



## Who's happier—the giver or the taker?

By **KP SHASHIDHARAN**

**R**esponsible business enterprises already realise their obligations to the stakeholders and eco-systems and enjoy the joy of giving. They integrate balancing the apparently conflicting issues of three Ps—profit, people and planet—in the business strategy. The Companies Act, 2013 does not leave now to volition but mandates rightly to the corporate to be responsible to the stakeholders. The qualifying enterprises have no opting but to allocate at least two per cent of net profit through Corporate Social Responsibility (CSR):

‘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 during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director’.

A qualifying company under the Act should ensure that it has a CSR policy specifying expenditure of at least two percent of the average net profits made during the three immediately preceding financial years. As the CSR policy is required to integrate economic, environmental and social objectives with the company's strategy, operations and growth, the Ministry of Corporate Affairs has now proposed draft CSR Rules, 2013 under Section 135 of the Act, providing detailed guiding principles. These rules shall be applicable from the financial year 2014-15.

The operating provisions of the Rules disqualify the normal business activities of a company. The CSR Committee constituted is required to formulate the CSR Policy of the company, specifying the projects with modalities of execution with schedules of implementation. The committee must prepare a monitoring mechanism for effective implementation of the CSR activities.

Schedule VII of the Act lists out ten activities qualifying CSR like eradicating extreme hunger and poverty; promotion of education; gender equality and empowering women; reducing child mortality and improving maternal health; combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases. The CSR policy should address environmental sustainability and employment generation by enhancing vocational skills; social business projects and contribution to various funds for socio-economic development.

Besides the CSR rules and the guidelines of Department of Public Enterprises, the corporate which wants to do an effective CSR policy may look for best practices elsewhere too like the Organization for Economic Co-operation and Development (OECD), the International Labour Organization's (ILO) Tripartite Declaration of Principles concerning Multilateral Enterprises and Social Policy and Core Labour Standards; the UN Global Compact Principles; the Global Reporting Initiative Sustainability Reporting Initiatives; the International Organization for Standardization Standards; the Accountability AA 1000 Series; and the Social Accountability International SA 8000 Standard.

Can the corporate can make a profound difference to the planet earth and millions of hungry, malnourished, unhealthy deprived human beings inhabiting in the world? Is there genuine joy in giving? Bill Clinton, former US President and renowned philanthropist, in his book, ‘Giving’ discusses what can be given for the needy and the less fortunate. Giving can be in the form of money, ideas, knowledge, skills, energy, time, things and gifts including food, clothing and medicine. While concluding his book, Clinton asks his readers, “Who's happier? The givers or the takers? I think you know the answer. There's a whole world out there that needs you, down the street or across the ocean. Give.”

Though we may guess the answer to this philosophical question, it is befitting to quote one of the legendary poets, Kahlil Gibran, ‘On Giving’ here: ‘It is well to give when asked, but it is better to give unasked, through understanding; And to the open-handed the search for one who shall receive is joy greater than giving. And is there aught you would withhold? All you have shall some day be given; Therefore give now, that the season of giving may be yours and not your inheritors.’

We may join Edgar Allen Poe in lamenting in his poem ‘A Dream Within a Dream’, “I stand amid the roar/Of a surf-tormented shore,/And I hold within my hand/Grains of the golden sand—/How few! Yet how they creep/Through my fingers to the deep/While I weep—While I weep!/O God! Can I not grasp/Them with a tighter clasp?/O God! Can I not save/One from the pitiless wave?/Is all that we see or seem/But a dream within a dream?” ■

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The views of the author are personal)