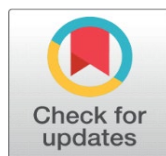
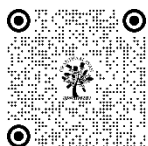


# A PANORAMIC COMPARISON ON CORPORATE SOCIAL RESPONSIBILITY LAW 2013 AND COMPANIES AMENDMENT ACT 2019 TO SUSTAINABLE DEVELOPMENT GOALS ACT IN INDIA

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## ABSTRACT

Corporate social responsibility (CSR) is the level of commitment extended by businesses towards society in terms of sustainable practice. The proliferation of societal needs is a trending global agenda to corporates. This article will attempt to trace the history of CSR since its inception. This paper will also encompass discussions on the CSR law that was framed in 2013 and the amended CSR act in 2019. In addition, this study will evaluate, compare and contrast the CSR laws with that of (SDG) Sustainable development goals. This article will also capture the interface between CSR and SDGs.

**Keywords:** Corporate Social Responsibility (CSR), Sustainable Development Goal (SDG), Amendment Act, Millennium Development Goal (MDG), Schedule VII

## 1. INTRODUCTION

In the last two decades, there have been multiple changes in the business environment. The role of business in the larger society is now under intensive scrutiny. Corporate social responsibility can be defined as the conception wherein the organization can integrate its environmental and social liability with that of its business structure and operation. Corporate social responsibility is a regulation framed by the government to contribute to the society where in the companies are located. This regulation enhances the companies' accountability to societal GROWTH. The corporate social responsibility is essential both to the companies and the consumers. This mandate reinforces the companies to be conscious of itself, society and the stakeholders, thereby attaining the inclusive growth (Jagannathan & Vethirajan, 2020). The concept of CSR is broad, and it varies depending on the organization and the industry. Through CSR, the companies brand image gets boosted. It also raises the morale of the workplace. By following the CSR regulation, the companies abide by ethical, social, legal and environmental standards. CSR is widely the way an organization maintains a combination of economic, social and environmental directives which is known as the "Triple bottom line approach"

(TBL), While simultaneously meeting the needs of the stakeholders and the shareholders (ORGANIZATION, 2020). CSR also encompasses the companies to put their practices coherent to the principles of sustainable development.

International organization for standardization (ISO) has defined CSR in its ISO 26000 STANDARDS ON CORPORATE SOCIAL RESPONSIBILITY as the responsibility of the organization for the effect on community and the climate of its actions and practices, culminating in ethical behavior and openness that leads to sustainable progress, including the wellbeing of community, takes stakeholder preferences into account, complies with existing regulations and is compliant with international codes of ethics (ISO, 2018).

## 2. HISTORY OF CSR

Although the definition of CSR varies, it is generally the contribution of the organizations to the societies development. In the period 1850s, which is known as the pre-industrial period, was much influenced by religious and cultural perspectives. In Indian Vedic times, philosophers like Kautilya preached this concept of helping the poor through ancient scripts and texts (Dutta, 2019). From ancient time the CSR was described as the charity and social duty. Over the origin of business which is widely the wealth making process during the late 1850s, the contribution towards the environment and society deep-rooted. India, which had a philanthropic tendency as its tradition continued practicing it (Prabhakar & Mishra, 2013).

The corporate social performance was the term initially coined by Sethi in the year 1975. In this, he has defined the meaning of corporate social performance. Also, he mentioned a three-dimensional model. The three tiers of the Sethi's model includes

*Social obligation*- under which the constraints of legal and market was put forth.

*Social responsibility*-corporate congruency with that of the societal norms was mentioned.

*Social responsiveness* –This explained about the adaption, anticipation and prevention methods.

In addition to this, the paper also underlay the distinctions of various behaviors of corporates (Sethi, 1975).

Later the term corporate social performance was expanded by (Carroll, 1979) who demonstrated the philosophy that the organization must adapt to address the societal needs and the inclusions of corporate social responsibility. This was later redefined and (Wartick & Cochran, 1985) traced the corporate social responsibility model, along with its challenges. India is a country which is one among the countries which have the most prosperous tradition on CSR. Many initiatives have been taken to increase awareness among the Indian entrepreneurs about their social responsibility as CSR is one of the business activity. However, CSR is yet to gain its recognition. To attain the goal, the CSR approaches that companies intend must be parallel to the process which the business is carried forward (Singh & Verma, From Philanthropy to Mandatory CSR: A Journey towards Mandatory Corporate Social Responsibility in India, 2014).

