

**CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION IN INDIA:  
OPPORTUNITIES AND CHALLENGES**

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**Abstract**

In current instances various theoretical studies have investigated to widen the level of consciousness of the concept of Corporate Social Responsibility (CSR) and to identify how CSR activities are deliberated and organised in a developing country like India. This paper analyses the impact of CSR which has been put in place by the Companies Act, 2013 on corporate incentives, implications for resource availability, delivery of social goods & the challenges of implementing CSR. The aim of this paper is to provide an understanding of the CSR concept and to analyze its development in India through highlighting the policies governed and CSR Initiatives taken by Indian firms. This paper gives valuable suggestions to overcome the challenges and also resulting into its effective implementation.

Keywords: Corporate Social Responsibility, Companies Act 2013, CSR Challenges, CSR Initiatives

## **Introduction**

Late 1970s and 80s natural concerns just like the misfortune of the rainforest and the impacts of pollution states that something had to be done to alter the way we were utilizing the planet assets. The government took an activity to halt the unsustainable utilization of assets and to boost feasible advancement. Put essentially, sustainable improvement eludes to the development of society in such a way that future eras are not compromised and have get to the same assets that we have nowadays. In today's era, Company's Social Obligation could be a developing and vital portion of an organization's by and large determining technique. CSR can be depicted as a concept whereby companies choose deliberately to contribute to far better, stronger society and cleaner surroundings.

The concept of CSR has gone past donations and charity and requires the company to act past its lawful obligations and to coordinate societal, ethical and ecological concerns into its commerce handle. CSR is additionally connected with the vital of maintainability, which contends that ventures ought to make choices based not as it were on budgetary components. Business doesn't operate alone and it is important to realize that they not only affect the society at large but also influence the transparency and accountability towards society to make a positive impact. The contributions undertaken by companies to society through its business activities and social investment represent CSR. Corporate Social Responsibility Nowadays has become very familiar in the world-of-business. The concept of CSR implies that companies voluntarily integrate with social and environmental concerns. Most of the leading Corporations have sensed the importance of CSR. CSR for Indian business is a source of opportunities and Innovation and at the same time it is the opportunity to actively contribute in the sustainable development.

## **Literature Review**

As per findings of Kotler and Lee, Corporate social responsibility refers to the dedication of the corporate to support the social causes and continuously improve the society.

Ratan Tata highlighted that corporate should have a commitment to work for the welfare of the community and their active participation is required for the same.

As per World Business Council for Sustainable Development, business should work to improve the quality of life of the employees and their families thereby they will contribute to the economic development of the nation.

Mallen Baker concluded that business should work in a manner that leads to a positive impact on the society.

Simpson & Tylor finds that corporate Social Responsibility is an add on obligation of the company apart from their goal of profit maximisation.

### **Research Objectives**

1. Comprehending the concept and developments in Corporate Social Responsibility
2. To enlist the initiatives taken up by Indian Firms
3. To study the challenges in accomplishing the CSR activities.
4. To suggest changes required for dealing with the challenges of CSR.
5. To understand CSR practices and its impact on Business in India.

### **Research Methodology**

The research is based on the secondary data and the information has been collected from various websites, research papers, research reports and newspaper details.

### **Results & Discussion**

CSR can be understood as a concept whereby corporate are intentionally choosing to contribute towards a cleaner and improved environment and society. It may be a concept in which companies amalgamate social and natural concerns into their commerce operations. CSR is an approach by which companies effectively oversee the financial, social, natural, and human rights affect of its exercises, both locally and over the world, procuring the benefits for its possess operations and notoriety as well as the communities in which they operate. CSR alludes to the deliberate compliance of social and biological duty of companies. Developments in society in

turn affect on its capacity to seek after its trade economically. CSR looks to attain these benefits by working closely with other bunches and organizations which incorporate neighbourhood communities, respectful society bunches, other businesses and domestic governments.

### **Few Initiatives Related to CSR**

India is the first nation within the world which has made Corporate Social Responsibility (CSR) obligatory, taking after change in April 2014, to The Company Act, 2013. Presently Businesses get openings to contribute their benefits in zones such as education, destitution, sexual orientation balance, and hunger.

#### **Mecon India Ltd.**

MECON Ltd. received the award for excellence in corporate social responsibility (CSR) award in 2019 from the Ministry of Corporate Affairs It started the community education project as its first step towards society's benefit. It provides elementary education to the underprivileged section of the society in the different parts of the country and opens education centres. It started resource generation projects and encourages women empowerment. MECON has adopted 6 villages of backward hit of Jharkhand. It installed bacteria-free drinking water system and solar street lighting system. Build toilets for sanitation purpose. Started free health camps, free cataract surgery camps. Provides shelter to the differently abled and blind people of the society and improve and sharpen their skills.

#### **Havells India Ltd**

Havells started serving the mid-day meal to the school children of government school in Alwar district of Rajasthan through the hygienic kitchen. Build eco-friendly bio toilets helps in conserving water and recharging groundwater level. It spread awareness among children about the importance of sanitation and hygiene. It made furniture's from the waste wood for the schools. Planting trees nearby the industrial area for reducing the pollution. Reducing wood consumption for packaging of products. Water consumption on plants and machinery is reduced and that water is provided to the underprivileged section of the society.

#### **Reliance**

Started providing sheds for the domestic animals and then provided veterinary hospitals. They provided three types of facilities indoor facilities, outdoor facilities and mobile facilities to the cattle's.

