



India's Corporate Social Responsibility

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Abstract

The corporate social responsibility is an organization notion in which companies connect with their business operations and their stakeholders. The interaction integrates social responsibility and environmental concerns. Corporate firms use precious resources of society as raw materials etc. for their operations, so these companies should consider something as welfare of society. The CSR is a practice under which a corporate invests some of its profits in social development projects such as drinking water, sanitation, education and infrastructure for the societies in which they operate or select funds. The ambition of CSR is getting bigger and for the coming years it will turn into a unique knowledge base to analyze various goals and achieve sustainability as India is a country among various large economies which has taken its legislative action, through this it has been assured to make CSR mandatory. This paper analyzes the role of Corporate Social Responsibility in India.

Key Words: Corporate, Social, Responsibility, Companies.

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Concept of Corporate Social Responsibility

The CSR is mainly understood as one of the ways through which a company attains a balance of economic, environmental as well as social imperatives. In India, the term Corporate Social Responsibility is being widely used even though related concepts and terms, such as business responsibility, sustainable development, philanthropy, sustainability, corporate citizenship, responsible business, shared value, value Construction. Business ethics, socio-economic responsibility, bottom of the pyramid, stakeholder management, corporate responsibility and corporate social performance. In simplest terms, 'Social Corporate Social



Responsibility' means various activities undertaken by medium to large sized corporate houses, businesses and multinationals for the direct betterment of the underprivileged sections of society. India is one of the first countries in the world to make corporate social responsibility obligatory, following an amendment to the Companies Act, 2013. This law was implemented in April 2014.

Corporate social responsibility is a type of business self-regulation that aims to be socially accountable. There is no "right" way companies can practice CSR. Many corporate CSR initiatives attempt to contribute positively to the public, economy, or environment. In today's socially conscious environment, employees and customers place a premium on which businesses prioritize CSR and spend their money. The Corporate Social Responsibility is a self-regulatory mechanism that ensures its active compliance with the spirit of the law, international norms and ethical standards. The United Nations Industrial Development Organization defined it as accountability to the legal, social, ethical and environmental expectations of stakeholders of businesses. According to UNIDO, it is a management concept where companies integrate environmental and social concerns with their stakeholders. It is a way through which other public and private companies achieve environmental, social and economic imperatives. Through the implementation of CSR programmes such as philanthropy and voluntary efforts of its employees, a business can positively benefit society by providing some good advertising for its brands.

India's Corporate Social Responsibility Law

After an amendment to the Companies Act 2013 in April 2014, India is the first country in the world to make Corporate Social Responsibility (CSR) mandatory. Businessmen can invest their profits in areas such as education, poverty, gender equality and hunger. Companies affected by the CSR provision are required to spend at least 2 percent of their average net profit on CSR in the preceding three years. Companies should establish a "CSR Committee", including at least one independent director, to be appointed to the company's board. They should also include a report in the company's annual report, this should include details including CSR activities, the amount of funding earmarked for CSR, the composition of the CSR committee, and, if they failed to spend the required amount, failure to follow detailed reasons.



India needs social innovation on a large scale and systems change and compulsory spending gets little in this direction. It also reduces pressure on companies to change their business practices. The CSR should be more inclusive by which an organization should think about and develop its relationships with stakeholders for the common interest, and demonstrate its commitment by adopting appropriate business processes and strategies. Therefore, there are many companies that have welcomed the new mandatory CSR Act and believe that the Act will promote their CSR initiative and allow them to continue such activities legitimately for a long time.

Conclusion

The corporate sector also has certain responsibilities towards its business unit, shareholders and society. Every corporate entity should have the responsibility that is primarily considered a corporate social responsibility. The policy states that CSR activities cannot be carried out exclusively for the benefit of company employees or their family members - clearly an attempt to curb corruption. However, this approach is a very traditional approach to CSR, a concept that has moved away from simple philanthropy in recent years to embrace social investment that connects to a company's core business strategy.

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