



**CORPORATE AND SOCIAL RESPONSIBILITIES IN INDIA AND UNITED STATES  
OF AMERICA: A COMPARATIVE ANALYSIS**

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**ABSTRACT**

*CSR was enacted in India on 29<sup>th</sup> August 2013 as compulsory practice under **section 135 of Companies Act, 2013** for Company having net worth Rs.500 crores or more, or turnover of Rs.1000 crore or net profit of Rs.5 crore or more during any financial year. Initially, the default of CSR was attracted as a criminal offence but the Companies (Amendment) Act, 2020 decriminalized the same. CSR in the USA is often taken as voluntary practice and businesses are not compelled to undertake ethical and social practices. It is soft law but highly appreciated by the business in the USA. In India, the shareholder has no option other than to contribute in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy however that is not the case in the USA. The researcher in this paper has tried to compare voluntary and involuntary corporate social responsibility in India and the USA concerning the Shareholder Value model and the stakeholder model that is followed in two countries to analyze which of the two systems has a better impact on the society and nation as a whole.*

**Keywords:** Corporate Social Responsibility, Companies Act, USA

## INTRODUCTION

“Business is mandatory for the society because it thrives in the very social eco-system. Ethically upright, socially accountable as well as environmentally sustainable business solutions will undoubtedly persist spatially but in the current globalized world, one of the substantial challenges faced by firms is the integration of social responsibilities in business so the governmental initiatives to put corporate social responsibility (CSR) in the core business is having the aim of acknowledging the policy engagement in encouraging socially responsible business in the world”<sup>1</sup>. Nowadays, Stakeholders are expecting a lot more from companies than merely pursuing growth and profitability. From responsive activities to sustainable initiatives, corporate sectors have patently manifested their capability of creating a significant difference in society and improve the overall quality of life.

To put in simple words, the primary objective of CSR for the corporates is basically to pay back to the society from where it is generating profit. Not leaving to the conscience of the business, the Government has legislated to ensure that all the profit-making businesses spend an equitable amount for developing the quality of life of the community through initiatives in a variety of fields. Corporate Social Responsibility (CSR) is the continuous commitment by the business to behave ethically, contribute to economic development and build the capacity for sustainable livelihood. It respects the cultural differences and finds business opportunities in building the skills of employees, the community and the Government.<sup>2</sup>

Despite being a kind of progeny of business ethics which are more specifically concerned with moral values, CSR prioritizes the social, environmental and sustainability issues rather than the morality ones. **In the eyes of A.P.J. Abdul Kalam** —Corporate decision making and policymaking are associated with ethical values, compliance with legal requirements and respect for people, communities and the environment around the globe. Corporate social responsibility is an emerging

<sup>1</sup> Kiranmai and RK Mishra, “Corporate and Social Responsibility in India: An Overview”, <[https://www.academia.edu/17700700/CSR\\_in\\_India\\_An\\_Overview?email\\_work\\_card=view-paper](https://www.academia.edu/17700700/CSR_in_India_An_Overview?email_work_card=view-paper)>

<sup>2</sup> Punam Singh and Shulgana Sarkar, “Corporate Social Responsibility : Interventions of Oil and Gas Central Public Sector Enterprises in India”, <Corporate\_Social\_responsibility\_interventionS\_of\_oil\_and\_GaS\_Central\_public\_Sector\_enterprises\_in\_india>

term that does not have as such any standard definition or a completely acknowledged set of particular criteria.

Back in 2013 Companies Act, 2013 and rules notified companies above a certain size to spend 2 per cent of their profits towards corporate social responsibility. **India back then was the first country in the world to have mandatory CSR along with mandatory reporting.** This regulation probably triggers the debate whether the companies should be mandated to spend a certain percentage towards CSR, fulfilling its responsibility beyond Shareholders and that towards society at large. The idea is the company must achieve to strike balance between economic, social and environmental objectives along with meeting the expectation of the shareholders and stakeholders, the idea commonly known as the **Triple bottom line approach or stakeholder theory.** The mandate systematically saves the time of the Companies time to avoid the issue of pondering upon multiple objectives of the Stakeholder theory and helps to focus on maximization of profit which is basically shareholder theory and then spending a bit of percentage i.e. two on CSR activities.<sup>3</sup>