### PHASE I: TILL 1914

This is the oldest form of CSR wherein the CSR was motivated by the philanthropy and charitable aspect. The concept at that time was influenced more by the religious, cultural and traditional beliefs. The process of industrialization was one such important attribute of CSR in this period. The concept of business and wealth maximization also lead to the interest of the corporates on CSR activities. This was also the period where corporate-focused only on the development of their managers and the employees.

### PHASE II: 1914-1960

This period faced a development of CSR in line with the struggle towards the independence of India. This phase includes a whole lot of the influence of concepts of Gandhi Ji, who insisted on the theory of trusteeship. "The wealth that one creates has to be ploughed back for the benefit of society" – Mahatma Gandhi.

His reform activities included rural growth, women empowerment and eradication of untouchability. The theory of trusteeship by Gandhi motivates much business to work like a trust and eventually to contribute to the social and economic development of the community. Must make mention Of JRD Tata in this phase who after independence emphasized on the various means of contributing to the welfare of the public apart from the normal ones. He mentioned that instead of donations, one could get into the direct reconstruction and relief measures. Thus, it reflected in discharging the benefits of education and medical facilities Etc. This phase was the critical phase in the history and

evolution of CSR as the industries started accepting social responsibility as one of their management objective (Prabhakar & Mishra, 2013).

### **PHASE III:1960-1980**

This model came into existence in the post-independence era. This era was the paradigm of “mixed economy” which had a socialist and mixed economy. This third phase of CSR in India was affected by the emergence of the laws on environmental standards and labor.

The industry felt the shift of corporates from the self-prominence to the public and legal standing of the business activities. Taxation was also one of the means which directed the corporates to the social ends.

### **PHASE IV:1980-2013**

In the year 1990s, the realization of the businesses to adopt CSR in its existing business objectives and strategy to contribute to society's needs. Thus, the companies started to incorporate stakeholder approach fully while engaging philanthropic and traditional aspect to only a certain extent. This ascertained the corporates responsibility towards the managers, employees, all the stakeholders inclusive of the community, public and environment. In 2007, the prime Minister of India, Mr. Manmohan Singh mentioned that, Inclusive growth based on a ten-point charter in which he insisted primarily on having a healthy respect for the workers and investing in their welfare. This laid forward the path for the globalization taking in its effect on the concept of CSR (Dhingra & Mittal, 2014).

The CSR believed to be an instrument which connects the corporates strategy to the environment, human and social development. In 2009 as the first initiative of insisting the responsibility of businesses the Ministry of Corporate Affairs issued “Voluntary guidelines on corporate social responsibility”. While in July 2011 it was refined by Ministry of Corporate affairs as “National voluntary guidelines on social, environmental and economic responsibilities of business”. They formulated nine principles which the businesses must incorporate to be responsible. One of the nine principles of NGV, which is “inclusive growth and equitable development” aims at shared value nationwide development plans, including the community development strategies. According to section 135 of the corporate act 2013, this concept was later turned into a statutory clause in corporate social responsibility. This CSR clause was adopted by the parliaments standing committee on finance. The standing committee stated that the annual legislative reports on CSR needed by the entities to be rendered pursuant to the act may constitute an effective check on non-compliance (MCA, n.d.).

### **CSR LAW 2013:**

The era where the concept of CSR transformed from philanthropy to mandatory law. In India, there is one-third of illiterate people, two-thirds of them have no access to sanitation and about 400 million who live in less than US Dollar 1.25 a day (Bierbaum & Fay, 2009).

The companies act, 2013s enhancement can be considered as one of the most massive experiments which have introduced mandating the companies to take up CSR initiatives for the betterment of society. India being the first country to introduce corporate social responsibility as the mandatory act, this initiative will push towards the development and transformation of India.

The companies act should be considered as a positive venture for the business to contribute to the economic development of the country. The needs of India are immensely high, and thus the companies have a lot of areas to invest in the name of CSR. There are companies which are already contributing to society, but the mandatory act helps all the companies to abide by a framework and compliance.

