

The ambiguities in the Indian CSR law as weakening its efficiency. In this context, suggest measures to be taken to strengthen the CSR framework in India? (150 words)

Corporate Social Responsibility (CSR) is corporate activities towards social goods wherein companies have to spend 2% of ~~total~~ average profit over last 3 years

Ambiguities under CSR

- ① Geographical biases
↳ Lots preference given to far flung area where company is not operating
- ② Lopsided spending
↳ low % of spending to environment compare to education and health
- ③ Excess of minimum 2% spending is liable to be deducted from expenditures - followed three years
3.1 → Corporators trust / foundation

press CSR funding

- (4) Monitoring and regulation is done by board-led disclosure regime

Measures

- ① Create a national platform, centralised by Ministry of Corporate Affairs.
- ② More contributions towards environment
- ③ Enhancement and awareness at community level.
- ④ Enhancement in current monitoring and assessment system.
 - 4.1 → by 3rd party assessment or audits
 - 4.2 → Enhanced disclosure
 - 4.3 → statutory financial audits.

Thus, prioritising the financial devolution with increased contribution can harmonise the distribution and it will be more efficient at ground level.