

# AN OVERVIEW ON IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

\*Dr.M.HajeraBanu ,Ph.D  
Assistant professor of Commerce,  
Erode Arts and Science College (Autonomous), Erode-9

## INTRODUCTION

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”  
- Lord Holme and Richard Watts,

## CORPORATE SOCIAL RESPONSIBILITY

The term corporate social responsibility denotes the responsibility of any companies towards the society it belongs. Because man alone cannot be succeed in any type of activities, to be succeed man need the support of others too. Here others means family, friend, neighbors 'and financial institution etc., in short it's called as society . society has given men, material, money and machine to start any business, after production of the product or services the same has to be sell to the society only. So whatever gained by the corporate is from the society , without society the business corporate is nothing , hence they have to do something for the betterment of the society which they belongs .

The corporate companies tapping the untapped resources and utilizing them for earning profit. Due to these activities knowingly or unknowingly they pollute the environment, so it is their sole responsibility to take steps to protect the environment and all the natural resource which is endanger due to the corporate companies.

## IMPORTANCE OF BUSINESS ETHICS.

Business ethics is nothing but application or adoption of ethical values in business authoring the laws of a nation , respecting the human values . Directing the company officials to care the employees benefit as well as the community from which they get their resources. When the business ethics are followed one can see the sustainable development , development of corporate along the development of the society .Once the company followed the business ethics then the employees will retain in the same organization, employees work whole heartily the cost will ne minimized , and it encourages the team spirit among the employees ,Production will be enhanced, companies good will , will develop and due to ethical practices , the companies will

attract more number of investors ,Business ethics lead to long-term gains and gains the consumers' confidence.

### OBJECTIVES OF THE STUDY

- To create an awareness on the concept of Corporate Social Responsibility.
- To know the corporate contribution in CSR projects in India as whole and Tamil Nadu in specific
- To identify the major areas of CSR projects concentration in India.

**Table NO-1**

### EVALUTION OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

First Phase	Pre –Industrialisation	1800	CSR activities were undertaken in the form of Philanthropy with religious belief
Second phase	Pre- Industrialisation	1801-1914	CSR activities were undertaken in the form of donations with social welfare objectives
Thirrd phase	Industrailization	1950-1980	CSR activities were undertaken in te form of responsible behavior with progressive approach
Fourth Phase	Post- Industrialization	1980-2013	CSR activities are being performed in various forms by keeping in view multi-stakeholders benefit
Fifth Phase	Post- Amendment to Companies Act	2013-present	CSR activities are begin performed as per the guidelines of the Act and is seen as a Legal obligations

Source: Journal of Executive Management Science-July 2016- Vol5 Issue 7- ISSN 2277-5684

As per Companies Act of 2013 . It becomes mandatory to follow the corporate social responsibility by every company.The condition to be followed by the companies

Whether Private or Public limited which have a net worth of Rs.500 Crore

Or

Turnover of Rs.1,000 Crore

Or

Net profit of Rs.5 Crore

If the company fulfill any one of the above conditions then these companies should spend minimum 2% of its average net profit for the immediately preceding 3 financial years for social activities in the particular area.

### **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.**

The companies whose net worth more than 500 crore or turnover more than of rupees Rs.1,000 Crore or net profit more than Rs.500 Crore in any financial year shall set up a Corporate Social Responsibility Committee

The Board consist of more than 3 directors and among one director should be an independent director.

The Board should recommend the composition of CSR Committee and this committee should frame the CSR policy and the activities should be carried on according to the notification in the VII schedule of Companies Act 2013.and it also decide the amount spend for CSR activities. The Committee also decide the local area where the activities should be carried on . If the company fails to spent the minimum amount of 2% from the net profit, the board should give the proper report about the planned activities and the actual performed , if there is deviation the board has to give the proper reason for the deviation in the report. clause (o) of sub-section (3) of section 134,

### **MINISTRY OF CORPORATE AFFAIRS NOTIFICATION**

New Delhi, the 27th February, 2014 G.S.R, 130(E).-In exercise of the powers conferred by sub-section (l) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government herebydeclare the following areas where CSR projects can be carried on by the companies.Major area to be covered for CSR

Allegation of poverty , Promotion of education , promotion of health care ,Empowering women and physically challenged , setting of homes for elderly people , protection of environment ,ecological balance, protection of fauna and flora, conservation of natural resources , protection of cultural and national heritage , protection art and culture and handicrafts ,agriculture, promotion of rural sports and Paralympics sports. Donation to many relief fund set up by state and central governments and rural development projects.