The corporate social responsibility is the concept introduced in India under the companies act 2013, section 135 and was passed by both the houses of the parliament. On August 29, 2013, the President of India consented to this. The companies eligibility, the process of implementation and the submission of reports are framed as rules under this act. The fiscal year 2014-15 mandated CSR to be introduced in businesses with a turnover of 1000 crore INR and more annually, or net profit of 5 crore INR or more, or businesses with a net valuation of 500 crore INR and more under the new act. The law also mandates the companies to possess a committee, including their board members along with one independent director in it. Concerning the books of accounts, the net profit can be defined as the profit acquired before tax. The net profit also excludes the profit that arises from the foreign branches, and if it is not operated as a separate organization. Also, the net profit excludes the dividends acquired from other companies operating in India, which is with CSR provision. This companies act also mentions that the companies must spend at least two percent of the average net

profit in the previous three years towards CSR activities (Singh & Verma, From Philanthropy to Mandatory CSR: A Journey towards Mandatory Corporate Social Responsibility in India, 2014).

The above mentioned is the requirement, and the companies are subjected to CSR, which is applied to those companies in India though it is a foreign subsidiary or domestic. Companies with the threshold mentioned above shall develop a policy for CSR and spend the amount on CSR activities. These activities must be recorded and reported, also an explanation is sought if the companies do not contribute to the CSR activities. It is estimated that a total of 8,000 companies in India would be required to meet the CSR requirements among the 9 lakh active companies in India and the 2% CSR expenditure would translate to companies' spending around Rs. 12,000 crores to Rs. 15,000 crores annually (CS NITIN, 2014).

A list of activities as mentioned in Table 1 has been mentioned under schedule VII of companies act 2013. The companies can consider the mentioned activities under CSR policies.

**Table 1: CSR Schedule VII Companies Act**

Sl. No.	ACTIVITIES
1.	eradicating extreme hunger and poverty
2.	promotion of education
3.	promoting gender equality and empowering women
4.	reducing child mortality and improving maternal health
5.	combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
6.	ensuring environmental sustainability
7.	employment enhancing vocational skills
8.	social business projects
9.	contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and such other matters as may be prescribed

Source: [www.mca.gov.in](http://www.mca.gov.in)

Note: The table depicts the CSR activities mentioned by MINISTRY OF CORPORATE AFFAIRS under SCHEDULE VII. The activities during the business is not considered as CSR contribution, instead, the companies must undertake any of the activities mentioned in the schedule VII, also it is mentioned that the companies must give preferences to the areas where it operates.

The CSR committee to be formed for each company which will decide on the CSR policy. As mentioned in the companies act 2013, the committee must be comprised of at least three directors, of whom one must be an independent director. The unlisted public companies and private companies are exempted from this. Those companies need not have an independent director as a part of the committee. The duty of the committee not just includes the formulation of the CSR policy, but it also includes the recommendation of the amount to be spent on CSR activities and monitoring the CSR activities incorporated by the companies.

While the role of the CSR board includes the following responsibilities:

- I. Formation of the CSR committee.
- II. Approve and validate the formulated CSR policy and to monitor it from time to time.
- III. Ensure that the chosen CSR activity is mentioned under section VII of companies act 2013.
- IV. Ensure that at least 2% of the net profit is spent on CSR activities and let know the reasons if the amount is not spent.
- V. Display the updates of CSR activities on the company's website or online platform.

The act also insists the companies to submit an annual report on the CSR policy, the activity and the budget for a financial year. If it is a foreign company, it needs to provide a balance sheet containing the particulars of CSR activities with the registrar of companies (Taxmann, 2014).

## NEED FOR AMENDMENT 2019

The CSR, today in our country, is going beyond just charity and donation. Companies ought to approach it in an organized way the law enforcement need to be more stringent and precise. Strengthening CSR norms and strict law enforcement to tighten the CSR spending is very much needed.

Certain aspects of CSR law 2013 was not made clear to the company, and hence they found loopholes of not performing CSR activities. Those aspects can be described as the disadvantages of CSR act 2013.

Before the formation of CSR act section 135, there were quite a few companies which spent more than 2%, which is mentioned as the minimum in the act. However, this act came into effect, those corporates started to utilize it as a threshold which in turn decreased their CSR activities.

Always there has been a doubt that arose when it comes to the unspent amount that was allotted as CSR budget. One of the most liberal rules that the companies experienced was that the new company need not allocate CSR funds instead only the company with fulfilled financial threshold and the one which has completed a period of three years had to allocate a CSR budget and perform some CSR activity. The companies with little or no experience will face challenges for implementing CSR right from planning, processing, budgeting and reporting.

