INTEGRATION OF CSR INTO CORPORATE STRATEGY WITH SPECIAL REFERENCE TO COMPANIES AMENDMENT ACT, 2013

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ABSTRACT
The word Corporate Social Responsibility has been a buzzword for a long time. The 21st century is characterised by so many challenges and opportunities arising from globalization and the desire for inclusive development. Indian business, which is today viewed globally as a responsible component is poised now to take on a leadership role in the challenges of our times. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.
Managers of companies today understand that CSR forms an indestructible part of their reputations and brand identities. They know that a critical source of difference between firms is the resources and capabilities that they possess and contribute to their potential competitive advantage, but CSR represents a very valuable strategic asset. They spend ever-increasing amounts of corporate resources on improving the social, human, and environmental conditions under which companies operate. CSR activities contribute to social progress and are intended to enhance corporate images.

CSR is now mandatory rather than a choice in India and business leaders have to design their CSR structure rather than a default structure. Under the new Companies Act, 2013, all profitable companies with a sizable business will have to spend every year at least 2 per cent of three-year average profit on CSR works. This would apply to companies with a turnover of Rs 1,000 crore and more, or net worth of Rs 500 crore and more, or a net profit of Rs 5 crore and more and would be applicable from fiscal 2014-15.

In lieu of the above, CSR has to be given more significance in coming days and while taking strategic decisions of a business and corporate leaders have to use their core competencies to drive CSR initiatives in order to achieve a significant competitive advantage.

KEY WORDS: Brand identities, Competitiveness, Corporate Social Responsibility, Default structure, Inclusive development and Sustainability.
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