

Corporate Social Responsibility in India - Its Various Dynamics and Relation to Current Events

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Abstract— In this paper the concept of Corporate Social Responsibility is discussed in depth as its an important part of a business it does impact the various aspects like social, economical, political, cultural, environmental in the society we live in. whether it's a small business or big one what matters is its impact on the people. Business normally have a sole purpose, that is to earn profit but earning profit is not enough as taking from the society to earn by making them consumers, increasing sales but to return to the society by taking precautions through not harming environment, recycling, making use of materials that are disposable easily, having gender equality not just male female but third gender employment which creates a message to the society, promoting and developing infrastructure of the poor children and many more initiatives. All these aspects are discussed in this paper.

Keywords: Corporate Social Responsibility, Social, Economic, Cultural, Political, Environmental, Consumers, Recycling, Promoting And Developing Infrastructure

I. WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

CORPORATE SOCIAL RESPONSIBILITY (CSR) means the organisation cares about the community it's in and is willing to put in the effort to improve it. Businesses can fulfil their social and environmental duties in a variety of ways, including by enacting waste and pollution prevention measures, sponsoring educational and social programmes, minimising their negative impact on the natural world, and so on. To have a beneficial effect on local communities and on society as a whole is an important part of what is known as "corporate social responsibility," or CSR. Strong CSR-driven businesses go beyond simply seeking financial gain at the expense of social and environmental considerations. Customers nowadays are just as concerned, if not more so, about a company's social and environmental impact as they are about the quality of life the company provides for its employees.

II. TYPES OF CORPORATE SOCIAL RESPONSIBILITY



1) Environmental Responsibility

Reducing harmful practices such as pollution, greenhouse gas emissions, the use of single-use plastics, water consumption, and general waste.

2) Ethical Responsibility

There are a variety of ways in which businesses can demonstrate their commitment to ethical practises, such as by instituting their own minimum wage or mandating that their suppliers adhere to free trade principles.

3) Philanthropic Responsibility

In this context, "philanthropic responsibility" means an organization's efforts to improve the globe and its surrounding communities. Many businesses set up charitable trusts or give to organisations with purposes that are consistent with their own.

4) Economic Responsibility

Practicing economic responsibility is grounding a company's financial actions in a dedication to doing good in the aforementioned domains. The ultimate objective is to make sure that the company's actions have a net good effect on the community, the employees, and the planet.

However, there are a wide variety of CSR initiatives that businesses can pursue, including those focusing on diversity and inclusion, governance, employee wellness, and employee engagement.

III. ACCORDING TO THE COMPANIES ACT, 2013

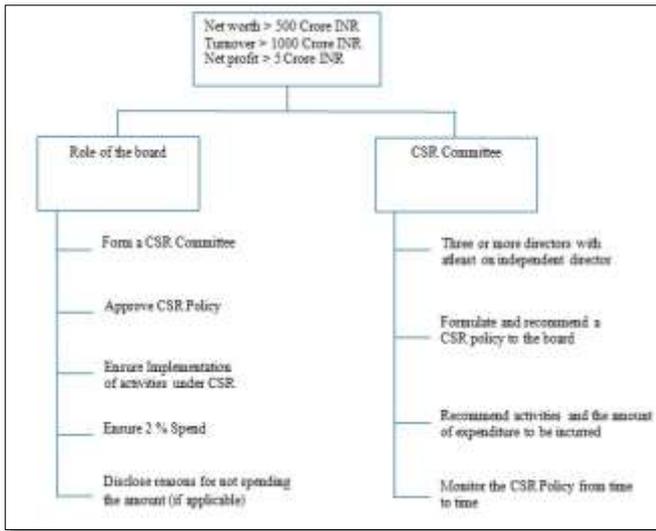
Giving back to the community and engaging in CSR initiatives are not unique concepts for India or Indian businesses. There are three types of unprompted generosity practised in Indian society: dana, dakshina, and diksha.

