
Corporate Social Responsibility in the Times of Pandemics

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ABSTRACT

The concept of Corporate Social Responsibility (CSR) has become a core aspect of companies all over the globe which acts as a tool to realize the goals of sustainable development. The concept operates on two fronts, it provides huge monetary support to the government which is then utilized for the welfare of the society, and it also makes these corporations aware about the various problems faced by our society and the impact of their interactions with it. For most of the companies to effectively manage CSR by taking the stakeholders into consideration has become their major operational goal. Since years CSR has been a major part of Indian business and government has made continuous efforts to implement the same.

In this thesis, the authors try to analyze how CSR has proved to be of a major assistance while dealing with the pandemics around the world. The paper also brings attention to the legislative armour enacted by the developed countries to effectively regulate the CSR transactions and how different corporations of various countries have stood up during the time of pandemic taking burden off the government in these hard times. Further,

Special reference has been given to India relating to both Indian government and companies who have put sincere efforts to provide benefits to the people. Suggestions including distinction of companies based on specialization of their services have been provided to further the cause and to ensure effective and sustainable development of the society and all its components.

INTRODUCTION

The concept of Corporate Social Responsibility (“CSR”) has become a core aspect of companies all over the globe which acts as a tool to realize the goals of sustainable development. The concept operates on two fronts, it provides huge monetary support to the government which is then utilized for the welfare of the society, and it also makes these corporations aware about the various problems faced by our society and the impact of their interactions with it. For most of the companies to effectively manage CSR by taking the stakeholders into consideration has become their major operational goal. Since years CSR has

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“With great power comes great responsibility”¹, the control over great powers and to be able to do good comes along with the heavy responsibility for their happenings. For everyone that has been given much, much will also be demanded; and likewise, he who has been entrusted with a lot, a lot more will be asked. The corporate sector and the big enterprises based in the developing countries find themselves in the same position of power in today’s world. While operating, there is a mutual transfer of benefits between the corporations and its host country. However, these corporations, at times, bring with it a loose code of conduct which governs its actions in the society and hampers with the development of its host country. With the power and influence that the corporations hold, a relaxed code of ethical conduct results in the host country being exploited in lieu of the corporations’ interest. Rather than providing the critical economic support, the corporation end up hindering the social as well as the economic development of the country.

Since the corporations occupy the pole positions in the development of a country, and the regard and disregard of its responsibilities have a huge impact on the economy as well as the infrastructure development of the country. The mammoth tasks undertaken by the corporations as a part of its functioning such as providing employment opportunities to the working population of our country, building up the resources of the country are absolutely essential for its development along with the development of its workforce. Apart from these social perks, the big enterprises also act as the backbone of the host countries economy by being the biggest source of tax revenue. The stellar profits that these corporations earn are subject to the domestic taxes under the municipal law of the country and provide for a valuable source of revenue for the country which helps boost its economy and develop at an increasing rate. However, if the functioning of the corporations is not regulated and controlled and if the conduct of these corporations is eased, they can have an equally disadvantageous impact on the country along with its economy. The environmental impact that these corporations have can be severe. In lieu of maximizing profits, these corporations often put their individual interest over the national interests and thus have a detrimental impact on the environment. The monetary support and the political pressure that the corporates hold give them an undue influence over the government of the country and the public at large. This further helps the corporates in pursuance of their private interests even at the cost of the country’s resources.

Hence, it is evident that the corporations through its actions disguised as globalization may be exploiting its host country having detrimental economic as well as social consequences which hinder its development. Thus, the corporations have been asked to show some kind of responsibility and care towards the society that draws all its resources from and thrives in. This attitude of the corporations, which integrate their own personal growth with the development and welfare of the country is known as “Corporate Social Responsibility” or

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“Corporate Citizenship”. Corporate social responsibility (CSR) can be defined as a business model that makes a country socially accountable to itself as well as the public at large. By practicing social responsibility, the companies become conscious of their influence and impact on the society such as its impact on the environment, economy of the country, etc. If a corporation engages in CSR, it means that along with the ordinary course of business, the organization also gives back to the society that it thrives on and enhances it.

In a developing country like India, which also deals with innumerable social problems such as extreme poverty, unemployment, higher infant mortality rate, gender inequality, etc, the role of corporations in the working on the society and its responsibility towards it is further magnified. While the country must manage its resources between developmental causes such as military spending and social causes as education. The corporates can provide and aid the country with some extra monetary support or by furthering the social agendas of the country. Especially at the time of emergency, for example the corona virus pandemic, these corporations with the help and use of their grand resources, can be life saving for the people of the country and can assist the government for the betterment of the public at large. This was seen in the USA during the world wars when the industries and manufacturing units of the big corporations such as “Ray-Ban” started manufacturing military equipment’s to aid the country in war time and thus protecting its people from the enemies.

