idea of CSR.** The list is illustrative only. Ancient Indian scriptures provide knowledge on every aspect of life. The modern problems / issues related to society, governance, management, administration, charity, balancing between pleasure and pain, ethics, disinterestedness, time management and many more can be solved if we get back to our ancient Indian scriptures and through the wisdom provided therein, not only the present but the generations to come in future will also be benefitted thereby. But to gain the real advantage from this, much academic research is warranted by exploring the oceans of ancient Indian scriptures and finding how the old wisdom should be utilized in contemporary corporate governance regime. Like through the present study, the researcher has established a clear origin of modern corporate governance norms and CSR conception in the Shlokas and teachings of the Holy Bhagavad Gita, in the same way further research may be carried out to explore the

treasure of ancient Indian scriptures so as to trace out the solution of diverse problems of contemporary corporate world.

References

1. Bhagavad Gita or The Song Divine, Fiftieth Reprint 2013, Gita Press, Gorakhpur, India.
2. Bhagavad Gita – As it Is by A. C. Bhaktivedant Swami Praphupada, available at <https://krishna.org/bhagavad-gita-as-it-is-original-1972-edition-free-pdf-download/> (Last visited on July 31, 2020)
3. Fifth (5th) Annual Report on Working and Administration of the Companies Act, 2013 – Year ending 31/03/2019, Ministry of Corporate Affairs, Government of India, available at http://www.mca.gov.in/Ministry/pdf/AnnualReportEnglish2019_20_07012020.pdf (Last visited on August 1, 2020)
4. ICSI-Professional Programme-Module IV-‘Governance, Business Ethics & Sustainability’ p. 199, available at <http://www.icsi.in/Study%20Material> (last visited on December 11, 2013)
5. OECD (2015), *G20/OECD Principles of Corporate Governance*, OECD Publishing, Paris. p.9,<http://dx.doi.org/10.1787/9789264236882-en> (Last visited on July 9, 2020)