### **State Bank of India (SBI)**

Providing health equipment's and surgeries facilities to the society. Bank donates to the charitable organizations for obtaining various medical equipments. It also helps in providing old age to homes to the abandoned old people. Bank provides the health camps for the underprivileged section of the society. It supports the society by providing the priceless education. Provides an infrastructure in the rural area. Setting the computer labs and IT labs. It also provides the vehicles facility for the underprivileged children. Donates an amount to the reputed NGOs.

### **Tata Group**

It helps society in reducing hunger and poverty, promoting health care centre, making available safe and pure drinking water, promoting sanitation and education in the society, providing vocational skills to women, children and differently able people,empowering gender equality among the people and taking initiative for protection of flora and fauna,setting up homes for the old people and development of rural area.

### **Ambuja Cement**

It helped in reduction in carbon discharge through factories. Moreover it helped young people through skill building action. Also, it adopted zero harm practices to make a healthy and safe environment. It used less water and also used recycled water for different practices.

### **ONGC (Oil and Natural Gas Corporation Ltd)**

Provides education to the underprivileged including vocational studies. Give health care facilities. It started entrepreneurship training for the youth. Build infrastructure in the society. It takes steps towards the help for differently abled people, managed water in the society and recharge ground water level. Also it helps disaster victims in various states.

### **Key Challenges Hindering CSR Initiatives in India**

As of late, CSR activities are developing in India, but there are a few issues challenging its viability and reach. Due to need of legitimate information of the concept of CSR, nonappearance of genuine information and particular data on the exercises of CSR, scope, approach etc. are few of the random challenges confronting CSR activities. Need of preparing and beneath created staff is an extra issue for diminished CSR activities. Few of the challenges said underneath ruin CSR activity in India.

**1. Visibility factor:** Media ought to feature the correct instances of effective CSR activities out spreads nice stories and aware the near people concerning totally different continuous CSR activities taken by the organizations.

**2. Lucidity Issues:** The insufficiency of clarity is an additional major issue. It's expressed by the organisations that there exists absence of straightforwardness as the local implementing agencies do not uncover the knowledge of their outcomes. This portrays absence of straightforwardness offers negative criticism on the procedure of trust operating between near networks and organizations, that is that the key towards the accomplishment of any CSR activity taken at the neighbourhood level.

**3. Absence of Initiative taken by Local Community in CSR Activities:** There is absence of interest of the local people inthe contribution of CSR activities of the organizations.This is majorly due to the fact that no real efforts have been made to spread awareness within local communities about such initiatives.After which this situation is bothered by the communication gap between the organization and the Community.

**4. Need to upgrade spirit:** For effective implementation, it is required to boost the morale of non legislative organisations since lack of trained and resourceful organisation hinders the path of betterment of society. Even the government agencies needs to have a more broader view for the same.

**5. Unavailability of correct Guidelines:** It's expressed that the dimensions of CSR activities of organizations need to depend on the dimensions and profile of the business. The bigger the organization, the bigger need to be its CSR activities towards the public.

**6. Absence of Unity in Implementation of CSR Problems:** There's a nonattendance of amicability among the near offices with relevancy CSR ventures. It results in issues like duplication of activities and competitiveness.

### **Proposals to Beat Challenges**

In order to gain control over the issues and challenges of CSR, few steps are suggested to be taken.

1. In order to make CSR activities more effective there is a need to generate more awareness. Media should highlight the positive changes made by corporate for the betterment of society.
2. There should be coordination amongst different stakeholders working in the same areas of health care, education, environment rather than a spirit of competitiveness amongst them.
3. Non-administrative associations and corporate houses should jointly work to implement CSR projects and initiatives.

### **Impacts of Practicing CSR**

The companies which pay genuine attention against the principles of socially responsible behaviour are also preferential by common people and known for their merchandise. Basically, the concept of Corporate Social Responsibility focuses on the global business agenda. Few outcomes are proved to be positive for businesses when they adopt the policies and strategies of social responsibility are:

### **Opportunities for Company**

- Enhanced budgetary Execution;
- Decreases business expenses;
- Better for the brand name and Status;
- Improves trade and customer's faith;
- Increase efficiency and attributes;
- Increase strength to keep hold of workers;
- Labour force multiplicity;
- Merchandise Security and decreasing the liability.

### **Gains for the Community and General Public**

- Donations or charity;
- Worker's oriented sessions;
- Corporate initiatives in the development of education, infrastructure, recruitment, health care facilities and livelihood;
- Merchandise security and value.

### **Welfare for the Environment**

- Increasing recyclability of material;
- Better durability and functionality of product;
- Significant use of renewable resources;

### **Conclusion**

Routing through the research, it is clear that there is a need for spreading awareness about the effective implementation of CSR, so as to make the businesses develop on sustainable basis. This would surely ensure the fairness to all stakeholders along with social inclusion and environmental sustainability. We can also see that many firm are growing towards successful implementation of CSR and has come a long way by serving the society. Several organizations have exhibited their ability to make overall difference to improve the quality of life. Companies have now realized the relevance of CSR and started to move towards its effective steps. CSR initiatives play an effective role in locating social problems like educational opportunities, medical management and livelihoods to huge number of local people in India. Thus, for a nation like India, it is important for business to also serve the society economically and sustainably to uplift the current situation and bring a change at a large scale.

Through CSR initiatives, it would be possible to provide the social benefits along with company's recognition and nation's development.



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