The penalty in case of not accomplishing to the rules is one significant disadvantage, and it needs a rationalization. The companies exploit the condition which says that if the company fail to meet the CSR needs the company must report the reasons for not spending the amount. Even after a tenure of five years, individual companies have not spent the amount on projects, and it is found that the statement for the incomplete work stands to be invalid reasons and unforeseen exigencies.

The companies are liable to justify the reasons substantially. The law shall be explicit about carrying forward the amount that is unspent during a financial year.

The punishment for the companies and the officers in case of non-compliance of CSR la is not mentioned in the law 2013. In 2015, a "high-level committee" was formed under the leadership of Shri Anil Baijal, former secretary to the Indian government. This committee recommended an improved monitoring system on the implementation of CSR act 2013. This HLC 2015, insisted more on the inclusive development of the nation which includes the community development as stated in section 135 of companies act and the principles of "national voluntary guidelines on social, environmental and economic responsibilities of business" 2011.

While in 2018 a new high-level committee was framed with Shri Injeti Srinivas as chair of the committee. This committee was way better than the previous ones in monitoring, assessing and measuring the implementation of CSR. This creates more advocacy and awareness of CSR and its policy among the business the stakeholders.

In the year 2018, India was a rapidly growing company in terms of GDP, however, there were significant problems including malnutrition, illiteracy, poverty, lack of medical infrastructure, lack of sanitation Etc. especially in the rural areas. This exhibits that the partnership of the corporates in terms of societal and environmental development through CSR activities must be refined and strengthened.

The recommendations made by the committee was to focus on the impacts, encouraging innovations, easing the burden of implementation, retaining the push on CSR activities.

The responsibility towards contributing to society must be inculcated as the culture by more companies.

The major find outs from the companies for its non-compliance of CSR activities are:

- Delay in the identification of the project
- Delay in the election of projects
- Lack of experience
- Multiple projects

The reasons mentioned above are mostly not reasonable, and thus it requires more attention during the monitoring process. The CSR laws should be more rigid to the companies who have such reasons for its non-compliance. The CSR can be applied to limited liability partnership companies (LLP) as those are also under the range of Ministry of corporate affairs. Also, the banks which are under the Banking regulations act,1949 though these are not placed under the companies act.

Elucidation on the obligation of newly ventured companies for incorporating CSR only after its existence for a three-year period is most recommended as those companies suffer due to their lack of experience.



The act only insists on concentrating the local areas, but it does not mandate it. On emphasizing this preference as mandatory on CSR spending in the geographical limit where the company is situated, a concentrated improvement of that local area may be achieved.

Displaying of the fund flow and transactions of CSR fund included in the financial statement along with the necessary enclosures in the CSR portal will make it more robust and transparent. Thus, CSR spending would be recommended in the financial audit.

Many companies are not spending CSR fund directly; instead, they spend it through external agencies. Study shows that only 34% of the companies have spent through CSR as of 2018 from the year 2014 (Ministry of corporate affairs, 2019). A clarification pertaining on this issue is mandatory as the spending of funds to agencies cannot be considered under CSR activity. Only those specified under the section VII companies act are duly considered as CSR activities. The credibility of the implementing agencies must be ascertained.

The CSR expenditures being included in the taxable income of the company must be considered for deduction. This may increase the transparency of the company, and their interest in contributing to society may rise.

The law should mandate a CSR expert in the committee who can direct the policy to the company. A CSR portal may help for the interaction of stakeholders, thereby with the help of technology, the results of CSR can be increased.

A strong recommendation of the consolidated annual report prepared by the Ministry of corporate affairs may exhibit transparency, and it may also motivate other business to contribute to society. Third-party verification of randomly selected report is also highly recommended, which is not highlighted in the companies act 2013.

The option of the international organizations to become an agency for implementing CSR can be mentioned in the law so that this partnership could increase the knowledge sharing between the corporates thereby providing an impact on the societal development.

Mandating the spending on CSR without considering the financial challenges will not serve the desirable outcomes. The spend of money should be prompt and based on contribution to its stakeholders. Flexibility to work on the CSR is most needed to achieve a sustainable and developed country (Ministry of corporate affairs, 2019).

The suggestions mentioned above are recommended by the committee formed during the year 2018. These recommendations may be used in the amendment law to improvise the framework of CSR.

