

A STUDY ON CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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Abstract:

CSR (Corporate Social Responsibility) is the process by which an organization thinks about and evolves its relationships with stakeholders for the betterment of the society. Society and Business go hand in hand. It demonstrates its commitment in this regard by adoption of the appropriate business processes and strategies. Socially responsible companies use CSR to integrate economic, environmental and social objectives with the company's operations and growth. In the recent decade CSR activities have taken a great upsurge. Many Indian companies have shown remarkable initiative in carrying out these activities in various areas like environment, health care, child education and many more.

The study reflects about how top companies in India have led to emerge several CSR initiatives which show a different image of today's corporate as a contributor to the society. They have come a long way from earning profits from the society to becoming generous and giving towards the underprivileged and deprived. The aim is to reduce inequalities in the Indian society.

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Introduction:

Corporate Social Responsibility (CSR) assumes significance as it permits companies to engage in projects or programs related to activities with regard to social welfare and improvement enlisted under the terms of Companies Act. The New Companies Act, 2013 had given a new insight to corporates to move socially and responsibly. Therefore, this study tries to analyses which are major CSR activities contributed Indian companies, and also highlights the CSR activities followed by the companies as per New Companies Act, 2013.

India has created a sturdy framework for CSR activities making it mandatory for companies to allocate a portion of their profits towards the development of society. Various companies have accepted these responsibilities and contributed actively

to reduce these inequalities. All qualifying company required to have a CSR committee are required to spend at least 2% of its average net profit for the directly preceding 3 financial years on CSR activities. The activities are carried out with the obligations like eradicating extreme hunger and poverty, promotion of education, improving health, cleanliness drive and many more.

Review of Literature:

A. K. Singh (2018), states that the external environment of business has undergone revolutionary changes which generated far-reaching impact on organizational performance and their management strategies. He also says that the management experts recommend that business organizations must devote resources to socially desirable objectives besides making profits to maintain the confidence and support

of its stakeholders and creditors. CSR can generate values and create opportunities for corporate houses for enhancing their business performance and building strongly relations with the stakeholders and community.

Uma R and Dr. Uma K (2021) in their study reveal how the efficient use of resources in a business to benefit all the stakeholders involved has an across the board impact on the financial performance and reduced operating costs which ultimately results in increased revenue for the businesses. They also gave an example of Tata Philanthropy when in 1892 Jamshetji gave grant to two lady doctors to go abroad and specialize in gynecology and for the next hundred years 2000 Indian students were given loan for higher education to study abroad by JN Tata Endowment.

Dr. Reena Shyam (2016) in their study examine how CSR is deemed as a point of convergence of various initiatives aimed at ensuring socio-economic development of the community. She also stated that CSR in India faces several challenges and needs to overcome these hurdles and accelerate the CSR activities.

H.B. Priyanka and Dr. Devarajappa. S (2020) states that CSR is a channel through which corporations address the issues through different stake holders by integrating social, economical and environmental aspects into business operations.

Objectives of the Study:

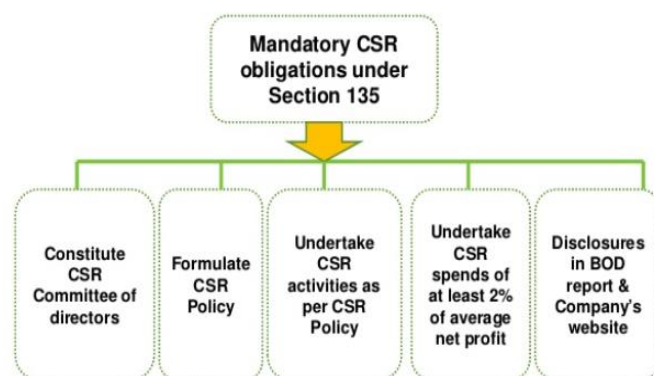
- To study the legal framework of CSR as per Companies Act, 2013.
- To examine the CSR focus areas by companies in India.
- To understand the CSR spending carried by selected top companies.