In compliance with the requirements established in Section 135, the Companies (Corporate Social Responsibility) Rules, 2014, and Schedule VII of the Companies Act, 2013, businesses must devote at least 2% of their average profits to CSR activities. The Act supports and encourages corporate social responsibility (CSR), and it is recommended that CSR initiatives exceed the minimum requirements set forth in the Act.

On every Company including its holding or subsidiary having:

- Net worth of Rs. 500 Crore or more,
- or Turnover of Rs. 1000 crore or more,
- or Net Profit of Rs. 5 crore or more, during the immediately preceding financial year .

Any overseas business that meets the aforementioned requirements and maintains a local presence in India via a branch office or project office. If a corporation fails to achieve the aforementioned conditions for three fiscal years in a row, it is exempt from CSR Provisions until it once again does so.



A. CSR Committee:

Every Company on which CSR is applicable is required to constitute a CSR Committee of the Board:

- The board must have at least three members and at least one must be an independent director. In contrast, if a firm doesn't need to have an independent director, it still needs to have at least two directors on the Committee. .
- To have only two members in the case of a private company's Board of Directors.
- If the company is foreign, it must have at least two members; one must be an authorised representative based in India, and the other must be a person chosen by the company's home country.

B. Functions of CSR Committee:

- The CSR Committee shall—
- Create and propose to the Board of Directors a Corporate Social Responsibility (CSR) Policy outlining the initiatives the Company will pursue.
- If you want to spend money on the things listed in clause, you should probably get someone's opinion on how much you should do it (i).
- Keep an eye on the company's CSR policy every so often.
- Create an open system to track how well the company's CSR initiatives are being carried out. .

C. Responsibility Of Board Of Directors (BOD):

The BOD of every company on which CSR is applicable shall:

- After reviewing the CSR Committee's recommendations, the Board of Directors must approve the Company's CSR Policy and report on its findings.
- Company shall publish the composition of the CSR Committee in Board Report Company shall annually spend at least 2% of the average net profits of the Company made during the three preceding fiscal years in execution of its CSR Policy .
- The CSR projects/programs/activities undertaken in India only shall amount to CSR Expenditure.

- The computation of net profit is in accordance with Sec 198 of the Companies Act, 2013 which is mainly net profit before tax.

D. Activities under CSR

- Companies in India have a wide range of options for fulfilling their CSR obligations, as outlined in Schedule VII of the Companies Act, 2013. These include working to end world hunger and poverty, improving access to education, promoting gender equality and empowering women, reducing infant mortality rates, and strengthening maternal health care.
- As the Ministry of Corporate Affairs has made clear, CSR funding are not limited to the activities specified in Schedule VII of the Act. .
- Spending on corporate social responsibility (CSR) comprises "ordinary and necessary business expenses," "activity performed outside India," and "expenditures made in order to comply with any Act/ Statute or regulations."

E. Implementation Of CSR

Companies can participate in corporate social responsibility (CSR) activities in India under the Companies Act, 2013 in a number of different ways, including independently and in conjunction with other companies, as long as each eligible company is able to report its CSR activities separately and independently.



F. Reporting

In accordance with government regulations, businesses must post annual CSR reports on their websites. A summary of the CSR policy, the CSR committee's membership, the average net profit over the previous three fiscal years, two percent of the average net profit, and CSR expenditures are all required elements of the report. .

G. Penalty for Contravention of CSR Provisions

- Any officer who fails to comply with this annual requirement may face up to three years in prison and a fine of up to tens of thousands of dollars, according to the Companies Act of 2013.
- If no specific punishment is established for a particular offence, the Act's Section 450 and Section 451 provide for the punishment of a firm or its officers.
- Defaulting businesses and their officers face double the normal fines under Section 451 of the Act.

What Are The Benefits Of Corporate Social Responsibility?

The majority of businesses participate in CSR because they believe it is the right thing to do, but these efforts also serve as a great marketing strategy and boost morale in the workplace.

Businesses that want to comply with CSR objectives have to take a hard look at how they find and keep staff, where they get their products and components made, and how they treat their consumers. Profits can be boosted by creative, ground-breaking solutions uncovered through introspection.

