



## CSR In INDIA: A Drop In The Ocean & Way Forward

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CSR IN INDIA: A DROP IN THE OCFAN & WAY FORWARD The corporate sector, all over the world has seen the present decade as a period of high growth and development as well as emergency of a strong incorporation having a significant global footprint. The decade has also seen the financial crisis affecting the global market particularly in the present condition of Covid pandemic.

### ABSTRACT

The corporate sector, all over the world has seen the present decade as a period of high growth and development as well as emergency of a strong incorporation having a significant global footprint. The decade has also seen the financial crisis affecting the global market particularly in the present condition of Covid pandemic. While the corporate sector was recovering from the roll of the global financial crisis. The Future was blocked from brightness by the unprecedented Covid pandemic. Consequently, the corporate sector is standing in the midst of sustainability crisis that poses a threat to the very existence of business. While the government undertakes extensive development initiatives through a series of sectoral programmes, the business sector also need to take responsibility of exhibiting socially responsible business practices that ensure the distribution of wealth and well being of the communities in which the business operates.

### KEY WORDS

Corporate Sector, Corporate Governance, Corporate Social Responsibility (CSR), Individual Social Responsibility, Overall Development, Local Area.

The Indian business has traditionally been socially responsible from inactive philanthropy to the incorporation of the stakeholders' interest in the business model, the Indian business sector practices various methods of discharging its social responsibility. While a lot of human and economic energy is available for utilization in this area, a suitable mechanism is needed to channelize this energy for which the government, corporate sector and the communities need to partner together and the consequent effect is PPP model for social

development taking place in India. By exhibiting socially, environmentally and ethic responsible behavior in governance of its operations, the corporate can generate value and long term sustainability for itself while making positive contribution in the betterment of the society.

The present compulsory Corporate Social Responsibility (CSR) regime may be an effective weapon to the holistic development of the stakeholders for the protection and improvement of environment, women empowerment, health, education, livelihood etc. which are very difficult to carry on without the effective activities on the part of the companies or corporations. A corporation is duty bound to consider the wish and desire of the shareholders, non-governmental organizations, business partners, lenders, insurers, communities, regulators, inter governmental bodies, consumers, employees and investors.

The main business of the business is to earn profits and it may only be secured if the society which is the ground of battle for business community is developed well. They can not run their business and earn profit in a society which happens to be barren. So contribution to the CSR Activities is not a bad investment at all. It is now considered a necessity and a wise investment in long life of a business concern. The new (CSR) policy Amendment rules is no longer a matter of voluntary practice rather it has become a mandatory one. Now Corporate Governance is considered as an effective way to achieve sustainable development. A sound policy on Corporate Governance, business ethics and CSR to regain public trust and over come the atmosphere of negativity will become a care principle of any business entity willing to do business for years to come. Infact there is no short cut way to earn profit. Visionaries are leading every aspect of the society, therefore there is close relationship between CSR and Corporate Governance.

CSR and law aim at the same object i.e. social purpose in modern society. Sometimes CSR activities help in shaping the law and sometimes vice-versa is also felt in society. As the government uses law to control the business activities for the social interest in the same way CSR activities help the government to bring balance among the conflicting interests in individuals and society as well. CSR activities help to reduce the causes of social disturbances in contributing in social development especially environmental issues, women empowerment, educational empowerment and livelihood.

As far as, the companies Act, 2013 is concerned, it has been an effective step to push forward the compulsory CSR law in India, as new rule of 2021 has been made effective w.e.f. 22th January, 2021. The Schedule VII, Section 135, Section 134(3) and CSR (Amd.) Rules, 2021 show how companies are to get involved in the CSR activities. However in order to make CSR law more effective in Indian Sub-continent, the following steps may be taken:

- (a) There is urgent need for creation of awareness about CSR amongst the general public to it more effective and people friendly. This awareness generation can be taken by various stakeholders including the media to highlight the good work done by corporate. It will bring effective changes in the approach and attitude of public towards CSR initiatives undertaken by corporate.
- (b) It is necessary for the corporate and non-governmental organizations to actively consider pooling their resources and building synergies to implement best CSR practices to scale up projects and innovate new ones to reach out to more beneficiaries it will infact increase the impact of CSR initiatives on the lives of the common people.
- (c) Local areas are to be given preference for CSR activities. But local areas include both urban and rural. One are must not suffer at the cost of other in respect of CSR benefits to be provided.

- (d) Companies working in a particular area, must have joint meeting to decide priorities of social problems to be addressed over there. In this way almost all the problems of that area would be taken care of effectively and it will result in an overall development of the area.
- (e) It is essential for the companies to develop an effective value chain system of their products through their CSR activities.
- (f) Section 135 of the Act should be suitably amended to bring all companies in its domain for CSR obligations. It will prohibit escaping of CSR obligations on the part of companies in the name of statutory protection.
- (g) Special training is to be given to the business managers in working with social issues and therefore it will also be easy for them to decide their field work.

## CONCLUSION

Indian companies, no doubt have been contributing a lot in the name of CSR which aim at the development of our country. However, the steps taken by companies are proved to be a drop in the ocean given the vast area & population of all country. There are varieties of social problems which need to be solved by Public Private Partnership (PPP) model in India. So the individuals who are capable of making contribution towards social development, should also come forward to wipe out every tear from every eyes of the people in society. Hence, alongwith the concept of CSR in India, a new concept of Individual Social Responsibility (ISR) should also be developed in India.

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