Hence, the role of the corporations and their responsibilities towards the society is the most in developing countries like India whose resources are constantly burdened with increasing needs. However, in the absence of proper and focused legislation, regulating the conduct of these organizations that are also capable of having a detrimental effect on the society and hinder the development of the country. Let us look at some developed countries and how they equip themselves to properly regulate the workings of the corporations in their country in order to maximize their benefit to the society.

In this thesis, the authors try to analyze how CSR has proved to be of a major assistance while dealing with the pandemics around the world. The paper also brings attention to the legislative armour enacted by the developed countries to effectively regulate the CSR transactions and how different corporations of various countries have stood up during the time of pandemic taking burden off the government in these hard times. Further special reference has been given to India relating to both Indian government and companies who have put sincere efforts to provide benefits to the people. Suggestions including distinction of companies based on specialization of their services have been provided to further the cause and to ensure effective and sustainable development of the society and all its components.

RELIABILITY ON CSR AT THE TIME OF PANDEMIC

Though corporates always bear social responsibility, these responsibilities are intensified at the times of emergencies. When an emergency hits, even the vast resources of a country are not sufficient to deal with the needs of the situation, and thus assistance from the corporates in these difficult times is invaluable for the social betterment of the country. This assistance is not only in monetary terms but also through the huge infrastructure that the corporations

possess. For example, the unexpected spread of the Corona virus and its evolution into a pandemic. This pandemic single handedly increased weariness and mortality rate over a vast geographic area and results in hampering social, economic, and political aspects. Though pandemics are unforeseeable, they do have a noticeable trend, they have occurred in a time span of 10 to 50 years since the 16th century. The reasons for rise of pandemics over the last century is increase in worldwide travel and industrialization, urbanization, advancement of technology and substantial exploitation of natural surroundings.²

The existence of pandemic is a public health emergency and each country requires huge amount of infrastructure, resources and financial capital to overcome the deadly disease. The government generally adopts policy that provides financial assistance to the victims for relief and revival without augmenting national saving and alleviation are expected to increase the losses of government from such a disaster.³ The government also focuses on expanding and sustaining investment to build better healthcare facilities to fight the pandemic. To prevent government from incurring huge welfare loss, corporate sector steps up by providing a helping hand to the government in the form of Corporate Social Responsibility (CSR). Government stimulates better CSR practices within the private space by employing non-invasive and soft law methods.⁴

In the past, there has been several outbreaks like COVID-19 and each time corporate sector has fulfilled its duty by contributing a part of its profit back to the society. The instance of outbreaks includes **HIV/AIDS** which was first identified in Democratic Republic of Congo in 1976 and was at its peak between 2005 and 2011 and had taken more than 36 million lives since 1981. To combat this global pandemic, ICICI Bank (India) and USAID (USA) had admitted to setting up an innovative corporate social initiative, the Indo-US Corporate Fund for HIV/AIDS for the interested companies to contribute.

Private philanthropies including corporations, non-governmental organizations and individuals have contributed US\$ 680 million for fighting global pandemic HIV and AIDS. The contributors include The Bill and Melinda Gates Foundation, Gilead Sciences, ViiV Healthcare, Aidsfonds and Elton John AIDS Foundation.⁵

Apart from financial contribution, many corporates had taken several measures to raise awareness about AIDS/HIV among the people. Like, Gessy Lever (the Brazilian subsidiary of Unilever) fosters safe sex through use of its product (AXE deodorant). Similarly, Hewlett Packard provides general education and creates awareness about HIV and AIDS among the poor communities in Brazil, India and South Africa through its 'Digital Villages' programme.

²Vol. 9, Nita Madhav et al., Disease Control Priorities: Improving Health and Reducing Poverty Chapter 17 (3rd ed. Jamison DT, 2016).

³Barry Anderson, Budgeting for Disasters, OECD

⁴GivingForce Team, Does Government have a Role to Play in Corporate Social Responsibility, Giving Force (May 9, 2018), <https://www.givingforce.com/does-government-have-a-role-to-play-in-corporate-social-responsibility/>.