## **THE NEW REGIME OF CSR AMENDMENT ACT 2019**

This act was introduced to amend further the companies act 2013. The president of India assented this act passed by the parliament on 31<sup>st</sup> July 2019. This act is commonly known as the companies (amendment) act 2019. It is the revision of the existing companies act 2013. This amended act affirms the CSR from voluntary to mandatory. "The CSR regime is now no longer "comply or explain" but "comply or imprisonment" (Jhunjhunwala, Bhide, & Rao, 2019). The Companies that are willing to set up, need to pay closer attention to the modified law and understand the legal imputation to run their business smoothly in India.

Erstwhile definition of CSR law under section 135 is that at least two percent of the company's net profit generated over three immediate fiscal years must be invested on CSR expenditures by the firms.

The most critical features of amended acts are:

The amended act clarifies that the new companies which have not completed three years after incorporation need to spend the CSR fund equivalent to 2 percentage of the net profit made by the company in the previous year. To make sure the compliances of CSR, this amendment allows the central government to make rules and direct companies in case of any issues. The amendment has re-categorized certain offences, about 16 corporate offences in addition to the failure of filing annual returns and financial statement within a stipulated time. The consequence of issuing shares with discounts is also one among them. These are now accountable for the penalty.

If the company fails to meet out the CSR agreement as mentioned in the amended law, this act provides a provision of imposing the penalty of about INR50,000 extending up to INR 2.5 million. Moreover, the amended law also allows up to three years' imprisonment period for all the officers of the company along with a penalty of INR50,000, which may extend to INR 500000. On continuing the same offences, a separate additional penalty will also be prescribed.

While under section 135, the unspent amount of CSR has always been a question, this amendment provides the information for the same. With respect to the CSR scheme, the organization may move the unspent CSR fund to a special account to be opened in a designated bank in 30 days from the end of that fiscal year if there is an unspent balance under the CSR funds. This account is usually termed as the "unspent corporate social responsibility account". This unspent fund is to be utilized by the companies towards CSR projects over the next three financial years. In case if the company is not

able to spend the amount within the stipulated three-year time, the amount must be transferred to the fund specified under the schedule VII within six months. The fund mentioned in the schedule VII of the companies' act means the Prime minister's relief fund or the fund by the central government which is set to contribute to the development and welfare projects for the minorities and women (Jhunjhunwala, Bhide, & Rao, 2019).

Going still more profound, this amendment also has specific rules for the commencement of businesses which includes the requirement of declaration of Memorandum of Association(MOA) which is expected to be filed within 180 days of incorporation of the business. This MOA ensures that every shareholder has paid for the shares that they have agreed. Within the 30 days of incorporation of the business, the companies must file its registered address with the registrar of companies. On violation from filing with ROC, the companies name will be removed from the list of register of companies. There is an option for the government to raise a case against an individual in the firm in case if circumstances like fraudulent activities, dereliction of duties, conducting business without any knowledge, breaking of trust Etc. In ordered to prevent mismanagement under such scenarios, the government can apply to the national company law tribunal for enquiry. Thereby this act assures that the unfit person cannot manage the company.

When a corporate fraud is revealed on the investigation, the government may directly apply to the NCLT to issue an order of disgorgement of the profit, assets of the person or the entity. It is mandatory for all the companies to follow the financial year-end, which is on 31st March. The amended section 2 of companies act 2013, the companies holding a company or its subsidiary outside India is exempted from following this year end date and those companies shall on application to NCLT can have a non-march financial period. However, this amendment has extended its exception to the associates and the subsidiary of foreign company. The company can apply to the federal government directly instead of the NCLT. This helps the companies to speed up the process of application (Shira & Associates, 2019).

In section 12, an insertion is made which clarifies that if the registrar on physical verification of the companies which does not operate and it is found that the companies are not complying to the regulations the registrar can initiate the removal of that company from the register of companies. This sort of enforcement shall lead the companies to follow the rules without any compliances. The section 14 amendment substituted that the conversion of the public to private companies is valid only if the central government approves.

The company and the officer whenever fails to follow the provisions are liable to pay Rs.1000 for each day of fault or a sum of five lakh rupees or whichever is less. At the same time, section 92,102,117,121,105 which is amended, and a penalty on those companies and its officers will range from the sum of five thousand rupees to one lakh in case of any failure under the mentioned sections.

This act also insists that the companies must issue share in the dematerialized manner. Also, it suggests that the unlisted class of companies can adapt to this method.

### 3. SUSTAINABLE DEVELOPMENT GOAL

Sustainable development goals replaced the Millennium development goals(MDG), which was initiated in 2000 to handle the embarrassment of poverty. The MDGs established goals and pursued it for over 15 years in areas like handling poverty, preventing diseases, education to all, sanitation and water access Etc.