Table NO-1

## YEAR WISE STATES CONTRIBUTION IN CSR ACTIVITIES IN INDIA

S.No	States	Amount spent	Amount spent	Amount spent
		2014-15 In cr	2015-16 In cr	2016-17 In cr
1.	Andaman and Nicobar	0.29	0.55	0.83
2.	Andhra Pradesh	414.27	1241.97	729.97
3.	Arunachal Pradesh	11.04	1.48	23.61
4.	Assam	134.78	167.47	268.87
5.	Bihar	36.68	108.67	94.40
6.	Chandigarh	1.77	5.12	21.30
7.	Chattisgarh	161.30	237.942	80.36
8.	Dadra and Nagar Haveli	4.41	12.02	5.12
9.	Daman and Diu	20.05	2.13	2.63
10.	Delhi	237.43	479.13	478.63
11.	Goa	27.11	30.53	34.95
12.	Gujarat	313.44	559.14	779.88
13.	Haryana	187.40	367.33	346.56
14.	Himachal Pradesh	10.94	52.35	16.40
15.	Jammu and Kashmir	43.70	103.03	41.05
16.	Jharkhand	79.56	118.17	94.63
17.	Karnataka	403.46	778.88	843.49
18.	Kerala	68.23	143.88	117.54
19.	Lakshadweep	0.00	0.30	0.00
20.	Madhya Pradesh	141.88	183.26	282.03
21.	Maharashtra	1,445.91	2013.01	2222.25
22.	Manipur	2.44	6.27	11.71
23.	Meghalaya	3.5.	5.62	7.54
24.	Mizoram	1.03	1.07	0.08
25.	Nagaland	252.18	0.96	0.92
26.	Odisha	252.18	618.90	311.96
27.	Puducherry	2.02	6.34	7.48
28.	Punjab	55.60	69.04	67.19
29.	Rajasthan	299.75	493.95	318.88
30.	Sikkim	1.19	1.89	4.86

31.	Tamil Nadu	539.63	615.70	470.54
32.	Telangana	101.96	254.01	221.26
33.	Tripura	1.33	1.47	1.25
34.	Uttar Pradesh	148.90	417.12	312.74
35.	Uttarakhand	74.79	72.42	94.64
36.	West Bengal	194.85	411.70	274.70
37.	NEC/Not mentioned	26.94	0.00	6.72
38.	PAN India	4,614.89	4783.26	4867.42
	Grand Total	10,065.93	14,366.29	13464.60

Sources: National CSR Portal

The above table clearly shows the contribution of states in India in the CSR activities . In the year 2014-15 ,Rs. 10,065.93 Crore CSR projects were carried on in India and the year 2015-16 Rs.14,366.29 Crore and in the year 2016-17 it has been decreased little and it was Rs.13,464.60 Crore. Among the 30 states In India state of Maharashtra spent large amount in CSR projects followed by Tamil Nadu , Andhrapradesh , Karnataka and Odisa respectively.

**Table N0.2**

**Top 10 companies which spent highest amount for CSR projects in India for the year 2016-17**

Company Name	Amount (INR Cr.)
Reliance Industries Limited	760.58
Oil And Natural Gas Corporation Limited	495.23
Infosys Limited	239.54
Bharat Heavy Electricals Limited	239.11
Tata Consultancy Services Limited	218.43
ITC Limited	215.05
NTPC Limited	205.17
NMDC Limited	188.65
Tata Steel Limited	171.46
ICICI Bank Limited	155.54

Sources: CSR BOX

Table N0.3

## DEVELOPMENT SECTORS THROUGH CSR IN INDIA

S.No	Development sectors	Amount Spent FY 2014-15 (Cr.)	Amount Spent FY 2015-16 (Cr.)	Amount Spent FY 2016-17 (Cr.)
1.	Clean Ganga Fund	5.47	32.65	24.23
2.	Education, Differently abled, livelihood	3,188.09	4,881.26	5,123.83
3.	Encouraging Sports	57.61	137.58	172.53
4.	Environment, Animal Welfare, Conservation of Resources	853.99	963.22	1,282.34
5.	Gender Equality, Women Empowerment, Old Age Homes, Reducing inequalities	189.92	337.44	434.75
6.	Health, Eradicating Hunger, poverty an Malnutrition, Safe Drinking Water, Sanitation	2,525.92	4,545.00	3,397.00
7.	Heritage Art and Culture	117.37	117.58	296.85
8.	Others Sectors( Technology Incubator and Benefits to Armed Forces and Admin Overheads)	9.50	37.15	58.71
9.	Prime Ministers National Relief Fund	228.18	213.70	150.70
10.	Rural Development	1,059.34	1,369.52	1,507.45
11.	Slum Area Development	101.14	14.30	49.81
12.	Swachh Bharat Kosh	113.86	324.72	165.09
13.	Any Other Fund NEC/Not Mentioned	227.09	326.88	412.38
	Total	10,065.93	14,366.29	13,464.60