⁵Funding for HIV and AIDS, Global information and education on HIV and AIDS (Oct. 01, 2019), <https://www.avert.org/professionals/hiv-around-world/global-response/funding>.

One of the Kenyan businessmen took an HIV test on national television to stimulate people for voluntary testing.⁶ Levi Strauss & Co., a US company has also made pioneer efforts to combat HIV/AIDS. In 1982 it has contributed towards the first AIDS clinic in the world. Apart from it, the company has a worldwide giving programme and aids community-based programs in more than 40 countries.⁷

Another pandemic where corporate had a major role in combating it was **H1N1 Swine Flu** which originated in Mexico in 2009 and thereafter spread in all other nations. Under such circumstances, Roche, the Swiss pharmaceutical company had made sure that ample quantities of influenza vaccine “Tamilflu” would be available in incident of a global pandemic.⁸ The company has conceded sub-license and provided technical knowledge to companies in India, China and South Africa and other low-middle countries to develop generic version of the drug.

Another example is that of the most vital pandemic that recently occurred, **Ebola**. It was first reported in South Sudan, Yambuku and in a village near Ebola River in 1976 but the largest outbreak was at Guinea in 2014. Corporation’s response to this virus was commendable. Merck & Co. provided Ebola vaccine V920 to Democratic Republic of Congo. Merck through its Medical Outreach Programme took initiative to provide its products to Liberia and Sierra Leone. Merck also took initiative to provide training to build isolation units in hospitals of Liberia.⁹ Facebook, Cisco, Allen Family Foundation, Inveno collaborated with NetHope, an Non-Governmental Organization to support effective communication to control spread of Ebola in West Africa and foster sustainability in the area. The World Cocoa Foundation [group of 115 companies that encourages sustainable cocoa economy] contributed \$6 lakh to aid Ebola care.¹⁰

Another pandemic that was much debated about is **Zika Virus**. It first emerged in monkeys of Uganda in 1947. Later in 1952 it was identified in humans. The first outbreak of the virus was recorded in Island of Yap in 2007 followed by outbreak in French Polynesia in 2013 and lastly a massive outbreak in Brazil in 2015.¹¹ Companies including 3M, Allergan, CRC Industries, Church & Dwight Co. Inc., Market Vision, Merck & Co., Inc., Pfizer, and many more have supplied insect repellants, bed nets, donated 10,000 units of Intrauterine devices, 1,50,000 of Trojan Condoms to CDC Foundation for use in Zika Prevention Kits. Google has donated \$1 million to UNICEF to combat Zika virus. Durex has collaborated with International Planned Parenthood Federation (IPPF) to raise awareness and educate about zika virus and provided free condoms to millions. United Airlines waived off the cancellation

⁶HIV/AIDS: It’s your business, UNAIDS, August 2003.

⁷Walking the Walk: Pushing the Boundaries of the HIV/AIDS Response, Levi Strauss & Co. (Jul. 15, 2015), <https://www.levistrauss.com/2015/07/15/walking-the-walk-pushing-the-boundaries-of-the-hiv-aids-response/>

⁸J.J. Gould, H1N1 and the Limits of Corporate Social Responsibility, *The Atlantic*, May 21, 2009.

⁹Merck Support, Merck’s Response to Ebola Outbreak, (Oct., 2019), <https://www.merck.com/about/featured-stories/ebola-outbreak.html>

¹⁰Cocoa Companies Support Ebola Response, Caritas, (Oct. 15, 2014), <https://www.caritas.org/2014/10/cocoa-companies-support-ebola-response/>

¹¹Zika Virus, World Health Organization, (Jul. 20, 2018), <https://www.who.int/news-room/fact-sheets/detail/zika-virus>

charges in case of zika infected passengers cancel their tickers or change their travel date or destination.¹²

Hence, wherever and whenever their need is felt, the corporations have stepped up and stepped in using their vast influence and resources to ease the suffering of the people and to assist the host government in overcoming the emergency, without straining the economy and hindering future development. The corporations realizing their responsibility towards their host country and its people has been the recent trend around the world.

LEGISLATIVE FOUNDATION OF CSR BY DEVELOPED COUNTRIES

CSR has become a fundamental part of many companies' policy. The concept of CSR is strictly adhered to by the companies all over the world either because of moral liability or statutory obligation. There are many such countries that have made CSR mandatory by enacting legislation or adopting a policy. There has been significant increase all around the world in Committee Encouraging Corporate Philanthropy as many companies have followed certain aspect of corporate social responsibility.¹³ Let us look at the legislative position of some developed countries on CSR.

