

ROLE OF REAL ESTATE INDUSTRY IN SUSTAINABLE DEVELOPMENT OF ECONOMY IN THE CONTEXT OF CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

The thought of corporate social responsibility (CSR) is not new in India. Before that it was called "business social responsibility". Succeeding the amendments to the Companies Act, a new concept of CSR has been introduced under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. India is the first country in the world to introduce legal corporate social responsibility. New Companies Act, 2013. Corporate social responsibility and sustainability are fundamental aspects of basic institutions and business practices. In India, sustainable development and CSR have matured rapidly, and society is driven by the demand for greater accountability through corporate. This practice, though informal, has been appreciated since ancient times. Philosophers like Kautilya from India and pre-Christian philosophers in the West preached and promoted moral principles in business. Many ancient literatures introduced the concept of helping the poor and backward. This idea is also supported by several religions where it is linked to religious law. Zakat, which is followed by conversion to Islam, is a donation from one's earnings, especially to the poor and disadvantaged. Similarly, after Hindus there is 'Dharmada' and after Sikhs there is 'Daashaant'. Today, stakeholders are defining the role of corporates in a broader sense of responsibility for society and the environment, rather than economic performance, and assessing whether they are morally and socially responsible. Whether they are playing their role wisely or not. Sustainability is becoming more important in every aspect of our lives. Companies, governments and citizens are becoming more aware of the impact of today's election on tomorrow's world and property plays a key role in the development of a stable world of immovable industry not only because of its material and land use, but also because people's lives depend on buildings. Thus, CSR in the real estate industry is a campaign to change the use of buildings, maximize efficiency and make them more integral to social life. Another factor is the growing focus on the health and well-being of the people living in the building. This means that tomorrow's city must be fun, inclusive and comprehensive. In short, it must be economically, socially and environmentally sustainable. This research paper focuses on the concept of CSR in the real estate industry and analyses existing CSR laws and guidelines and the role of sustainable development.

KEYWORDS: Sustainable Development, Real Estate Industry, Corporate Social Responsibility (CSR).

Introduction

The growing concern about sustainable development and socially responsible business spreads the concept of corporate social responsibility. As the real estate industry or construction industry is the second largest industry after agriculture accounting for 11% of India's GDP and it remains a high priority market for long term growth prospects as the investment has increased in the last few years Shows the flow of. In addition, the expansion of India's economic transition workforce and citizenship will boost investment opportunities in the real estate sector over the next decade, leading to a significant increase in housing, office, retail and warehouse space. Thus, we can see that the industry has a huge impact on the environment, economy and society, so it has taken an interest in the concept of CSR itself. In the early 1970's, the term CSR itself became commonplace, although it was rarely abbreviated. This concept

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was fully recognized in the late 1990s. People and institutions from all walks of life began to support it. Today, corporate social responsibility has become a global concept in which organizations consider the interests of society while accepting responsibility for the impact of their actions on consumers, employees, shareholders, communities and the environment in all aspects of their activities. These are the most important global issues with serious challenges and implications for almost all sectors. As India embarks on a wave of economic growth and commercial success, corporate social responsibility presents itself as both an opportunity and an important need for corporates to be committed. This will help corporates build their brand and help them grow faster and more balanced. CSR and sustainability are key aspects of our society's core strategies and business practices that cut across modern organizations. CSR has become increasingly mature as a sustainable development and agenda, and is driven by the demand for greater accountability in corporate society in India.

The Confederation of Real Estate Developers Association of India promotes CSR activities in the real estate sector and it is socially responsible and it has been instrumental in building schools, hospitals, skills development, education, old age homes. Make social and welfare efforts on a large scale, Places of worship, care centres, children's centres, roads and many other gardens. Highlighting the CREDAI community's public welfare initiatives will go a long way in creating a more positive impression of the real estate sector. In addition, CREDAI's CSR Awards were launched in 2015 and embody the real estate sector's commitment to social development embodying the principles of corporate social responsibility in their business philosophy and operations. The awards recognize the efforts of companies that engage in CSR strategically and systematically and integrate it with their overall philosophy. The CREDAI CSR Awards fall into the following categories, which support the promotion of CSR activities in the real estate sector: environmental initiatives and sustainable development programs launched. Health and medical care; Skill development and training; Education; Women's Empowerment, Child Welfare Sports Development, Clean India, Swachh Bharat, Disaster Management, and social intervention and advocacy. Real estate developers have done more CSR activities in the last 10-15 years and have done incredible work for the development of social infrastructure which has benefited the society and the citizens as a whole. This aspect has to be shown in the most effective way. CREDAI has been a guiding force for the growing real estate sector in India and will bring more transparency to rid the sector of its most powerful viruses, corruption and red tape, which is the voice of India's real estate industry.

Real Estate Industry

Real estate, by definition, is a capital asset with a long life, both in terms of use and investment. It can be temporarily and practically obsolete. However, the introduction of modern processes and new technologies can reduce the effects of obsolescence and, by improving building capacity, flexibility and elasticity, create a better environment as well as increase asset value. Real estate covers many aspects of real estate, including the development, valuation, marketing, sale, leasing, and management of commercial, industrial, residential, and agricultural property.

In addition to vacant lots and residential lots, houses, outbuildings, decks, tree gutters and fixtures within the property boundaries are examples of real estate. Furniture, cars, paintings, jewellery and boats are examples of private property rather than real estate. There are many ways to invest in real estate, from real estate investment trusts (REITs) to buying a rental property or multi-family home. For those who refuse the idea of fixing plumbing and dealing with tenants, REITs offer the opportunity to directly participate in the ownership or financing of real estate projects. REITs are an interest-bearing trade (such as stock shares) in a pool of immovable assets. REITs own and operate income-generating real estate such as office buildings, apartments, shopping malls, warehouses and hotels. Many REITs specialize in one type of property, such as offices, apartments or regional shopping malls. Most investors buy REITs for their good profits, although those profits are usually fully taxable. However, keep in mind that every sector of real estate is affected by different economic cycles. Large, diverse, or geographically dispersed REITs are less likely to reveal regional weakness and larger economic cycles. On the other hand, smaller, more skilled REITs often provide the greatest growth potential.

