

Social Responsibility and Sustainable Development Initiatives in India

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Abstract

The primary objective of business corporate is to maximizing profits and they work on it. But in reality social aspects also necessary for the survival of business and for nation development. There should be balance between social welfare and corporate reputation. A tool for fostering a cordial relationship between the company and its stakeholders was corporate social responsibility. It implies that businesses have societal responsibilities as well. Sustainable development and corporate social responsibility (CSR) are complimentary. The growing trends in corporate social responsibility (CSR) highlight the significance of social duties that benefit society and protect resources for coming generations. However, there are numerous obstacles that lead to CSR's inefficiency in India. This study use a descriptive methodology to examine the concept of Corporate Social Responsibility (CSR), its effects on society, and the obligations of Indian companies towards their citizenry. In this paper data will be collected from secondary sources.

INTRODUCTION

The connected ideas of sustainable development and social responsibility have become prominent in today's global scene, influencing the goals of corporations, governments, and civil society. A better future for everyone relies on making sure that our money, treating people fairly, and taking care of the environment are all connected and working well together. In order to identify the opportunities, difficulties, and synergies that arise from the convergence of social responsibility and sustainable development.

The need for transformative change and collective action is more important than ever in light of severe global concerns like income inequality, climate change, and societal inequities. The idea of harmony appears as a guiding principle in this context, highlighting the necessity of coherence and alignment across social, economic, and environmental dimensions. It demands a shift away from compartmentalized methods and towards comprehensive tactics that balance conflicting interests and foster cooperative results. Growing business cultures focused on profit and competition have made social welfare issues like health, education, and social security for the weaker members of society into somewhat of an afterthought.

Corporate social responsibility is a broad term in business. It typically speaks to a company's dedication to conducting business morally. This entails managing their business procedures with consideration for human rights and their effects on society, the economy, and the environment. CSR may help you boost competitive advantage, enhance customer and employee trust, and enhance business success. It can also assist in reducing operating expenses by preventing the need for needless fees or energy waste. Businesses that practice corporate social responsibility (CSR), pledge to make a good impact on society

overall, the environment, and local communities. It includes voluntary deeds that exhibit moral and socially conscious behavior in addition to following rules and laws. Building capacity, empowering communities, more inclusive socioeconomic growth, environmental sustainability, promoting energy-efficient and environmentally benign technologies, developing underdeveloped regions, and elevating the disadvantaged and marginalised segments of society are the main goals of corporate social responsibility (CSR) and business ethics. CSR generally refers to the idea that companies and corporations should act responsibly towards the society in which they operate, in addition to focusing on their primary objective of maximising the profit for their shareholders.

In India, traditional philanthropy and charity, heavily impacted by the Gandhian Ethical economic paradigm, marked the beginning of corporate social responsibility. CSR reporting and spending have become more rigorous as a result of the recently passed Companies Bill 2013, which amended the 1956 Companies Act. The Bill provides for the creation of a Corporate Social Responsibility Committee inside the Board of Directors for businesses that meet certain profit thresholds. Three or more directors make up the Committee, and at least one of them must be an independent (Ministry of Law and Justice, 2013). According to Sections 134 and 135 of the Act, businesses that have a net worth of more than Rs. 500 crore, a turnover of more than Rs. 1000 crore, or a net profit of more than Rs. 5 crore must organise a CSR committee in order to develop a CSR strategy for the business. Companies are now required to allocate at least 2 percent of their average net profit from the three years before to the policy's formulation.

LITERATURE REVIEW

Dodh et al. (2013) analysis the dynamics amongst the several corporate stakeholders are becoming more responsible, cordial, transparent, and interconnected. The nation's public sector businesses rank among the best in the world for corporate social responsibility, while certain private sector companies have also received recognition for their work on welfare, health, and education-related projects. Large-scale welfare programmes, like the National Food Security Act, require the active financial backing of corporations in order to succeed.

Vyralakshmi and Sundaram (2018) examined that organisations that provide services to residents of nearby towns, villages, and districts focus the majority of their efforts on serving these populations. The environment, health, and education are of utmost importance. These priorities will probably stay in place. We must all work together to end poverty and enhance the deplorable living circumstances that exist in rural India in order to achieve a win-win situation. Through initiatives like boosting employment opportunities and alleviating poverty, corporate social responsibility (CSR) also contributes to economic growth. It was established to be legally required, allowing businesses to take greater responsibility for concerns related to society.

Bhatt, S. and Kadiyan, L.(2022) concluded that it is undeniable that Schedule VII regulations have significantly accelerated the implementation of the SDGs in India. However, considering the mandated nature of CSR and its influence on general societal development, the necessary data collection mechanism needs to be reinforced. Even if there is still a desire for change in a number of development areas, India makes a strong case for the significance of integrating local CSR initiatives with SDG mapping in order to meet Agenda 2030's ambitions.

OBJECTIVES

- To analyse the relation Between Corporate sector and sustainable Development

METHODOLOGY

This study uses secondary data from CSRBOX-India-CSR-Outlook-Report 2022 for Financial Year 2019 to 2022.