The UNs report says that since 1990s MDG has reduced the child mortality rate to half, the poverty has been lifted by more than one billion people, the school dropouts have been reduced. The achievements of MDGs lead to further enhancement of the goals. MDG lacked the participation of corporates. The SDGs was born in the year 2013. The sustainable development goals(SDGs) was first adopted in the year 2015. It is also known as global goals. It is a blueprint towards achieving a sustainable future. This was the resolution formed in September 2015 in agreement with all the united nation members for Transforming the world by 2030. As depicted in the Figure 1, the resolution contains 17 SDGs with 169 targets associated with them. They cover all the angles of development including social, economic and environmental factors. The focus of these goals is to end the poverty and its related issues in all the forms, dealing with the climatic changes, managing natural resources, attaining gender equality, education, infrastructure, protecting the planet and attain peace and prosperity.

**Figure - 1:** Sustainable Development Goals (SDG's)



**SOURCE:** <https://sdgs.un.org/goals>

In India, the centre has assigned NITI AAYOG to oversee the implementation activities of SDG in our country. All the 17 SDGs are integrated in order to balance the outcomes that are when an action is performed in one area, and it will affect the outcomes of others.

The objectives and the agendas of the SDGs recognize that the economic growth alone is not enough, but significant growth in the necessities of the society is also more critical.

The united nation has set up a development agency widely known as UNDP to support the implementation of sustainable goals in all the UN countries. They focus on the root cause and challenges of the problem and work on building the solutions for it which work on realities.

It is believed that on working in partnership with the private sectors, government and the citizens, it is possible to attain the target by 2030, thereby a healthy planet for the next generations.

“Leave no one behind” is the motto of the 2030 agenda. Development in terms of all the dimensions involving all the people from everywhere with the participation of everyone.

It is understood from the words of the prime minister Shri Narendra Modi Ji that the government is firmly dedicated about the “development with all and for all” to the 2030 vision. He noted that our priorities are detailed, just as our vision behind Agenda 2030 is huge. This gives priority to the struggles that have endured over the past decades. And it represents our evolving perception of the social, economic and environmental relations that shape our lives. One-sixth of mankind's sustainable development would have a significant effect on the earth and our beautiful environment. (UN, 2019).

#### **4. MAPPING OF SDG's AND CSR**

India stands at 116<sup>th</sup> of 157, which requires an immediate action for which the collaboration with the corporate sectors is recommended. The prosperity of business cannot be achieved with the plagued world. The collaboration of corporates could jointly foster on achieving the common goals. The companies must align their goals with that of the sustainable goals for global development. Corporates applying their creativity acts as the catalyst to drive the SDGs, thereby achieving the CSR sustainably. The Sustainable development goal is indeed a robust framework for business to engage in CSR. “In India, the CSR policy under section 135 of the Companies Act (2013) came around the same time as the formation of the SDGs” (Kurian, 2018). Since there is found be a much thematic correlation between the CSR and the SDG, there is a



lot of scope for the potential development of the interconnected sustainable model. This can contribute to the holistic development of the society.

It is to note that SDGs have provided many opportunities for the participation of the corporate in societal development. CSR is the effort of businesses to lead to sustainable economic growth by seeking to strengthen the standard of living for workers, their communities, the surrounding environment and the society at large (Hys & Hawrysz, 2012). The common objective of the Sustainable development brings in a lot of private-sector people by synergizing the stakeholders focusing on synchronized development. Let us say an example of a company aiming to enhance the livelihood as CSR objective through the training of the youth and women of that society, and this contributes to various goals mentioned in SDG as follows.

GOAL 1: No Poverty

GOAL 2: Zero Hunger



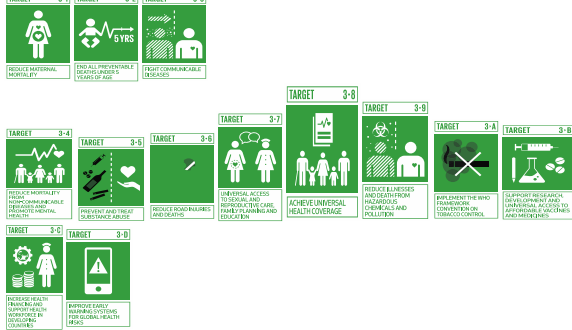
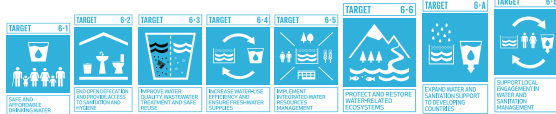