Denmark

The Danish government has taken a comprehensive step in promoting CSR. It is one of the countries to take initiatives to make CSR mandatory for the Danish companies. The Danish Financial Statement Act was enacted by the government for the companies specified under the Act to mandatory disclose their respective CSR practices and policies in their Annual Report. They are also required to disclose their course of plan, accomplishments in the current financial year to promote transparency, justice and prevent tax evasion. A provision has been added in the Act for the companies to focus on individual rights and climate change to inspire companies to work for better change. It will help companies to compete globally and make pragmatic changes in the world.¹⁴ Nordea Bank is the first Nordic bank to adopt Equator principle¹⁵ in furtherance of its CSR policy. It signed United Nations Principles for Responsible Investments (UNPRI) in 2007. It also evaluates environmental risks to evaluate social impact. Another corporate that has had significant impact in CSR activities in Denmark is Danske Bank. It has taken steps to reduce its impact on environment and also provided financial infrastructure to the society. It has also contributed in the field of sports to give children best playing conditions and ensuring a healthy life.¹⁶

Sweden

¹²Zika Virus Corporate Aid Tracker, U.S. Chamber of Commerce Foundation, (Jul. 10, 2016),<https://www.uschamberfoundation.org/node/45033>

¹³Corporate Social Responsibility (CSR) in different countries, Transparent Hands, (Aug. 24, 2017), <https://www.transparenthands.org/corporate-social-responsibility-csr-in-different-countries/>

¹⁴ Henry Thacker, CSR Policies Around the World, *The CSR Journal*, Nov. 21, 2019.

¹⁵ It determines, assess, and manages social and environmental risk in financial projects.

¹⁶Adejumo Theophilus Adekunle, *Corporate Social Responsibility in Denmark: Making a case for public/private sector synergy*, Aalborg University, (2008).

CSR has been one of the major developments in Sweden. The government motivates all Swedish companies to adhere to international as well as national guidelines including OECD guidelines, UN Guiding Principles for Business and Human Rights and the UN Global Compact principles to promote social sustainability.¹⁷ Sweden is said to be a leader in promoting CSR activities and Swedish companies have played a significant role in achieving the feat. Sweden topped the list among 181 countries in Country Sustainability Ranking released by Robeco SAM in 2019¹⁸. It shows the competitiveness existing among the companies and the environmental risk taken by the companies of a particular country. One of the main reasons for success of CSR is many major Swedish companies are ranked Newsweek News Ranking 2019.¹⁹

Norway

In Norway, there are number of legislations that promotes CSR either directly or indirectly. The Accounting Act of 1988 explicitly provides that all Norwegian registered companies are required to include information on sustainability including reports on workplace surroundings, gender equality in their respective Director's Report. The offence of corruption and influencing in trading business has been dealt under Norwegian General Civil Penal Code, 1902. There are several other legislations that indirectly promote CSR in the form of promoting human rights, gender equality, reduce harmful emission of gasses, etc. Apart from the legislation, the government had made sure the Norwegian companies are aware about the OCED Guidelines for Multinational Enterprises, the UN Global Company and the Global Reporting Initiative (GRI).²⁰

CORPORATE SOCIAL RESPONSIBILITY IN INDIA

In April of 2014, India became the first country in the world to make it compulsory for the corporates to undertake social activities by making an amendment to the Companies Act, 2013 and adding new rules under Section 135 of the same. According to the new rules, a corporation having a certain turnover must mandatorily spend 2% of its profits from the past three consecutive years on social activities and towards the welfare of the society.²¹ To make CSR laws more effective and impactful, government of India to prevent companies from using the unspent CSR amount in the next fiscal year along with the amount specified for that year brought an amendment in the Companies Act in 2019 which requires companies to deposit unspent CSR amount in a separate fund given under Schedule 7 of the Act by the end of the fiscal year and the same has to be utilized within a period of three years from the date

¹⁷Sustainable business – Corporate Social Responsibility, Embassy of Sweden, (Jan.03, 2018), <https://www.swedenabroad.se/en/about-sweden-non-swedish-citizens/thailand/business-and-trade-with-sweden/sustainable-business--corporate-social-responsibility/>

¹⁸Sustainable Competitiveness Index Rankings 2019, The Global Sustainable Competitiveness Index, (Accessed on Apr. 19, 2020), <http://solability.com/the-global-sustainable-competitiveness-index/the-index>.