PRESENT STATUS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

An annual study report from CSRBOX and NGOBOX provides a detailed review of the CSR expenditures made by major corporations over the previous fiscal year. According to this report 301 companies were selected for analysis. 26.23% of the overall CSR expenditure for the fiscal year was allocated to public sector projects, which were 23 in number. Roughly 37.87% of the businesses have exceeded their annual prescribed budget for corporate social responsibility. The top 5 firms, based on actual CSR spent in India, are Reliance Industries, HDFC Bank, Tata Consultancy Services, ONGC, and Tata Steel. The combined spending on CSR by these five corporations exceeds one-fourth of the total. Together, the industries of computer software and IT, banking and finance, and oil drilling, lubricants, and petrochemicals account for more than half of India's overall CSR fund. Maharashtra is home to the headquarters of over 43.5% of the businesses, followed by Karnataka (9.97%) and Delhi (9.3%). Delhi, Odisha, and Maharashtra accounted for roughly one-fourth of India's total CSR fund. Implementing agencies have completed approximately 47.3% of the CSR project. Approximately 2.4% of the total amount spent on CSR went towards the Northeast. A little over 5% of the actual CSR expenditure went towards supporting aspirational districts.

The most crucial element of a company's CSR strategy is a CSR thematic area. It outlines the focus and sequence of actions by which the company will carry out programmes, make the intended social impact, and promote connected upliftment. These topics, which could include things like diversity and inclusion, human rights, education, healthcare, community development, and environmental sustainability, usually represent the company's top priorities. As per the Companies Act 2013, a thematic area qualifies for CSR spending if it is listed as part of activities under the Schedule VII of section 135 of the Companies Act.

Thematic Areas & Cumulative CSR Spent Between FY 2019-2022 (in INR Cr.)

Thematic Area	Amount Spent in FY 2021-2022(in INR Cr.)	Amount Spent in FY 2020-2021(in INR Cr.)	Amount Spent in FY 2019-2020(in INR Cr.)	% of CSR Fund Spent in FY 2021-2022	% of CSR Fund Spent in FY 2020-2021	% of CSR Fund Spent in FY 2019-2020
Poverty Alleviation, Healthcare and WASH	4532.31	4406.99	3222.47	35.87%	36.18%	27.87%
Education and Skills	3196.7	3082.37	3631.82	25.30%	25.30%	31.41%
Gender Equality,						

Women Empowerment, Senior Citizens and Economically Backward Groups	244.03	105.41	167.98	1.93%	0.87%	1.45%
Environment Sustainability	879.3	571.93	668.56	6.96%	4.69%	5.78%
Protection of National Heritage, Art and Culture	91.05	135.62	109.89	0.72%	1.11%	0.95%
Benefits to Armed Forces Veterans, War Widows	22.18	21.86	36.13	0.18%	0.18%	0.31%
Rural Sports and Paralympics	177.32	154.56	180.10	1.40%	1.27%	1.56%
PM National Relief and Other Funds	867.1	2009.06	1053.70	6.86%	16.49%	9.11%
Technology Incubators within Academic Institutions	24.3	31.37	23.92	0.19%	0.26%	0.21%
Slum area Development	86.69	2.37	20.42	0.69%	0.02%	0.18%
Others (Including disaster relief and management & contributions to public funded Universities, IITs, National	1143.95	392.53	1045.18	9.05%	3.22%	9.04%

Laboratories and autonomous bodies)						
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Source:-CSRBOX-India-CSR-Outlook-Report 2022

The above table depicts that, expenditure on Poverty Alleviation, Healthcare and Wash’s are increases per year i.e. in 2019-2020,2020-2021 and 2021-2022 are 27.87%, 36.18% and 35.87% respectively. The expenditure by Corporate Sector in Environment Sustainability also increases from 5.78%in 2019-2020 to 6.96% in 2021-2022. In the area of Gender Equality, Women Empowerment, Senior Citizens and Economically Backward Groups amount spent by corporate sector are Rs.167.98, Rs.105.41and Rs.244.03 (in INR Crores) in 2019-2020, 2020-2021and 2021-2022 respectively. In Slum Area Development amount of expenditure increases from Rs. 20.42 crores in 2019-2020 to Rs.86.69 crores in 2021-2022.

CONCLUSION

In the end, this study looks at how CSR financing supports India's sustainable development in the fields of education and environmental protection. The findings imply that CSR expenditures in the environmental and educational domains have a major impact on India's sustainable development. CSR funding could aid India in achieving poverty reduction and sustainable growth. By benefiting people living in rural regions, spending on the environment, education, and rural development can help India's efforts to combat poverty and advance sustainable development. In this research paper data is taken for previous three years which shows that ,CSR funding increases one, year by year to eradicate the poverty. Through initiatives like boosting employment opportunities and alleviating poverty, corporate social responsibility (CSR) also contributes to economic growth. It was established to be legally required, allowing businesses to take greater responsibility for concerns related to society. It also addresses laws that pertain to and assist employees. Every corporation is required by Section 135 of the corporation Act, 2013 to prioritise its social ethics over its professional and economic ethics. Rather than providing services to the community, corporate social responsibility (CSR) will be used as a strategy to grow the firm.

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