H. Corporate Social Initiatives

Over the past decade, businesses have launched a wide range of programmes aimed at making the communities from which they draw their revenue even better places to live. Funding for these types of programmes typically goes to causes that:

- community health (e.g., AIDS prevention, early detection for breast cancer, timely immunizations)
- safety (designated driver programs, crime prevention, use of car safety restraints)
- education (literacy, computers for schools, special needs education)
- employment (job training, hiring practices, plant locations)
- the environment (recycling, elimination of the use of harmful chemicals, reduced packaging)
- community and economic development (low-interest housing loans)
- other basic human needs and desires (hunger, homelessness, animal rights, voting privileges, antidiscrimination efforts).

Taking a public position against harassment and discrimination is one example of how activism across generations will shape shifting trends in CSR. Employees of various colours, creeds, abilities, and sex identities will soon be considered the norm, rather than the exception, in the workplace. Businesses will find their own ways to protest inequality.

I. Following Indian And International Brands Performing Their Csr Responsibility Successfully

1) Renewable Innovation: Johnson & Johnson

For the past three decades, Johnson & Johnson has worked to lessen its environmental footprint, and by 2025, the company plans to meet all of its energy demands from renewable sources.

2) Godrej Consumer Products Limited

CSR spending for FY 2020-21 totaled Rs 34.08 crore, with over 2.77 million persons from marginalised groups being served. It sent no trash to landfills and actually generated water during the previous fiscal year.

3) Social issues: Google

Google's CEO, Sundar Pichai, has earned respect for his firm's forthright stance on environmental issues. They've invested more than a billion dollars in green energy initiatives and helped countless companies lessen their negative effects on the planet.

4) Infosys Limited

is among India's earliest CSR adopters, and it has launched a number of programmes to improve the lives of locals and

advance social progress. Infosys Head start, a learning platform featuring both Infosys-created and content from other industry leaders, was released in the 2016-17 fiscal year.

5) Sustainability: Coca-Cola

Coca-Cola plans to cut its carbon footprint by 25% by the year 2030 as part of its ongoing commitment to sustainability. In 2021, it will introduce the first bottle of its kind to be manufactured entirely of plant-based plastic.

6) Wipro

Wipro Foundation served as the primary vehicle via which the company's CSR initiatives were implemented. More than 10 million people benefited from its COVID-19 response, which included humanitarian aid, integrated healthcare support, and livelihood regeneration.

7) Carbon neutral & pay equity: Ford Motor Company

Ford wants to make significant investments in electrification and achieve carbon neutrality by the year 2050 as part of its corporate social responsibility (CSR) initiatives.

The Ford Motor Company is dedicated to achieving carbon neutrality. Ford's vehicles, operations, and suppliers account for 95% of the company's total carbon emissions.

8) 5 & 6. Employee rights: Netflix & Spotify

Companies like Netflix and Spotify provide benefits to help their employees and their families. Both Netflix and Spotify provide generous parental leave policies, with the former providing 52 weeks and the latter 24.

9) Tata Chemicals Limited

Over the past few years, Tata Chemicals has emerged as a major player in the sustainability arena. The company works with local communities to create a sustainable and environmentally friendly ecology, and it has undertaken a number of initiatives and programmes to protect the environment. In FY21, the company allocated 21 crores (about \$3 million) to its corporate social responsibility initiatives. The corporation has conserved native plant species at Mithapur and planted 1.15 million mangroves as part of its greening effort.

10) ITC Limited

The philosophy that an organisation needs to fulfil a greater societal purpose while still focusing on national concerns is what motivates ITC's sustainability activities. Through its Social Forestry initiative, the corporation was able to reforest 30,439 acres. Due in large part to the company's efforts, the education initiative was able to reach 333,000 kids. 12,470 young people participated in its vocational training programmes last year. It helped fund the installation of 640 separate toilets in homes across 28 municipalities.

Well Being Out of Trash (WOW), ITC's garbage recycling programme, was responsible for collecting the about 70,900 MT of dry waste generated by 1,067 wards over the course of the year.

In FY 2020-21, the company spent a total of Rs. 353.46 crores on corporate social responsibility projects.