¹⁹Green Rankings 2017, Newsweek, (Feb. 13, 2018), <https://www.newsweek.com/top-500-global-companies-green-rankings-2017-18>.

²⁰Haley Knudson, CSR in Norway: Joint Thematic Study, EUDF, https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1523529564.pdf

²¹The Companies Act, 2013, Section 135, Notified Date of Section: 01/04/2014

of such transfer. In case of default, the company shall be punishable with an imprisonment up to three years or a fine of not less than 50000 rupees which may extend to 25 lakh rupees or both. While the corporations have been partaking in the CSR activities, they have not really been able to integrate and align their commercial interests with the national interests and sustainable development. The problem lies in the standpoint of the corporations which still view CSR activities as a form of charity and nothing more than monetary financing of social activities, however, the idea of CSR is much deeper than that and looks for a permanent cure for the most long lasting socio-economic problems of our society.

In a country like India, abundant with social flaws like economic inequality, gender inequality, rural backwardness and illiteracy, etc, CSR acts as a means to transfer excess capital and monetary support from the big corporation making hefty turnovers to the struggling class of the country, or from the haves to the have-nots. For example, the TATA Group in India has been partaking in CSR activities through self-help groups of the country and have made major contributions towards alleviating and mitigating social problems by funding initiatives relating to women empowerment, rural development, supporting the income generation etc. The group has also contributed to healthcare sector by funding AIDS alleviation and awareness programs in India.²² Similarly, Ultratech cement, which is the biggest cement company in India helped with rural development of over 407 villages.²³ The objectives of their contribution is the self-reliance of the rural population and help with their sustenance. Another example is the ITC group, through their CSR activities, helped over 6 million people to have sustainable source of livelihood.²⁴

According to studies, the 2014 amendment to the Companies Act, 2013 making it mandatory for the corporations to spend 2% of their net profits in CSR activities, will increase the CSR funding in the country from 60 million dollars to 2 billion dollars annually.²⁵ According to Crisil Report, the spending of companies towards CSR from financial year 2015-financial year 2018 was Rs 53,000 crore. The report further stated that one-third of 1913 listed companies did not spend on CSR activity by citing multiple reasons. If they would spend the mandatory 2% of net profits, an additional amount of Rs 2380 crore would have been generated towards CSR activities.²⁶ However, the impact of CSR on the social conditions of the country is still not apparent after over 5 years of the law being in force. Despite the dedicated legislation and the mandates, CSR is still not working to its full potential in the country. Despite having gigantic resources and infrastructure, the inability of the countries corporations in relieving the countries of its social drawbacks can be attributed majorly to two factors.

²²Corporate Social Responsibility, TATA Sustainability group, (Apr. 19, 2020), <http://www.tatasustainability.com/CSR.aspx>.

²³Social Projects, Ultratech Cement: Sustainability, (Apr. 19, 2020), <https://www.ultratechcement.com/about-us/sustainability/social-projects>.

²⁴Nation First: Sab SaathBadhein, ITC Group,(Apr. 20, 2020), <https://www.itcportal.com/about-itc/profile/index.aspx>.

²⁵Tima Bansal, The Unintended Consequences of India's CSR Law, *Business Today*, Jan. 13, 2015.

²⁶CSR spend tops Rs 50K-cr during FY15-18: Report, *The Economic Times*, Feb. 28, 2019.

Firstly, these big corporations are so disconnected from the problems of the society that they fail to understand its problems. While donating money and undertaking CSR activities, these corporations are geared towards making profits and in pursuing this goal, often give rise to social and environmental evils. Meaning, that the corporation might be working towards the welfare of the society, but the corporate framework is such which functions to serve the selfish interests of the corporation. For example, while providing monetary support for rural development and other social welfare programs, at the same time exploit labours by giving them low wages with the motive of maximizing profits. Hence, even with the corporations undertaking CSR activities, their system is automated towards making profits even if it comes at the cost of the environment or the society which lives in it. Furthermore, social problems need more than just money and monetary support to be eradicated, but the corporations don't go to those depth to realize the roots of the problem and don't provide for a long-term relief.²⁷

Secondly, along with making it mandatory for the corporations to equalize their CSR spending's with 2% of the company's net profit, Section 135 also prescribes certain criteria which qualifies the corporations to fall under the ambit of the Section. These criterions are based on the net worth, profit, and the turnover of the corporations, and hence, prevent them from being transparent about their income and spending. Companies in the past have fudged their income as well as their CSR spending's in order to meet the legal mandates. Furthermore, corporations that spent more than 2% of their profits in CSR activities have now started spending way less after the law has been enacted. Hence, the mandate of 2% and its eligibility criteria has had an adverse impact on corporations undertaking CSR activities and their contributions.