In the USA CSR is being not enforced by the Legislature and no statute enforces CSR as an obligatory practice but that does not mean the CSR value is missing in the corporate industry of the USA. To protect society from negative harms American Authorities have started bringing regulation such as Environment Protection Act, Clean Air Act, Clean Water Act and other similar regulations. The Regulatory authority has spelt the corporation to implement CSR activities when corporate activities prompt societal harm. The key point of focus here is if the corporate industry does not lead to any societal harm or their activities does not prompt societal harm, will the corporate still be obligated to perform CSR activities<sup>4</sup>. The answer is negative, various statute implemented by the USA's authorities can only be applied to the corporate Industry if they are found of illegal activities harming the environment. This compensatory act by the corporate after damaging the environment cannot be considered as CSR but Punishment.

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<sup>3</sup> Section 135, Companies Act, 2013

<sup>4</sup> Mark Anthony Camilleri, "Corporate Social Responsibility Policy in the United States of America", [Corporate Social Responsibility in Times of Crisis](https://link.springer.com/chapter/10.1007/978-3-319-528397_7#:~:text=Therefore%2C%20CSR%20in%20the%20USA,Matten%20%26%20Crane%2C%202005).>) 129-143, <[https://link.springer.com/chapter/10.1007/978-3-319-528397\\_7#:~:text=Therefore%2C%20CSR%20in%20the%20USA,Matten%20%26%20Crane%2C%202005\).](https://link.springer.com/chapter/10.1007/978-3-319-528397_7#:~:text=Therefore%2C%20CSR%20in%20the%20USA,Matten%20%26%20Crane%2C%202005).>)>

## CSR IN USA

The USA market for corporate and social responsibility is unregulated and there a lack of welfare state provision. Community investment, healthcare and education are conventional method of CSR in the n USA. CSR in the USA is voluntary societal activity and there is no legal obligation to perform the same on business enterprises.<sup>5</sup> Therefore, CSR in the USA is often characterized by voluntary societal engagements by businesses as they are not obliged to undertake social and environmental responsibility practices. Such laudable behaviours are also referred to as corporate citizenship. Corporate and Social Responsibility is dependent upon the discretion of the organisation as there are no laws that drive the corporation to perform such philanthropic activities, or it neither expected by the business in an ethical sense.

As the practice of CSR is voluntary in the USA and companies majorly focuses on Business Ethics, Community development, environment, governance, human rights, market place and workplace. Business ethics involve values such as honesty, trust and compliance, fairness, internal rules and legal requirements. These values are incorporated incorporates value and plans. CSR practices benefit the business and community economically through employing people from low-income, the structure of schools and women-owned business.<sup>6</sup>

The environment is a growing concern in the west and Corporate have started addressing the issue through incorporating business actions that ensure environmental soundness of its facilities, production for example pollution control energy efficiency and to meet the toxic emission standard. Business can play a major role in CSR by influencing other firms and business partners through the business network and intermediaries of the supply chain. Civil society help in raising awareness of social issues among businesses, *“The World Bank defines civil society as the wide array of non-governmental and not-for-profit organizations that express the interests and values of their members or others based on ethical, cultural, political, scientific, religious, or philanthropic considerations. Civil society organizations include community groups, nongovernmental organizations (NGO), labour unions, indigenous groups, charitable organizations, faith-based*

<sup>5</sup> Elizabeth George, “Can Corporate Social Responsibility Be Legally Enforced?” <<https://www.forbes.com/sites/uhenergy/2019/10/11/can-corporate-social-responsibility-be-legally-enforced/?sh=61c12b343d44>>

<sup>6</sup> Lisa Chase, “The Truth About CSR”, <<https://hbr.org/2015/01/the-truth-about-csr>>

*organizations, professional associations, and foundations*<sup>7</sup>. Civil society can help to strengthen the link between CSR activities and business profits.

Investors in the USA have potential influence over business's CSR actions, Socially responsible Investment to 11% in the USA and increased activism in the states have increased corporate accountability and transparency.

The role the of Government in Voluntary CSR action is important and literature provides evidence that the government through endorsing, facilitating, partnering and mandating CSR action have promoted the business to actively participate in CSR. The government have partnered with the private sector and civil society in complex social and environmental issue. However, the government is required to roll out minimum CSR-Related laws and regulation because all the major CSR action of the business group is rolled out to damage control the harmed and environment law violation. The government have incentivised the CSR action by the business through Awards.

