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"A STUDY ON THE CURRENT CSR POLICY IN INDIA AND ITS IMPACT ON INDIAN AND FOREIGN COMPANIES"

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ABSTRACT

CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. Indian companies are now expected to discharge their stakeholder responsibilities and societal obligations, along with their shareholder-wealth maximization goal. Nearly all leading corporate in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the society. Within such a short period, the entire landscape of CSR in India has taken a radical flight. Companies eligible under section 135 of the Companies Act 2013 have embraced the law and initiated a number of CSR projects across the entire spectrum. India has become the only country in the world with legislated corporate social responsibility and a spending threshold of up to \$2.5 billion.

According to industry estimates, around 8,000 companies will fall into the ambit of the CSR provisions and this would translate into an estimated CSR spend of \$1.95 billion to \$2.44 billion. With higher economic growth and increase in companies' profits, this mandatory spending will go up. Notable efforts have come from the Tata Group, Infosys, Mahindra and Mahindra, Indian Oil Corporation etc as Indian MNCs whereas the contribution from the foreign companies also increased. Few among them are Microsoft, Google, Apple, Sony etc.

This paper aims to analyse the impact of the New Companies Act 2013 on the Indian and foreign companies towards CSR.

KEYWORDS: Companies Act, CSR, Empowerment, Notable, Shareholder, Wealth Maximisation.

INTRODUCTION

Business dictionary defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources." CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. Indian companies are now expected to discharge their stakeholder responsibilities and societal obligations, along with their shareholder-wealth maximization goal. Nearly all leading corporate in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the society.

CORPORATE SOCIAL RESPONSIBILITY - INDIAN COMPANIES ACT (2013)

India's new Companies Act 2013 (Companies Act) has introduced several new provisions which change the face of Indian corporate business" Companies Act 2013 (Companies Act) has introduced several new