GOAL 4: Quality Education








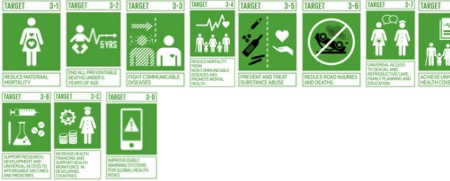






GOAL 5: Gender equality

GOAL 8: Decent work and economic growth

This example clearly defines that the SDG provides a simple and impactful way to communicate the CSR. It is a great framework accepted universally for managing the CSR projects. All the 17 objectives mentioned in SDGs encompass pretty much on every CSR initiative that the business may take up as mentioned in Table 2.


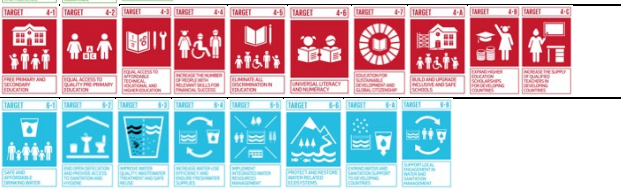
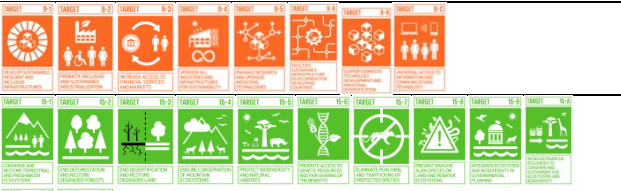
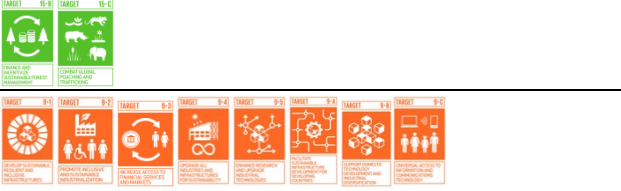

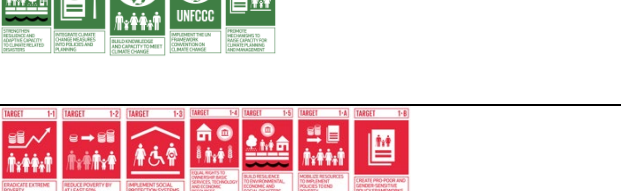


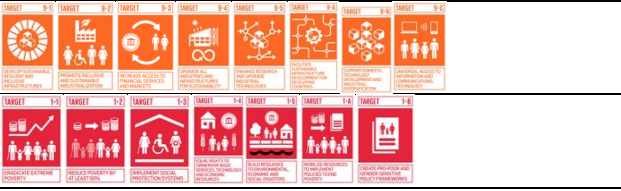
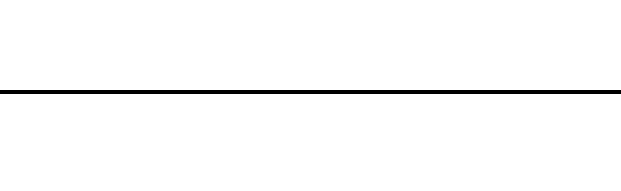

**Table - 2: Mapping of CSR Schedule VII to the Sustainable Development Goals and Targets**

CSR COMPANIES ACT SCHEDULE VII	SUSTAINABLE DEVELOPMENT GOALS	SUSTAINABLE DEVELOPMENT TARGETS
Eradicating hunger, extreme poverty and malnutrition, promoting health care and sanitation including the availability of safe drinking water.	GOAL 1:NO POVERTY	
	GOAL 2: ZERO HUNGER	
	GOAL 3: GOOD HEALTH AND WELL-BEING	
	GOAL 6: CLEAN WATER AND SANITATION	
Promoting education, enhancing employment, promoting vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	GOAL1:NO POVERTY	
	GOAL 2: ZERO HUNGER	
	GOAL 4: QUALITY EDUCATION	
	GOAL 8: DECENT WORK AND ECONOMIC GROWTH	
Promoting gender equality, empowering women, setting up homes and hostels, day care for women, senior citizens and orphans for reducing inequalities faced by socially and economically backward groups.	GOAL 1:NO POVERTY	
	GOAL 5: GENDER EQUALITY	
	GOAL 10: REDUCED INEQUALITIES	
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil,	GOAL 6: CLEAN WATER AND SANITATION	
	GOAL 7: AFFORDABLE AND CLEAN ENERGY	