There is an informal practice started by the Inter-American Foundation, environmental protection agency and overseas private investment corporation to publicize the government works that incorporate good corporate practices or CSR to business. The government have several award programs which endorses CSR, **for example** Department of state's annual award for corporate excellence. EPA's Climate Protection and Stratospheric Ozone Protection Awards, which encourage and recognize outstanding corporate environmental efforts in climate protection. The government of U.S.A facilitates CSR by funding or providing incentives to companies and firms to engage in CSR activities, **for example** Department of commerce's training on rule of law, human rights, and corporate stewardship for commercial service employees. The training helps these officers to provide information on corporate stewardship issues to companies involved in the export promotion process. The U.S.A government have several programs to partner with private corporations and key stakeholders to accomplish their CSR initiatives. "EPA's Climate Leaders Program, which partners with companies to achieve EPA's goal of protecting the environment. The Climate Leaders Program is a voluntary government partnership that enlists major U.S. companies to set an aggressive greenhouse gas reduction target"<sup>8</sup>.

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<sup>7</sup> Paul Hohnen, "Corporate Social Responsibility an Implementation Guide for Business", <[https://www.iisd.org/system/files?file=publications/csr\\_guide.pdf](https://www.iisd.org/system/files?file=publications/csr_guide.pdf)>

<sup>8</sup> Ibid, 7

## CSR IN INDIA

Before the Companies Act 2013, CSR in India has been taken as a philanthropic activity voluntary performed by the Companies to keep up with the Indian Traditions. It is considered that every company has a moral obligation to discharge the moral obligation. In India, CSR is influenced by family values, tradition, culture and religion. On 29<sup>th</sup> August 2013 “*The Companies Act, 2013*” was enacted marking a milestone in the Indian Corporate History, the newly enacted law replaced almost 60 years old Companies Act, 1956. India became the **first country** that requires its Companies to spend a certain percentage of their profit on CSR. *Section 135 has two parts, first specifies the companies that are subject to mandatorily complying with CSR norms and the second part provides for the obligation that needs to be fulfilled.* Section 135 only applies to firms that satisfy at least one of three criteria in any financial year, either having net worth exceeding INR 5 billion, turnover exceeding INR 10 billion, or net profits exceeding INR 50 million. All public companies and private companies with operations in India including foreign-owned firms are subject to Section 135 if they cross any of the three criteria<sup>9</sup>.

The companies fulfilling any of the three categories must constitute “*a Corporate Social Responsibilities committee with one independent director and three directors. The composition of the CSR committee must be disclosed. The companies shall formulate CSR policy that will recommend the CSR spending and Committee must monitor the policy and the board has to approve and publicise the companies*”<sup>10</sup> CSR policy after taking CSR committee’s recommendations and act and observe that the policy is duly followed. The board has to ensure the company spends at least a percentage of the companies average net profit of the previous three years on the activities mentioned under schedule VII of the companies act.

Failure to comply or explain the reason not to spend the amount on CSR can attract liability because the formation of a committee is a mandatory process however due explanation can be provided for not spending two percentage if the same is not properly explained this too can attract a penalty. The penalty on the Company and every officer of the company who violates Section 135 is INR 10,000 for the first day of the violation plus an additional INR 1,000 a day if the violation continues. The Ministry of Corporate Affairs has promulgated a set of rules in 2014 that provides a list of the

<sup>9</sup> Sambhav Kapoor, “Evaluation and Comparative Study of CSR In India Through Various Aspects and Thematic Work Alignment”, <[https://www.academia.edu/26591489/Evaluation\\_And\\_Comparative\\_Study\\_Of\\_Csr\\_In\\_India\\_Through\\_Various\\_Aspects\\_And\\_Thematic\\_Work\\_Alignment?Email\\_Work\\_Card=View-Paper](https://www.academia.edu/26591489/Evaluation_And_Comparative_Study_Of_Csr_In_India_Through_Various_Aspects_And_Thematic_Work_Alignment?Email_Work_Card=View-Paper)>

<sup>10</sup> “Mandatory Corporate Social Responsibility: Is the Government Shifting its Failure to Corporate India?” <<https://www.academia.edu>>

activities that satisfy the condition for CSR spending. The activities listed are very broad and cover a large band of what is typically considered CSR such as spending on education, gender equality, health, environment, arts, reducing other inequalities, poverty eradication some designated government programs, funds for technology in Government Academic institutions thereby leaving firms with considerable discretion in directing their CSR spending<sup>11</sup>.