Legal Framework Of CSR As Per Companies Act, 2013:

Government of India had taken a huge step towards replacing the old regime as to how the corporates

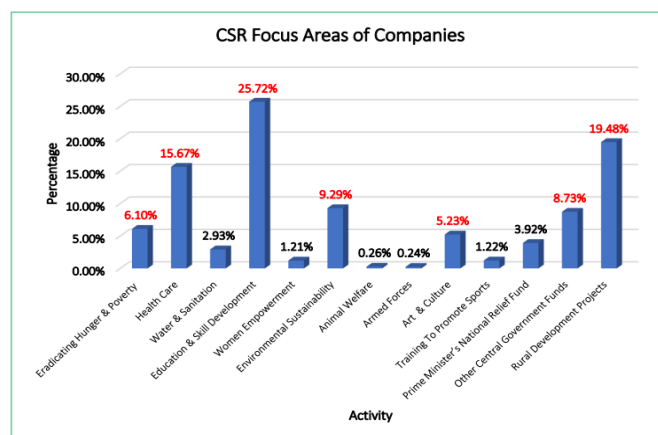
should behave ethically and responsibly. Taking into consideration this aspect, Government had laid regulation for CSR through the New Companies Act, 2013, which specifies the way corporates should possess CSR into their business operations. As per Section 135 of the Act, the companies should contribute at least 2% of their average net profit towards CSR every year. The following criteria shows the eligibility the company should follow in order to contribute towards CSR:

- Annual Turnover of 1000 INR crores or more;
 - Net Worth of 500 INR crores or more;
 - Net Profit of 5 INR crores or more.
- **Mandatory CSR obligations on Companies covered u/s. 135(1) of the Companies Act, 2013.**



CSR FOCUS AREAS OF COMPANIES

Data- 2016-17 to 2020-21



Secondary data

Based on above findings, it can be concluded that

Education & Skill Development received the highest amount of CSR spending, followed by Rural Development Projects with Health Care and Environmental Sustainability also received significant contributions respectively.

Other areas, such as Eradicating Hunger & Poverty, Water & Sanitation, and Women Empowerment, received comparatively lower amounts of CSR spending.

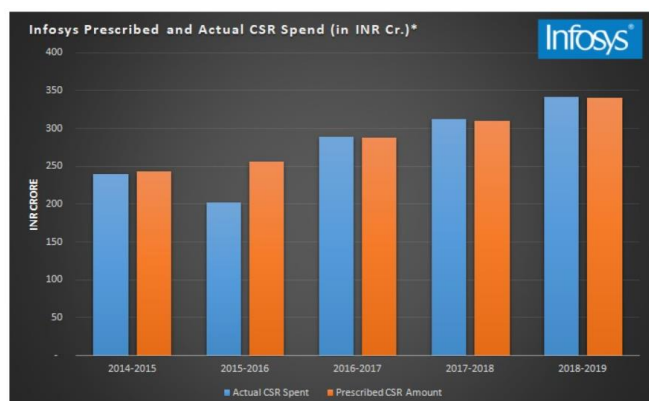
It is essential to note that Animal Welfare, Armed Forces, Art & Culture, Training to Promote Sports, Prime Minister's National Relief Fund, and Other Central Government Funds received relatively small amounts of CSR spending.

Overall, the distribution of CSR spending in different areas can provide insights into the priorities and values of the companies that contributed to these projects.

Top Selected Companies Csr Spending & Details After Companies Act 2013:

This detail are based on the Corporate Social Responsibility companies total CSR funds, spending patterns, performance, and expenditure in relation to the responsibility matrix, ESG performance, and how CSR companies incorporate Sustainable Development Goals (SDGs) into their responsible business operations and also displays companies with highest CSR fund company list in India. Below data is a secondary data.