Objectives

- To study the role of Real estate in economy development
- To study the sustainable development process of Corporate social responsibility
- To study the Present CSR guidelines in India

Methodology

This article shares a conceptual framework based on previous literature. Previous information published in reports, journals, magazines, books and various online sites referred to secondary information on CSR methods and techniques. The various CSR guidelines applicable to Indian companies are explained in detail. The CSR initiatives of the real estate industry in India have been reviewed to reflect the areas that need more attention. Documents such as annual reports, company CSR initiatives, stability reports, CSR policy document and sustainability policy document were studied to get a complete insight into the CSR practices of real estate companies in India.

Sustainable Development and Corporate Social Responsibility

Sustainability is becoming more important in every aspect of our lives. Companies, governments and citizens are becoming more and more aware of the impact of today's election on tomorrow's world. And property plays a key role in the development of a stable world of real estate industry not only because of its material and land use, but also because people's lives depend on buildings. Changing lifestyles, urbanization, digitization and lack of resources are revolutionizing the way people build and use buildings. For these reasons, CSR is a key issue in the sustainable development of the real estate industry. Today, India is at a stage where it can make a number of choices, including those that ensure stability. The full status of CSR can be understood in three words: 'corporate,' 'social,' and 'responsibility.' Broadly speaking, CSR refers to responsibilities. Corporations are towards the society in which they are established and operate. The idea, first coined by Father of CSR, Howard R. Bowen, in his book *The Business of Social Responsibility*, first pointed out that the term social responsibility in the modern sense of business was brought to the fore. CSR is understood differently by different people. Some people believe that a company is committed to managing its various roles in society as a producer, employer, customer and citizen, while for others it is a corporate responsibility or corporate citizenship or social process. Synonymous with program. Of late, the term has also been coined to refer to a triple-linear approach that fundamentally measures a business's performance against economic, social, and environmental indicators.

Present CSR Guidelines in India

- **Applicability:** Pursuant to Section 135 of the Act and Rules issued under it, the principles of CSR apply to companies which have (a) Net worth of ₹500 crore or more. (b) Turnover of ₹1000 crore or more; Or (c) a net profit of ₹5 crore or more.
- **Compliance:** Companies that exceed the threshold are required to spend at least 2% of their average net profit on CSR activities for the immediate three F.Y. Such expenses incurred on CSR activities may not be treated as expenses incurred by the Company for business or professional purposes. Furthermore, no special tax exemption has been extended in CSR expenditure. Other key requirements include the formation of a committee of board of directors consisting of 3 or more directors, formulation of corporate social responsibility policy by the board of directors on the recommendation of the CSR committee, conducting CSR activities and Spending a certain amount. Monitoring of expenditure on CSR activities and effective implementation of CSR policy in accordance with the recommendations of the CSR Policy and the CSR Committee.
- **Board's Responsibility:** The Board of Directors is required to disclose in its report the composition of the CSR Committee and other compliance performed by the Company and upload it on the Company's website. If the company fails to spend a certain amount on CSR activities, the board must also state in its report the reasons for not spending the money.
- **Penal Provisions:** Currently, there is no penal provision for non-compliance with CSR principles. However, the Board's report may impose fines under the Act for failing to make the required disclosures on an annual basis and for defaulting company officials.

Corporate Social Responsibility and the Indian Real Estate Industry

Recently, CSR was restricted to MNCs and software industry as it is considered a corporate thing in India. Only recently, the real estate industry has begun to be corporate and for that reason, the need for CSR is being recognized. In reality, however, most companies enrol in CSR for mandatory provisions and / or tax adjustments and benefits rather than a real concern for society. Therefore, CSR has not taken any serious path in the Indian real estate industry. Here are some examples of effective CSR in the real estate industry. Although some of the most ambitious projects have not progressed beyond the project level, some lower initiatives are being considered and companies are being given the much-desired corporate look. The reason for the gradual adoption of CSR is the lack of awareness of the implications and cost of large-scale CSR programs and its important links to ROI and branding.

Conclusion

Nowadays, the idea of CSR is well-established and appropriate to all businesses, regardless of whether or not a separate principle is necessary for the real estate industry. These include contributions to human rights, corporate governance, health and safety, environmental impact, business conditions and economic development. CSR has its roots in big business, in which it has seen the real estate business grow over the past few years and dates back to a time when concepts such as stability and community inclusion were less common. CSR is an evolving business process that integrates sustainable growth into the real estate industry. It has a positive effect on social, economic and environmental factors. However, the reality of corporate social responsibility in the Indian real estate industry is that companies get involved in fulfilling the necessary conditions and / or tax adjustments rather than a real concern for society. As a strategy, CSR has not found a specific path in Indian reality, as so far, the leading brands have failed to shift their focus to broader and deeper issues around stability, accountability and governance. Although, it is imperative for the industry to implement CSR, there should be somebody / institution to check whether the industries are implementing it properly or not. The Indian real estate sector is expected to reach USD 1 trillion by 2030. This will contribute 13% to the country's GDP. The Government of India has been instrumental in the real estate sector. Therefore, developers as well as architects must adhere to a comprehensive CSR program that includes sustainable development that has a positive impact on people's lives.

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