Source: National CSR Portal

Table N0.4

**YEAR WISE COMPARATIVE STUDY OF TAMIL NADU DISTRICTS  
CONTRIBUTION IN CSR PROJECTS**

S.No	Districts	2015-16 (In Crore)	2014-15(In Crore)	2013-14(In Crore)
1.	Ariyalur	0.00	0.00	2.00
2.	Chennai	14231.00	17942.00	11696.00
3.	Coimbatore	3360.00	2320.00	1655.00
4.	Cuddalore	403.00	2475.00	1179.00
5.	Dharmapuri	133.00	120.00	47.00
6.	Dindigul	236.00	194.00	139.00
7.	Erode	415.00	109.00	79.00
8.	Kanchipuram	218.00	265.00	74.00
9.	Kanyakumari	150.00	75.00	69.00
10.	Karur	60.00	89.00	90.00
11.	Krishnagiri	517.00	81.00	106.00
12.	Madurai	346.00	644.00	258.00
13.	Nagapatinam	310.00	191.00	110.00
14.	Namakkal	16.00	57.00	10.00
15.	Nilgiris	15.00	93.00	41.00
16.	Perambalur	12.00	6.00	1.00
17.	Pudukkottai	11.00	40.00	67.00
18.	Ramanathapuram	76.00	311.00	166.00
19.	Salem	278.00	27.00	30.00
20.	Sivaganga	553.00	872.00	474.00
21.	Thanjavur	463.00	36.00	16.00
22.	Theni	104.00	44.00	254.00
23.	Thiruvallur	215.00	483.00	274.00
24.	Thoothukudi	3.00	519.00	518.00
25.	Tiruchirappali	393.00	337.00	1.00
26.	Tirunelveli	499.00	16.00	6.00
27.	Tiruppur	42.00	26.00	35.00
28.	Tiruvallur	24.00	9.00	35.00
29.	Tiruvannamalai	32.00	1.00	75.00
30.	Vellore	480.00	278.00	21604.00
31.	Virudhunagar	233.00	427.00	161.00



32.	NEC/Not Mentioned	23207.00	33484.00	14727.00
	Total	47,055.00	61,571.00	53,964.00

Source: National CSR Portal

Tamil Nadu is the state which is urbanized and fast growing state in India . Tamil Nadu is in southern India , which is divided into 32 districts. Chennai is most populated district in Tamil Nadu and area wise the largest district of Tamil Nadu. India's Total GSDP( Gross State Domestic Product) 187 lakhs crore , the major contributory states are Maharashtra with Rs.27.96 lakh crore and in the second position is the state of Tamil Nadu with Rs.16.78 lakh crore and the growth of industries is fastest in Tamil Nadu . Among the 32 districts .All these districts corporate were contributing huge amount in CSR Projects . Chennai is the leading district which contribute major amount in CSR projects , Coimbatore is the second leading district and the third place by Cuddalore .Thuthukudi , Dharmapuri and salem shares the next places respectively.

**Table N0.5**  
**MAJOR CSR PROJECTS IN TAMIL NADU**

Year	Total number of companies spent on CSR	Total amount spent on CSR(in Cr)	Major development sectors	Amount spent (in Cr.)
2014-15	603	540	Education Vocational Skills Health Care	27,879.00 9,454.00 6,433.00
2015-16	1293	616	Education Health Care Sanitation	17,283.00 12,538.00 4,489.00
2016-17	1226	471.00	Education Health Care Rural Development Projects	17,911.00 9,897.00 4,024.00

Source: National CSR Portal

From the table it is clearly known the Major areas covered under CSR projects in Tamil Nadu are Education , Health care, Rural Development and Sanitation .



## CONCLUSION

India is a democratic nation where every one is equal before the law .The elected representatives of the people have a duty to do all the activities for the betterment of nation , people and the environment has a whole , the strength of our nation is our human resources the weakness of our nation is also the same. Because the government alone cannot carried on all the activities for the well being of the nation , it is the responsibility and also the duty of the corporate companies to do such good things in the community where they survive. Their foremost duty to protect the environment and to follow the business ethics , their development should be sustainable one .CSR is flourishing concept in our country . Compared to the developed nation , still more corporate companies should come forward to involve themselves in the CSR activities, to protect the environment and the community .The government has set up a high-level committee to review the frame work fit corporate social responsibilities activities and suggest a road map for better implementation of its provisions .

### References:

1. Official Gazatte , Ministry of Corporate Affairs Notification ,New Delhi, 2014
  2. CSR National Portal, Ministry of Corporate Affairs.
  - 3.https:// Csr box.org
  4. <file:///D:/paper/csr/handbook-on-corporate-social-responsibility-in-india.pdf>.
  5. Journal of Executive Management Science-July 2016- Vol5 Issue 7- ISSN 2277-5684
- Dr.M.HajeraBanu,Ph.D., Assistant professor of Commerce, Erode Arts and Science College (Autonomous), Erode-9