



## **Corporate Social Responsibility – A Unique Way of Financing**

A business enterprise cannot exist in isolation. The enterprise needs social acceptance and standing as it takes resources from the society and it provides resources to various societal components. The business enterprise, therefore, has to enshoulder social responsibility – there is no escape. It is only a matter of how to carry out the task.

In this context, recently the author visited a social service project undertaken by an NGO for the purpose of post-funding evaluation. Surprisingly unlike many other NGOs, the promoters presented well-maintained accounting records in a professional manner and that too in the precise formats prescribed by the grant-providing authority. The accounts were duly certified by a Chartered Accountant. The detailed analysis of income and expenses revealed that they were genuinely accounted for and the works were carried out in the right spirit. The amount spent by the promoters was substantially more than what was stipulated by the grant-providing authority! Besides, you name a legal document and it was there in the desired sequence. The entire work had a professional touch par excellent.

The visit to the site where actual work of training & development was carried revealed better aspects. The beneficiaries, mainly rural women, remained present at full strength. A literal classroom roll call was taken by the author with ID proofs and there was neither a lapse nor any irregularity. All the beneficiaries were more than happy with the NGO promoters.

For the author who had carried out many such evaluations, this was turning out to be a unique experience. Though happy and comfortable in his evaluation sojourn so far, his inquisitive mind continued to work at a pace.

It was in the formal discussions, something quite interesting got revealed. The NGO promoters have 3-4 mills in the same area. These mills were processing local agricultural output. Naturally, the business enterprise procured its resources, be it agricultural produce of

the surrounding area or a part of labour required by it. It was further revealed that the promoters used to provide some Agri-inputs such as seed, pesticides, fertilizer, transport & storage facilities, etc. to the local farmers. The mills also had to discharge some effluents in the nearby areas.

Clearly, the business enterprise was closely linked with the society around it. Its very survival and economic prosperity were dependent on the society. The business enterprise, therefore, essentially required a respectable standing and acceptance in the society for which the social service project was undertaken – a unique way of shouldering corporate social responsibility through govt. funded social service projects operated under the aegis of an NGO. Never mind spending a little more, when govt. bears the major burden of the project cost.

The author returned having learned this unique way of financing corporate social responsibility projects under the aegis of an NGO.

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