

Triple Bottom Line

B. Vijayalakshmi

Asst. Professor, M. G. Law College

Abstract: The corporate social responsibility is now creating new vibes in the minds of all people in this present era especially with its incorporation in the latest companies Act, 2013. The provision is inserted in Section 135 of companies Act 2013 and schedule VII and also placed in Company Rules (Corporate Social Responsibility Policy), 2014 which came into force in April, 2014. It incorporates the conditions on the companies that every (including its holding or subsidiary company) and foreign company having its branch in India a) whose net worth of the company to be Rs, 500 crore or more, or b) turnover of the company be Rs.1000 crore or more or c) net profit of the company to be Rs. 5 crore or more during any of the three preceding financial years has to constitute a corporate social responsibility committee of the Board with at least one independent director. These provisions are applicable not only to Indian companies but also applicable to branch and project offices located in foreign countries. The term CSR has been defined under CSR rules as the areas which include but not limited to projects or programmes relating to activities specified in the schedule or projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated the schedule.

One of the latest emerging topics in the corporate world is CSR. That is corporate social responsibility. The concept appears to be contra to the original concept corporate commercial responsibility. That means the concept of CSR is making the corporators to think a little differently than they used to be. Previously the very core object of setting up of a company is only to make profits. Making profits only would be the motto of any business organisation but today it is a little bit changed making them to focus on the society. Society in the sense, the companies have to concentrate on this Triple bottom line that is they have to concentrate on three P's, they are, People, Planet and Profits. This implicates the meaning that every industrial organisation while taking up their industrial activities must keep an eye on society' interest. The business organisations especially involving in any hazardous industrial activities must be cautious as to their surroundings like people, their safety, surrounding atmosphere etc. otherwise it may result in chain of events like pollution of environment, resulting in deterioration of health of people, sometimes loss of lives of people totally hampering the eco system itself.

If we analyse the few instances where Supreme Court passed landmark judgement under the writ petitions filed by

M.C.Mehtha, who was a committed lawyer by profession and environmentalist by choice. He could show to the world that one man can make a difference. He took up initiative in protecting the environment which is getting completely losing its originality from the hands of industrial activists.

However we cannot sacrifice developmental activities by keeping in view the other inherent risks involved in it but at the same time, the industrialists, business magnets, government, and public must always keep an eye on the safety and health care measures relating to people and planet. How the health of community is important at the same time the health and protection of environment is also equally important.

One has to make a balance between all the three i.e. people, planet and profit. Profit escalation by protecting the health of people and planet is very much appreciable and will yield productive results.

Triple bottom line indicates the basic requirements which are people, planet and profit. These are to be compulsorily considered by Central government, state governments, people, society and industrialists before establishing any industrial units.

PEOPLE

Any company will sustain in the market only with public support. Such public support should not be lost by taking the activities which are injurious to their interest. For example, we have seen so many corporate scandals such as Satyam's scam, 2G spectrum case, Gali Janardhan Reddy's Obulapuram mining case, Vijayamalya's King fisher's case etc. are quite alarming and has created a stigma in the society. When the big business bullets they themselves are stabbing the interest of the society under the guise of power and politics, what about the fate of common man?

To have the positive and fruitful results out of the investments made in public companies or private companies, first it need to be mandated that they have to disclose that for what purposes they are going to divert the funds invested which is understandable to normal public. It must be for all better purposes, publicly announced. Though at present, the MOU and AOA of a company are public documents and disclosing the objectives of the company but still, it will not disclose exactly the fact to which purposes the funds are being put to use. It is a major drawback. Today, the cases are coming to light only after everything is completely collapsed. Under such situations, rectification is not possible, it is only approaching the judiciary after the mishap is taking place and again which will again take number of years to get it repaired. Therefore, the registrar of companies, must make it mandatory that every company must disclose in clear cut terms as to the diversion of funds and reporting periodically as to their utilisation. If not complying with the statutory requirements, there must be quick and speedy plenary measures.

PLANET

Environment is protecting layer to people. We are under the shade of clean environment. The environment gives us seasonal rains, seasonal food crops, good health etc., but today, under the colour of development, we are facing so many environmental problems. However it is not an old concept. It came to light in many environmental cases decided by the Apex court like Bhopal gas tragedy case, Sri Ram food and fertiliser's case, Tajmahal case (Mathura refinery), Ganges pollution case, Delhi sewage treatment plant case etc, and which are live examples and where Supreme court severely warned the industrial units and government bodies emphasising the importance of protecting the environment and the units must pay huge compensations for the deviations from

the safety measures and causing irreparable injustice to the victims of such pollution. So much deforestation is taking place for the purpose of industrial expansion which is resulting in lack of rains, lack of seasonal food items. The government is sanctioning so many work permits for industrial units for setting up chemical industries, mining industries, and oil spilling companies resulting in high pollution in environment completely destroying the eco system. So the Government must be highly cautious in sanctioning permissions and at the same time, the public must be aware of such permissions and must be in position to question the safety norms and measures taken by them before setting up.

PROFIT

The profit mounting is one of the basic features of companies. But still in the present scenario, they have to divert from their only objective of profit escalation to social objectives. The companies find their very existence in the society. The public are the direct contributors for upliftment of any company. If once public trust is lost, the company's existence becomes doubtful. Therefore, they have to invest a portion of their profits for societal causes like providing basic necessities to poor and vulnerable sections, providing health facilities, education etc. which also a mandatory under the latest Companies Act 2013.

CONCLUSION

Let all of us take a pledge to protect planet, people and contributing finally for industrial expansion allowing the corporate giants even to make profits. The triple bottom line also in other words means economy, environment and entrepreneur. The corporate personalities now mandatorily observe the social objective on par with their commercial motive. It is clearly embodied in our latest companies Act, 2013. They have to invest a portion of their profits towards philanthropic purposes to meet the desired fruitful results.

REFERENCES

- [1] Company law by Dr. Avtar Singh, Corporate Law containing Companies Act 2013, by Ravi Puliani
- [2] Indian Business law journals
- [3] www.csrhub.ie
- [4] <https://www.managementstudyguide.com>