11) Access to healthcare: Pfizer

In the wake of tragedies like Hurricane Matthew and the worldwide refugee crisis, Pfizer offers healthcare emergency aid.

12) Grassroots campaigns: TOMS

The company TOMS provides jobs in poor nations while also giving shoes to children in need for every pair purchased.

TOMS rethought its approach after hearing complaints from nongovernmental organisations (NGOs), and it now gives 33 percent of its earnings to support local causes.

After ten years of providing shoes, glasses, and clean water, TOMS switched to providing impact grants, which will allow our community to accomplish even more.

13) Climate neutral: Bosch

Bosch has made significant progress toward its environmental protection targets, and 400 of its locations are now carbon neutral.

14) Clean technology: GE

In order to spur innovation in areas like an inflatable wind turbine, an intelligent water metre, and a cyber secure network architecture, General Electric announced a "Ecomagination Challenge" last year..

15) Workplace diversity & inclusion: Starbucks

By 2025, Starbucks planned to diversify its workforce by hiring 25,000 spouses and veterans of the United States armed forces". The goal was accomplished six years ahead of schedule.

By 2025, Starbucks aims to expand the number of black, indigenous, and people of colour working in corporate roles, retail, and manufacturing through the implementation of a mentorship programme..

16) Sustainability: New Belgium Brewing Company

Workers own 100% of this brewery, which uses solar panels and wastewater to generate electricity and donates \$1 every barrel to charity.

17) Local communities: The Walt Disney Company

In its 2020 CSR report, Disney stated its intention to reduce its carbon impact and encouraged workers to do the same. They donated \$27 million in addition to food and safety equipment from decommissioned parks and film sets.

18) Packaging: LEGO

Over the next three years, Lego will spend \$400 million accelerating its sustainability efforts, including the elimination of single-use plastic packaging and the testing of paper bags in boxes.

After millions of children around the world expressed concern about climate change, LEGO Group CEO Niels B Christiansen urged immediate action.

19) Social media & journalism: The Washington Post

The Washington Post is just one news outlet that has found success in using TikTok to reach a wider audience and dispel misinformation about topics like the 2016 election and the coronavirus.

The Post's social media guru, Dave Jorgensen, considers TikTok to be journalism in every sense, as it responsibly disseminates news to its consumers.

20) Tata Power Company Limited

Tata Power jumped from 57th to 10th place in the CSR ranking, a huge improvement over the previous year. In 2020-21, the utility firm spent Rs. 3.45 crore on corporate social responsibility. Financial inclusion, education, health and sanitation, water, and livelihood and skill building are the five pillars around which its corporate social responsibility programmers revolve.

IV. PM CARES: UNDER THE AMBIT OF CORPORATE SOCIAL RESPONSIBILITY?

India's central government launched the PM Cares Fund while the pandemic was at its height, soliciting monetary aid from individuals all over the world.

V. MINISTRY OF CORPORATE AFFAIRS CIRCULAR DATED APRIL 10TH, 2020

The Ministry of Corporate Affairs responded to inquiries about corporate social responsibility (CSR) and the PM cares fund by explaining that contributions to the national and state disaster management authorities fall within CSR.

The Ministry of Corporate Affairs might have required businesses to use CSR to provide their workers with a living wage, rather than viewing doing so as a moral obligation. The business can help its employees by, among other things, covering the cost of insurance, giving money to the families of workers who have tested positive, allowing for paid time off for short periods of time, and ensuring that employees have access to necessary medications.

VI. CONCLUSION

For the first time anywhere in the world, companies in India have to comply with a legal mandate regarding corporate social responsibility (CSR) spending. This has led to a wide range of initiatives aimed at addressing socioeconomic issues and supporting the government's efforts in the area of sustainable development.

However, there are certain gaps, such as unclear guidelines on how CSR spending should be taxed and how overseas companies' financial statements should be computed. However, a well-executed CSR strategy has been shown to increase a company's competitiveness in a number of ways, including its access to capital and markets, the size and profitability of its sales and profits, the efficiency of its human resource base, the quality of its products and services, the loyalty of its customer base, and the quality of its decisions and risk management.

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