However, the MCA's rules do not count as CSR spending those expenditures that would have been undertaken in the normal course of business, that are meant to benefit employees or political parties, or that relate to activities occurring outside of India. It is claimed that businesses in India always followed conscience in showing responsibilities towards theirs. Even though the modern concept of corporate and CSR does not exist.

*There is one very good example of a businessman contributing to cause of the state. When Maharana Pratap ran out of funds after series of battles with Akbar, Bhamashah, the leading businessman of Chittorgarh made a huge contribution towards the war funds of his king. However, this cannot only vaguely resemble the modern concept of CSR where the corporate plough back part of their profits towards enhancement of quality of life of society.*

As in common wisdom, Indian companies have been engaged in CSR/charity/philanthropy since time immemorial, but CSR is not charity or donations but an ethical responsibility of corporates to visibly contribute to social good<sup>12</sup>.

## RESPONSE OF INDIAN BUSINESS

The mandatory provision was not welcomed by the Indian Companies with open hands, the confederation of Indian Industry, a large confederation of the companies showed its discontent towards the rule. The mandate of CSR what was supposed to be the voluntary act previously can lead to instability in the liberalisation process. This point was overlooked by the standing committee and the “**fine or explain**” policy was adopted later in 2020 the provision was decriminalised for non-compliance with the CSR policy. The company have to spend a large amount of sum on CSR practice year after year it will impact negatively the appropriate projects. A major resource of the companies will be spent on finding, planning, implementing and monitoring CSR every year. Several

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<sup>11</sup> Nidhi Tandon, “The Role of Corporate Social Responsibility in India”  
<[https://www.researchgate.net/publication/312084577\\_The\\_Role\\_of\\_Corporate\\_Social\\_Responsibility\\_in\\_India](https://www.researchgate.net/publication/312084577_The_Role_of_Corporate_Social_Responsibility_in_India)>

practices were undertaken by the companies' prior before 2013 which was philanthropic and now they have to be specifically focusing on **schedule VII of the Companies Act** which will result in more unnecessary expenditure. In 2016-2017, the average profit of 1080 companies over the past three years which crossed the threshold of CSR was INR 5.35 lakh crore therefore the amount which was supposed to be spent i.e. two percentage of the previously mentioned profit that is 10,686 however the amount spent was INR10, 886. Two hundred crore more and in 2017-2018 there was an increase per content. Statistically, there is the sound practice of CSR by the Companies to uplift the Indian Society. In 2020 CSR made a significant impact in helping the central government to tackle the global pandemic and The Ministry of Corporate Affairs added contribution to the PM CARES fund under schedule VII of the companies act therefore notifying and practice time but the Chief Minister Relief Fund was not included for the same due to political reasons best known to the Ministry and that drew huge criticism. One can understand that CSR sometimes can be politically motivated expenditure.<sup>13</sup>

## INDIA'S MANDATORY CSR DIFFERENT FROM U.S.A'S VOLUNTARY

### CSR.

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The comparative point is whether CSR adopted by the corporate body should be a voluntary corporate strategy or it should be binding on the corporate body through legislation. The government could have played an active role in incentivizing Voluntary CSR activity of Body Corporate through permits, monitoring, subsidies and deregulation of certain provision. There is a strong case for the combination of a **voluntary and mandatory form of CSR**.

The **voluntary** form of CSR increases the market value, mitigate economic risk and increase the individual value whereas **mandatory** CSR increase the participation of stakeholders but that is passive participation in the CSR activities. Mandatory CSR does not solve the issue of corruption, environmental damage by the corporate body, injustice or integrity issues.

USA model of CSR advocates that there is no need for government intervention because different incorporation may view CSR as different manners of tradition and market itself motivate

<sup>12</sup> Manfred Max Bergman, "Corporate Responsibility in India: Academic Perspectives on the Companies Act 2013", <<https://www.mdpi.com/2071-1050/11/21/5939/pdf>>

<sup>13</sup> Dr. Reena Shyam, "AN ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA" International Journal of Research – Granthaalayah, Vol. 4, No. 5 (2016): 56-64.



incorporation to involve into CSR activities. The USA model has an underline motive to use CSR as a PR tool or strategy to incorporate a sustainable method of development.