In times of emergency like that of the current COVID – 19 pandemic, the role of CSR goes beyond the altruistic support for social problems of the country. When the country's economy is under a big strain due to the stoppage of economic activities, trade and business, the corporations must take over the role of relief providers. Using its huge financial capabilities along with its grand infrastructure, the corporations can provide lifesaving support and aid to the society and to the people of its host country. To promote and direct the corporations to provide their help in fighting against the coronavirus, the ministry of corporate affairs through a government order No. 10 of 2020 dated 23/03/2020²⁸, declared, that the spending of CSR funds for COVID – 19 is an eligible CSR activity and will count towards fulfilling the legal mandate. This had the effect of taking some burden off the back of the government while also providing much needed relief to the people of the country. Hence, CSR provided great assistance in the fight against COVID-19, not only in India but all around the globe.

²⁷Id, 5.

²⁸ Ministry of Corporate Affairs, Clarification on spending of CSR Funds for COVID-19, General Circular No. 10/2020, Mar. 23, 2020. https://invest-india-revamp-static-files.s3.ap-south-1.amazonaws.com/s3fs-public/inline-files/Covid_23032020.pdf

CONCLUSION AND SUGGESTIONS

The concept of CSR originated around the world to bring about a shift in the attitude of corporations towards the society and vice-versa. Hence, countries made CSR mandatory by enacting legislations. Even though the motive to enact CSR was genuine, it has failed to achieve the goal for which it was introduced due to procedural difficulties. However, it has provided a push to corporations to give back a part of their profits back to the society. There are number of changes that are needed to be made in the CRS laws. It must be understood that, the only motive of CSR is not to provide fiscal resources rather it involves the efficient use of resources by the corporations. Suppose a corporation is engaging in the production of food items, it can provide food items for free of cost to those who are Below Poverty Line to save them from starvation, on the other hand textile company can provide clothes, telecom can establish their services in remote and rural areas, as a result companies must be allowed to promote welfare, according to their specialization rather to focus only on financial resources.

Recently, India has made a reduction in the corporate tax rate for domestic and manufacturing companies to allow them to prosper, but at the same time it should have increased the percentage of CSR prescribed under section 135 of the Companies Act, 2013 as reduction in tax rate would leave huge profit margins in the hands of companies which can be utilized for the welfare of the society. The money that the corporation now save due to the slash in tax rates can be utilized by the corporations towards the welfare of the society. In case of default, the company shall be punishable with an imprisonment up to three years or a fine of not less than 50000 rupees which may extend to 25 lakh rupees or both.

In the midst of a global pandemic, the Ministry of Corporate Affairs on 23rd March, 2020, issued a notification stating that expenditure borne by companies on activities listed out in Schedule 7 of the Act relating to promotion of healthcare, sanitation and disaster management or any other alike activities will be considered as a part of corporate social responsibility. Steps like these, promoting the corporations to use their resources for the development and welfare of the society by opening more mediums and easier methods of contributing should be undertaken by the governments of nations around the world. The process of providing monetary support for the welfare of the society should be made as convenient as possible for the corporations to ensure their proper compliance avoid its evasion.

In the Indian legislation, several drawbacks can be seen, for example, the criteria that determines the amount that has to be spent as CSR by a corporation and shown in the Annual Report of current financial year, the limited number of activities that would come under the ambit of CSR and be classified as CSR spending's are some of the major problems that has to be dealt by the country in future. The companies should not incur expenditure solely for not violating the law rather they need to collaborate with research centers, Non- Governmental Organizations, etc., who have worked in a particular field for not less than five years and have achieved specialization, to collect data and accordingly make efforts to eradicate the pre-existing social issues. Apart from it, corporations also need to remain in contact with

people who know the ground reality so that corporations are aware about the problems of the people, aid they require from them, and accordingly, they can help them.

Therefore, at present, countries like India find themselves a need to amend their CSR laws to make it easy, simple and convenient to comply with. Also, stringent punishment should be prescribed for companies who fail to comply with the requirements of the law and fail to contribute towards the society. On the other hand the government needs to insert separate provisions for small and medium enterprises and at the same time make them aware about the problems in the society so that they can also contribute for welfare of the people as per their capacity. The key is to get all the corporations involved in the development of the society so everyone can contribute and do their part in creating a better future.