

ABSTRACT

CORPORATE SOCIAL RESPONSIBILITY- ISSUES AND CHALLENGES FACED.

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Corporate Social Responsibility as a concept has received phenomenal importance and attention in the corporate world. In the history of India in business sector no other subject matter other than CSR has been given so much importance, attention or involvement.

Peaceful society is a must for a strong economy, the government alone cannot help a developing country to become a developed nation overnight, it is impossible to meet the needs of an entire nation, from basic education to higher standard of living, thus the government has come up with national voluntary guidelines on social, environmental and economic responsibilities of business. Section 135 of the Companies Act deals with CSR. Even though this is the only provision under the act dealing with CSR, the extent of spending on CSR has still not picked up the momentum may be because the money which is otherwise meant for distribution of profits to the shareholders as dividends is used in CSR activities. Most companies are still not aware of the tax benefits they would get by undertaking CSR activities, it can actually choose programs and activities which can eventually benefit them.

CSR activities must be done in an ethical and environment friendly manner without any violation of human rights unfortunately it would not be an exaggeration to say that CSR provisions has brought to focus several questions that has been raised in the society. A more detailed study would show that the importance of CSR has in India has not been successful enough, as many corporations like Volkswagen, Mitsubishi, Ranbaxy, Samsung, HSBC- Tax Scandal, Johnson & Johnson, have been engaged in an unethical practises in order to make profits which does go against CSR policies.