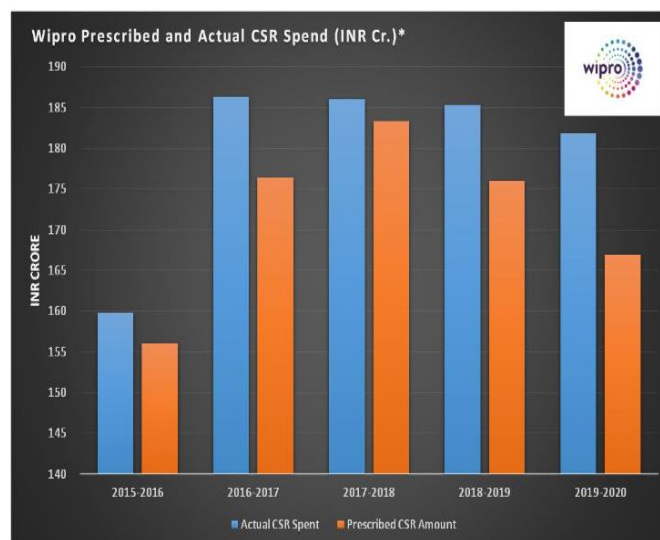
1) Infosys



Infosys is one of the best examples of Corporate Social Responsibility companies. As a prominent software firm, Infosys offers superior education programs to its citizens, enhancing their IT skills and competency. They are concerned about the prudent use of natural resources and feel that the usage of energy has a direct influence on the environment. As the nodal agency for project implementation, Infosys Foundation primarily collaborates with non-governmental organizations. The highlights of the Infosys Foundation's CSR projects list include the following:

- The introduction of the **Aarohan Social Innovation Awards**
- GoSports Foundation for access and excellence in sports
- Restoration of water bodies in Karnataka
- Disaster relief efforts in Tamil Nadu, Karnataka, and Kerala

2) Wipro Ltd

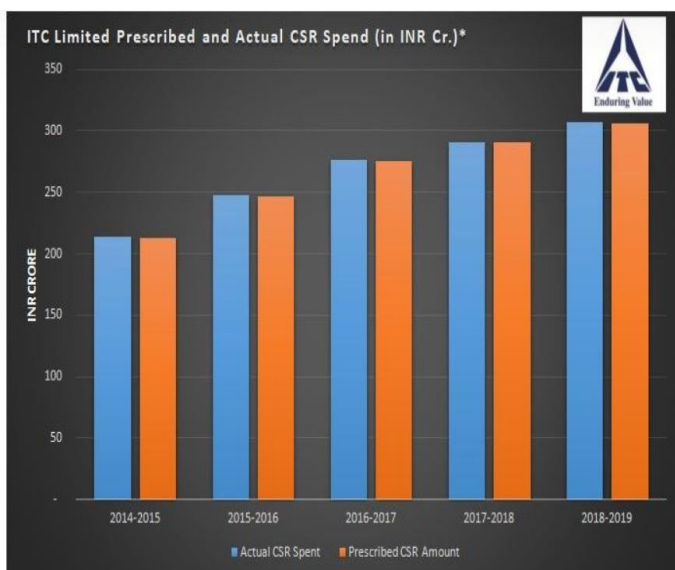


Wipro's CSR projects in India are implemented through a variety of channels including

- Wipro Foundation, a distinct trust established in 2010
- Wipro Cares, a trust for contributions towards the employees
- Directly under Wipro Ltd.

Wipro's implementation strategy is to predominantly engage with partners that have a track record of success in their respective fields. The vast majority of CSR projects are multi-year multi-million dollar endeavours.

