

Ambiguities in Indian CSR law is weakening its efficiency. In this context, suggest measures to be taken to strengthen CSR framework in India:

Corporate Social Responsibility regime in India is under Act 135 of Companies Act 2013.

According to that act it is a responsibility of a company to spend 2% of their profit in last year on social sector like education, health, environment etc.

problem in CSR law:

1) More than 3200 companies spend less amount in 2020-21. There were around 2126 companies spends zero.

2) Only few provisions given to far flung area where company is not operating. It says that about 54% of funds are concentrated only in some states like Tamil Nadu, Maharashtra, Gujarat.

3) Low percentage of spending in Environment (i.e) only 9% spending in Environment while 29% in Education and 21% in Health.

2) Many companies may move 2.1. in order to escape from spending their amount to next year. 1) companies focus only on quantity not quality.

Way forward:

1) need to a national level platform controlled by mfn of corporate affair where all states could list their potential CSR activities project. So that companies can access where their CSR funds are going most impactful.

2) companies need to prioritize environment funding also.

3) companies should spend in local areas also like UP, MP etc.

4) Strengthening transparency mechanism.

5) Strengthening the reporting mechanism such as projects, location, implementing agencies etc.

6) need to exercise greater direct monitoring & supervision over CSR spend through.