Indian have passive philosophy towards CSR and activity remain separated from the business plan, business goals, functions and strategy. There is no participation of employees and community in the decision making and the decision flows from the top level of the management.<sup>14</sup> Indian Model does not ponder upon reduction of the harm caused by the Industry. The industry does not assess the impact done to the society and therefore does not act accordingly to the need of the society. Customers are the most important stakeholders and less focus is given to Environmental and human rights. The obligatory nature of the provision makes it more sort of explaining use rather than shareholder social activism. There exists lack of awareness among the people and participant and business usually does not disclose their ulterior motive for the contribution into community development.

Corporates in the USA have active involvement in the CSR practices where the plans are integrated with the goals, functions and strategies of the corporate house assess the damage or harm done to the environment and take steps to neutralize the same. Multi-stakeholder solder such as employees and community participation in decision making. There is transparency in the activities performed and the same is regularly audited and provided on a public platform.

USA model of CSR promotes competitiveness because the firms have freedom to do what they have to uplift the community; socially responsible companies are more competitive than those which are not. There is already an international standard mentioned under “*UN Guiding Principles on Business and Human Rights*”which need to be promoted rather than enforcing a new set of rules and regulations. This model where law ends and entirely motivates the company to go beyond the provisions mentioned in statute together to understand the need of the social customers. It is a requirement of society and consumers that the corporate body shall be motivated by themselves but not law to maximise the effectiveness of management and company available resources to provide additional benefit to the community.<sup>15</sup> CSR shall be something that should come within inside and not outside

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<sup>14</sup> Emulate Amul-type CSR, World Bank Official Tells India Inc, Friday, 9th, 2012 <<http://www.indiacsr.in>>

<sup>15</sup> “Corporate Social Responsibility: Towards a Sustainable Future” , A white paper by KPMG & Associated Chambers of Commerce and Industry of India(ASSOCHAM) in.kpmg.com/pdf/CSR\_Whitepaper.pdf

specifically not from government. The government of India have gone a step ahead and not only made CSR mandatory but segregated CSR under Schedule VII of the Companies Act and criminalised its default until 2020 which could be defined as a forced model of stakeholder that the company adopted in India.<sup>16</sup> \_

CSR focus on two models **Shareholder Value and Stakeholder Model**. Milton Friedman's model focuses on the Shareholder value model which is '*only social responsibilities are to increase profits and obey the law*'. The stakeholder model focuses on social responsibilities that only impact corporation. **The future of CSR according to the thesis of William Sun and Lawrence Bellamy's** is "the integration of the business with the society because the purpose of business is in serving common good but they are not doing good enough as businesses in the USA are focusing on specific community within the company". There is a huge lobby of the influential group within the Industry who are diverting the benefit of CSR towards them and the benefits are not reaching all the stakeholders of the business.<sup>17</sup> The scholars provided an example of how financing business took this opportunity to abuse mortgage underwriting standards and to justify the transfer of high-risk loans to investors to pursue their financial gain. Therefore, the Voluntary CSR model is not beneficial in a real sense to the stakeholders either.

## STAKEHOLDER AND SHAREHOLDER MODEL ARGUMENT ON VOLUNTARY AND INVOLUNTARY CSR

Mandatory CSR argues that companies have the responsibility beyond the company's shareholders and towards the society at large. This responsibility in developing countries increases considerably to support the government or generate resources to meet the developing goals. The triplet line approach encapsulates the idea that a company should achieve a balance of economic, social and environmental objectives while addressing the wishes of Shareholders and stakeholder, some believe CSR mandate can be a problem in companies' efficient operation and stakeholder model have several objectives which create complexities of the companies. Major problem is to decide that where CSR can be practised and each year the company has to come up with a way to spend resources on CSR on stakeholders and choosing one stakeholder among several can put the

<sup>16</sup> Corporate Social Responsibility (CSR) in India- a Report from Article 13 ([www.article13.com](http://www.article13.com))

<sup>17</sup> Sun, W., Stewart, J. And Pollard, "Reframing Corporate Social Responsibility: Lessons From The Global Financial Crisis" ,< [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1869205](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1869205)>

company in serious dilemma and thinking<sup>18</sup>. There are high possibilities that committee formed for such task such as the Companies Act, 2013 can divert resources for personal benefits and that will defeat the very objective of mandatory CSR that is followed by the Indian Companies. Mandatory CSR imposes great threat to the smaller and young companies which need profit as a source of Funds and Investment which can lead to loss of efficiency of the Indian economy.

