

## PROFIT WITH PURPOSE: REIMAGINING THE FUTURE OF BUSINESS MODELS

**Bhabani Prasad Mahapatra**

There is a debate worldwide on corporate purpose—whether the business firm exists primarily to serve the interest of the shareholder or to fulfill the interests of the larger sets of stakeholders. This debate is very much apt in the context of global challenges like depletion of the ozone layer and subsequent climate change, growing inequality, and reduced trust in institutions. Theoretically, two models are important to discuss—shareholder primacy and stakeholder primacy. Shareholder primacy, based on neoclassical economic theories, focuses on profit maximisation, assuming the welfare of the society as a byproduct. However, stakeholder primacy views the corporation as a socio-economic institution. The objective is not only to maximise the shareholder interest but also to look at the interests of other stakeholders and the environment.

This article reviews these competing theoretical strands and contextualises the discussion within India's historical and current legal and regulatory framework, which increasingly institutionalizes stakeholder governance through expanded director's duties, mandatory Corporate Social Responsibility (CSR), and Environmental, Social, and Governance (ESG) disclosure requirements. Despite such reform measures, there is a gap between the regulatory intent and practices of the corporation. In order to address these challenges, the paper proposes a sufficiency-based business model that integrates profitability with sustainability, inclusive governance, and qualitative growth. This model emphasises responsible capitalism through efficient utilisation of resources, stakeholder participation, and alternate financing mechanisms in order to align the corporate purpose with societal and ecological well-being.

*Bhabani Prasad Mahapatra is Head of the Programme of Marketing Management, Xavier Institute of Social Service (XISS), Ranchi, Email: bhabani@xiss.ac.in*

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