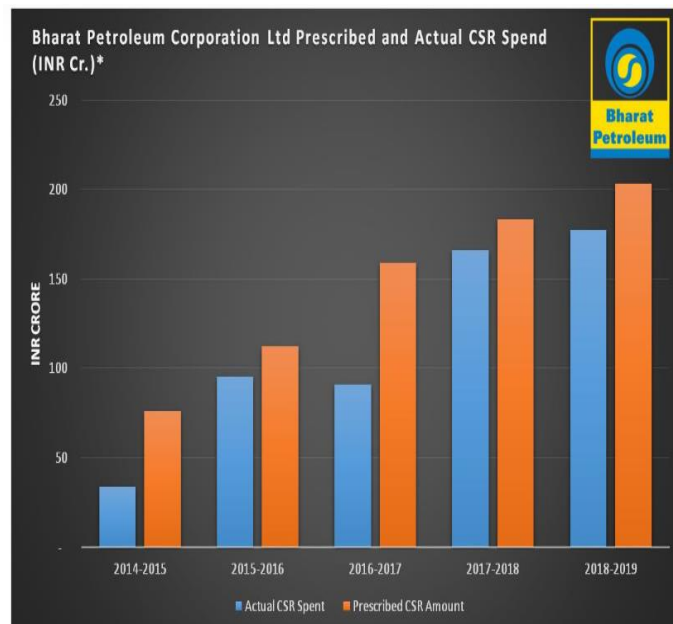
3) ITC LTD



ITC balances its twin goal of offering stakeholder and social value enhancement by crafting CSR initiatives aimed at societal sustainability. Some of its notable initiatives are in the country's agriculture industry.

- This Corporate Social Responsibility company is a large conglomerate that contributes significantly to rural development.
- ITC's famous CSR project **e-Choupal** is the company's long-running flagship CSR initiative that has established the gold standard in worldwide community development circles.
- Not only has ITC Choupal touched lakhs of farmers through digital literacy and economic empowerment over the years, but it has also been imitated by hundreds of other corporates for social welfare in their own communities as a major CSR project in India.

4) The Bharat Petroleum Corporation Ltd.



Bharat Petroleum Corporation Limited (BPCL) is operated by the Government of India and is also one of the top Corporate Social Responsibility companies of India. The company's fundamental activities are interwoven with CSR. Through its active engagement in the energy industry, Bharat Petroleum Corporation contributes to the growth of India. Its long-term commitments span urban, semi-urban, rural, and tribal communities.

They contributed a total of INR 4.27 crores from their salary. The PSU organised 'Swachhta Pakhwada 2020' from July 1 to 15, 2020 as part of its corporate social responsibility for COVID-19 assistance. This unique project aided the Indian government's Swachh Bharat Abhiyan.

Under the banner of "supporting excellent education," the focus of BPCL CSR is on teaching comprehensive education, ideally using technology, in addition to providing suitable infrastructure facilities, facilitating access to education, and improving education systems.

Conclusion:

CSR has become a vital concept for the development of India. Since it gives advantage to both the companies as well as the society in all respects. CSR plays an

important role in shaping India's development. Today, India is making a rapid growth in societal development as major companies are making huge contributions through CSR activities. The selected top companies in India are indulged in CSR contribution in four major heads like Health, Education, Environment and Community Development. Further, companies have to take other areas such as sports, promotion of art and culture etc. for CSR contribution which are still unnoticed, this spreads uniformity in all areas of CSR. The Government also plays a vital role in enhancing the CSR activities by introducing various legal frameworks.

Sugesstions:

- Companies should undertake a Need Assessment Survey beforehand so they can organize their CSR programs based on these societal challenges, as opposed to implementing CSR activities according to their convenience.
- It appears that the majority of companies are focusing on the same social concerns; rather, they

should collaborate and address other social issues that have been overlooked but still require attention.

- Companies should view CSR as a responsibility to give back to society, not as a burden.
- To advance society as a whole, it is necessary to address the CSR priority areas that are still unexplored.
- Government should also introduce legal framework for companies who are below category mentioned in legal framework of CSR as per companies Act, 2013 & encourage these.
- companies to contribute in CSR activities by giving additional benefits in Taxation.

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