Companies' growth is a strong factor for the long-term growth of the country's economy and voluntary the CSR of USA can be an example of the same. *"A company would undertake it if its perceived benefits at the margin outweigh the perceived cost. In line with this thinking, most countries have left the decision of CSR spending to the discretion of the companies and the market forces but have required mandatory reporting of such activities. India is the first country in the world to have mandatory CSR spending (with provisions for exemption) along with mandatory reporting"*

**"World business council for sustainable development** defined CSR as "the commitment of the Business to sustainable business economic growth, along with employees and their families and to the local community. Primary stakeholders include shareholders, employees and include shareholders, employees, customers, business partners, communities, future generations, and the natural environment"<sup>19</sup> the shareholders themselves form the very prominent part of stakeholders in thee using local and federal government, therefore it might be threatened that shareholder model happiness has the essence of CSR, otherwise which Shareholder of Sound mind will deny the practice of CSR that deny their own benefit or the development of the community in which they stay.

## CONCLUSION

Global Reporting Initiative and the Institute of Social and Ethical Accountability have provided various form of actions that are widely practised in the USA and the practise vary from country to country. CSR around the world targets various aspects ranging from education, rehabilitation, environmental issues etc. however in India CSR is narrowed down and precisely towards helping

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<sup>18</sup> Arjun Adhikari, "Corporate Social Responsibility: Voluntary or Mandatory?" <<http://nkcs.org.np/nja/elibrary/pages/download.php?ref=103&size=&ext=pdf&k=&alternative=-1&usage=-1&usagcomment=>>>

<sup>19</sup> Manuel Castelo Branco, "Positioning Stakeholder Theory within the Debate on Corporate Social Responsibility", Electronic Journal of Business Ethics and Organization Studies, Vol. 12, No. 1 (2007), <[http://ejbo.jyu.fi/pdf/ejbo\\_vol12\\_no1\\_pages\\_5-15](http://ejbo.jyu.fi/pdf/ejbo_vol12_no1_pages_5-15)>

lower strata of the society, armed forces, government during pandemic which is a combination of philanthropy and well planned socialist strategy.

In USA definition of CSR depicts the cooperation of company's core business and its philanthropic efforts, "*A strategic philanthropic effort to seek the cooperation of core competencies with its charitable efforts*". An effort that impacts the society in which shareholder forms the primary stakeholder probably ironically theory but Shareholders are the primary stakeholder too. The Definition is inclusive therefore providing a broad opportunity to explore the areas in which they can practise CSR For example, "*Google arranges technology and innovation initiatives and Johnson & Johnson focus on societal and environmental health*". CSR has not mandated in USA however there exist a CSR team in the Bureau of economic and business affairs to encourage Corporate and Social Responsibility. The various CSR activities are developed by the exemptions provided under tax provision or by ethical brands under consumer pressure. "In USA corporate have an active approach towards reporting activities and it is believed to be good for business. The Boston College Centre for Corporate Citizenship notes the link between corporate citizenship and reaching strategic goals among companies in the U.S. Some of those goals include garnering new customers, boosting reputation, and securing a sustainable supply chain. In the Harvard Business Review, Michael Porter and Mark Kramer suggest that strategic CSR must be tapered toward individual companies, avoiding generic or broad CSR approaches, and be anchored in a business-society team, not a business-society head butting. Business competency rather than social need should define the CSR initiatives".

In India Legislation provides for specific strategy development towards CSR under schedule VII. The thematic areas mentioned are promoting education, addressing poverty and hunger, empowering women and gender equality and the latest addition to the list is a contribution towards PM CARES fund, where the companies have to mere donate the fund and activities, will be performed by the Government itself, which clearly does not involve active participation by the companies and therefore it becomes a distinct part of the Corporate affairs rather unlike USA where it is well within the business plan of the Corporate house. The **biggest difference between India's CSR and the USA's CSR** is that the Indian Government mandate CSR spending, CSR is understood as a practice to mitigate the negative impact of business activities on communities, and there is a crystal-clear difference between business and CSR efforts business success and social well-being are considered as antithetical whereas in USA two are seen as mutually beneficial.