air and water including clean ganga	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE CITIES AND COMMUNITIES	
	GOAL 11: SUSTAINABLE	
	GOAL 13: CLIMATE ACTION	
	GOAL 14: LIFE BELOW WATER	
	GOAL 15: LIFE ON LAND	
Protection of national heritage, art and culture, setting up public libraries; promotion and development of traditional art and handicrafts	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES	
Benefits for armed forces veterans, CPMF, CAPF, war widows and their dependents	GOAL 3: GOOD HEALTH AND WELL-BEING	
	GOAL 4: QUALITY EDUCATION	
	GOAL 8: DECENT WORK AND ECONOMIC GROWTH	
Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	GOAL 8: DECENT WORK AND ECONOMIC GROWTH	
	GOAL 10: REDUCED INEQUALITIES	
Contribution to the prime minister's national relief fund, PM CARES fund or other fund set up by central government.	GOAL 1: NO POVERTY	
	GOAL 2: ZERO HUNGER	



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	GOAL 3: GOOD HEALTH AND WELL-BEING	
	GOAL 4: QUALITY EDUCATION	
	GOAL 6: CLEAN WATER AND SANITATION	
	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	GOAL 15: LIFE ON LAND	
Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government And contribution to the universities engaged in research in science and technology, engineering, medicine which aims to promote SDGs.	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	
	GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION	
	GOAL 13: CLIMATE ACTION	
Rural development projects	GOAL 1: NO POVERTY	
	GOAL 2: ZERO HUNGER	
	GOAL 3: GOOD HEALTH AND WELL-BEING	
	GOAL 4: QUALITY EDUCATION	
	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Slum area development	GOAL 1: NO POVERTY	



	GOAL 2: ZERO HUNGER	
	GOAL 3: GOOD HEALTH AND WELL-BEING	
	GOAL 4: QUALITY EDUCATION	
	GOAL 6: CLEAN WATER AND SANITATION	
	GOAL 7: AFFORDABLE AND CLEAN ENERGY	
	GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Disaster management, including relief, rehabilitation and reconstruction activities	GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES	
	GOAL 13: CLIMATE ACTION	

Source: [sdgs.un.org](https://sdgs.un.org)

Note: The table correlates each of the schedule VII act to the sustainable development goals and targets mentioned by UN.

*"In 2017, KPMG on its Survey of CSR that covers CSR activity across 4900 firms and 49 countries noticed the growing importance of the SDGs to business activity, most notably in shaping CSR strategies, is demonstrated by the increasing emphasis placed on the SDGs by high-profile consultancy firms"* (Blasco, King, McKenzie, & Karn, 2017).

In addition, the pwc also supported with a report which highlights that 92% of the business community is very much aware of the SDGs in which 71% of them started taking actions to the incorporation of SDGs. On considering the citizens' opinion, the report says about 78% of them bought goods and the services of the businesses that had taken up SDGs of the total 90% who believe it is mandatory for the companies to sign up SDGs (pwc, 2015).

The significant difference between SDGs and CSR are:

The SDGs plans changes to secure the future, and it holds a forward-looking vision while the CSR looks backwards aiming at what the corporate has contributed to the society in the last year. CSR targets only the opinion creators, while SDG targets all the operators from scratch. The other significant difference is that sustainability aims at creating opportunities in the emerging markets while the CSR is mostly driven to protect the corporates reputation in the developed areas. When the company is multinational, there will arise a significant problem on devising an effective CSR plan in line with the SDGs as the company tends to operate across various jurisdictions.

## 5. CONCLUSION

The panoramic relevance of CSR cannot be underestimated, and in fact, it is of monumental proportion to India's socio-economic development. Even though CSR has morphed throughout the years with the inclusion of new provisions and revisions to its act and its statutes, its primary objectives stand intact. CSR has to adopt to the ever evolving state of affairs of the nation and corporate growth. CSR's ability to function in any economic environment hinges on its modality to adopt new practices with appropriate reforms suited to that environment. It has its flaws which have to be addressed by the regulatory authorities in tandem with enforcement regularities. CSR will continue to be part of India's socio-economic climate for years to come, but the effectiveness of it remains in its legislation and its evolution.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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