

## Corporate Social Responsibility: A Paradigm Shift in the New Indian Companies Act, 2013

**Authors :** Suvankar Chakraborty

**Abstract :** Introduction: Corporate Social Responsibility means the obligations of business to act in a manner which will serve the best interests of the Society. The Companies Act , 2013 for the first time has emphasized on the fact that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. In the previous Companies Act, 1956 there was no such compulsion for constituting a Corporate Social Responsibility Committee. Objective: This study examines the changes in the perception of corporate sectors so far as social responsibility is concerned. Methodology: The study is based on secondary data obtained from various websites of different corporate sectors and the Gazette of India related to Companies Act, 1956 and the new Companies Act, 2013. For capturing the perception of the corporate world regarding the provisions of CSR in the new Companies Act, 2013, primary data has been collected through structured questionnaire. Findings: Corporate Social Responsibility can put a company on a strong base of sustainable development and in facing the business risk of foreclosure or winding up. Shouldering social responsibility on a long-term basis can help a company not only in increasing its reputation in the business world but also helps in minimizing Government intervention. . But, there can hardly be any universal rule that the area of social responsibility being wholly and solely dependent on the ethical aspect of the corporate sectors. But having said that it may be asserted that business ethics may be a key driver of CSR activities rather than rule based CSR activities in the years to come.

**Keywords :** business ethics, corporate social responsibility, companies act, 2013, CSR committee

**Conference Title :** ICAF 2016 : International Conference on Accounting and Finance

**Conference Location :** Singapore, Singapore

**Conference Dates :** March 03-04, 2016