CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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Abstract:

Our study is related to the corporate social responsibility in our research study we are discussed about the issue and challenges of CSR in India. We also mention here the benefits of CSR to the company and as well as society.Why the need of CSR in India Companies take resources in the form of raw material, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.Many companies use CSR to generate a feeling of goodwill among its employees as well as stakeholders and improvement it's all management system for social responsibility. With the help of CSR Organizations build it's a good public profile. Corporate social responsibility (CSR) is one of the most important business ethics qualities for an organization to become successful.

Keywords:*Corporate social responsibility, Social Welfare, Environmental effect, Economic development.*

Introduction

Corporate social responsibility (CSR) is one of the most important business ethics qualities for an organization to become successful. It began to develop in the 1970s along with business ethics. CSR is a very broad concept that addressed many and various topic such as human right, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustainability. Companies take resources in the form of raw material, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.Ministry of Corporate Affairs has recently notified Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies

(Corporate Social Responsibility Policy) Rules, 2014 (CRS Rules) which has come into effect from 1 April 2014.

Corporate social responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance .Corporate social responsibility (CSR) is a highly misunderstood & misinterpreted term in India. Some Indian companies believe that merely complying with laws & regulations fulfills their need for social responsibility. A responsible corporate recognizes that its activities have wider impact on the society in which it operates. Therefore it takes account of the economic, social, environmental & human rights impact of its activities on all stakeholders. Although India is a favorable business destination for western investors it is to be tremendously challenging for any business to remain competitive here in the long term. Unless poor people have equity in the growth of economy, India can never achieve the title of super economy. Here comes the critical role of corporations. Corporate social responsibility is one such niche area of corporate behavior & governance that needs to get aggressively addressed & implemented tactfully in the organizations. At the same time CSR is one effective tool that synergizes the efforts of corporate & the social sector agencies towards sustainable growth & development of the societal objectives at large.

Today the concept of CSR has undergone radical change. It has integrated social as well as environmental issues into their missions and decisions. Companies take keen interest in informing about their CSR activities to their stakeholders as well. Across the globe, business enterprises have undertaken CSR initiatives in the areas of water conservation, healthcare, rural welfare, environment protection, poverty alleviation, education, community investment projects, culture and heritage, bio-diversity, disaster management and relief, culture and heritage, green environment, product responsibility, governance, waste management and gender equality. Thus CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth."

Objectives of the study

1) The main objective of this study is to understudy corporate social responsibility and also examine the opportunities and challenges for India in current scenario in reference to CSR

2) Improve the concept of social welfare

3) Make sustainable development

4) To create awareness about the Social Corporate Responsibility

Corporate Social Responsibility Issues

In an effort to better serve our members, NHBSR is in the process of developing a summary on a full spectrum of corporate social responsibility issues.As you will see below, these summaries will be grouped into topic areas -- business ethics; community investment; environment; general CSR; governance and accountability; human rights; marketplace; and workplace -- and in total provide a framework for understanding the most common CSR issues facing companies today.

Corporate Social Responsibility&Business Ethics

Overview of Business Ethics&Business Principles

Corruption and Bribery, Political Contributions

Economic Development and Community Investment

Overview of Business and Community Investment, Community Economic Development

Environment

Overview of Business and the Environment, Climate Change, Energy Efficiency, Forest Friendly Practices, Green Building Design, Green Product Design, Supplier Environmental Management, Sustainable Business Practices, Waste Reduction and Resource Productivity, Water Issues

Governance and Accountability

Overview of Business and Corporate Accountability, Corporate Governance

CSR Governance Structures&Reporting

CSR Ethics Codes and Ethics Training

Human Rights

Overview of Business and Human Rights, Child Labour, Living wages

Marketplace

Overview of Business and Marketplace

Workplace

Challenges of CSR in India

1) Lack of consensus amongst local agencies regarding CSR projects.

2) There is a lack of interest of the local community in participating and contributing to CSR activities of companies.

3) There is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities.

4) There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies.

Benefits of CSR

1) To create sustainable development in nation.

2) To participate in national social priorities like "Swach Bharat Abhiyaan "(clean India project).

3) To generate a feeling of goodwill among employees as well as stakeholders.

4) To provide our consumers with transparency into the products that we offer allowing them to make educated choices for themselves and their families.

5) To develop charity programs and partnership with support and improve the health and education for needs child.

6) To create awareness about the company and build its public profile.

7) Improvement of its own management system for social responsibility.

8) Minimizing any negative effects on the natural environment

9) Providing return to society by providing jobs or showing responsibility in national, interconnections and local communication

10) Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labeling.

Applicability: Section 135 of the Companies Act provides the threshold limit for applicability of the CSR to a Company i.e.

(a) Net worth of the company to be Rs 500 crore or more;

(b) Turnover of the company to be Rs 1000 crore or more;

(c) Net profit of the company to be Rs 5 crore or more.

Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.

CSR Committee and Policy: Every qualifying company requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.

Conclusion

The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be

overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and improved the standards of other organizations at the same time. After understand these issues and challenges of csr we suggest some certain steps need to be taken.

Suggestion

1   There is need for creation of awareness about CSR amongst the general public to make CSR more effective.

2   This awareness can be generate take up by various stakeholder including the media to highlight good work done by the corporate houses in this area.

3   It is note that partnership between all stakeholder including the private sector, employee, local community, government and society.

4   Companies involve in CSR implement project in area of health, education, environment, Standard of Living and women empowerment.

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