

A COMPARATIVE STUDY ON CORPORATE SOCIAL RESPONSIBILITY-HOW IT CHANGES THE BACKWARD CLASS

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ABSTRACT

When the company succeeds in the long run it evolves into many branches of industries. The evolution of such kind improves the society through the activity, that corporate pays back to the customers in the way of CSR activity's too. The CSR activity is a corporate tactical that are handled to improvise the brand value and an indirect way of marketing about the company to the common public. After independence many states in India faces poverty and various other problem like lack of proper of literacy rate and sanitation facilities etc. The government also started to enumerate various policies which initiated various measures that helps to come out of the problem slowly. So, the government cannot concentrate on all the areas. So, after the amendment of companies' act 2013, CSR made mandatory with some restrictions of spending towards CSR. So, many companies came forward to spend for CSR.

Keywords: *CSR, Brand value, Marketing, Job opportunities, Non-taxable things.*

INTRODUCTION

The evolutions of various things that revolve around us improvise the new level of expectations. The expectations can be attracted to anything. From the state of civilization, the desire towards something are expelled in the invention of new things, by that way only many new things are emerged in the environment to create a new atmosphere comparing to the structure that are present at the time of the civilization. So, this process that created the difference between the urban and rural.

The desire leads a new way, the way of development of proper infrastructure which intruded and gave a new experience the general public who are surrounded within the development of the new invention. The appropriate infrastructure for a rural is education, proper sanitation facilities and the common infrastructure that are wanted by the common public in the area where the appropriate infrastructure is lacking. Government of India introducing various measures to renovate the areas of rural in India. The urban is developing but all the areas are not developed, likewise rural is also developing and many areas need to sustain to the developing state itself still. The government of India keep on proposing various policies for the improvement of the rural but the only government of India cannot promote all the rural to the next stage.

So, the CSR is used to enumerate the rural desire to be in a position of the developed state. CSR is a great initiative by inclusion of the industries in the development process that are in-progress. The corporate world, promoting those areas which have the demand of fulfilling the required infrastructure. The initiative is a key for the corporate to enhance the brand value without additional cost that will be incurred in the marketing process. The major advantages that are coordinated with the above-mentioned advantage are the elimination of tax, by the promoting of these activities.

CSR not only includes the improving the infrastructure it also initiates the afforestation in the required areas, providing the monetary assistance to the charity, reducing of the carbon footprints, supporting sustainability, environmental responsibility. These are some activities that are undertaken to improve the areas into a green initiative that are required to reduce the global warming. The global warming is caused by the increase in the carbon footprints and deforestation in various areas. So, by these activities this will renovate to the requirement of the present sustainable practices.

DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

“A self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public”. The above-mentioned definition is gives crystal clear information regarding the CSR in a brief state.

OBJECTIVE OF THIS STUDY

The main motto behind this topic that we have chosen is to know some knowledge in the field of CSR and the usage of CSR by different organizations in the business environment to promote it among the general public and create welfare for the general public.

REVIEW OF LITERATURE

1. “Corporate social responsibility practices in India: Approach, drivers, and barriers” (theoretical literature about the practices that were used in India for the development and upliftment of Indian sector in various fields that lacks the funds and infrastructure. After the CSR compulsion under the Companies Act 2013. The compulsion leads to the involvement of various companies in the renovation of various fields).
2. “Corporate Social Responsibility in India: Issues and Challenges” (theoretical literature about the company’s challenges and the advantage through the CSR activity. The process behind

the companies spending to the CSR activity is a great initiative behind the improvement of the various rural and urban based areas which are lacking the infrastructure in the sector that are mentioned under the appropriate sector lists).

3. “Corporate Social Responsibility In India-A Path To Achieve Sustainable Development Goal” (theoretical literature about the CSR is the useful source for our study to acquire the appropriate background knowledge about the CSR, the usage of the CSR by the business is the appropriate tactics to acquire the appropriate customers and path to the success level of the company).

RESEARCH METHODOLOGY

The main research behind this topic is to gain the knowledge by using the theoretical as well as the secondary data sources that are available on the internet. The research will guide us to know the different prospectus of the various giant corporate's CSR that are been used among the general public.

COMPANIES ACT 2013, A MANDATORY TO ADOPT CSR

The Companies Act 2013 provides the CSR as a mandatory thing under the section 135. Under this measure, the company want to spend 2% of the net profit as a CSR provision for betterment of the nation. These kinds of measure promoted various company to start spending the 2 or more % of the net profit for the welfare of the country.

All the private company are not entitled to spend for CSR, it contains some applicability, they are

- *Net worth of the company should be more than 500 crores*
- *Turnover of the company should be more than 1000 crore*
- *Net profit of the company should be more than 5 crores*

When the above-mentioned rule is applicable, then the company should contribute to the CSR of 2% of the net profit. These rules are applicable to the organization who can easily spend the amount to the welfare and to promote the nation to a developed state.

OUR PERCEPTION REGARDING CSR

The overall idea behind the CSR can be differentiated according to the opinion. Our idea behind the CSR is the welfare for the appropriate people who need it. Different opinions can be taken into consideration like it is done to avoid taxes that are been accumulated and need to pay to the government and the other reason might be a marketing tool. The welfare and the outcome that has been derived after the welfare activity is a huge. Something is evolving in our surrounding will directly or indirectly gives some advantages to the people who surround that surrounding. Likewise, the CSR activity gives various measures to enrich the infrastructure of a backward class who actually needs it.

ANALYSIS

TABLE: 1 THE COMPARATIVE SPENDING OVER THE YEARS FOR CSR

NO	FINANCIAL YEAR	TOTAL NO. OF COMPANIES	TOTAL AMOUNT THAT HAVE BEEN SPENT AS THE CSR IN THAT PARTICULAR YEAR (IN CR)
1	2016-17	20840	26210.95
2	2017-18	22985	24965.82
3	2018-19	25181	20217.65
4	2019-20	21525	17098.57
5	2020-21	19556	26210.95

(Source: csr.gov.in)

The above-mentioned details related to the comparative details regarding the total no of companies that are initiated the CSR activity in their business run along with the spending of the company to the society which actually needs it. From the financial year 2016-17, the participation of the company in the CSR is gradually increasing and decreasing but the amount that are provided keep on increased which is the good sign for the betterment of the environment.

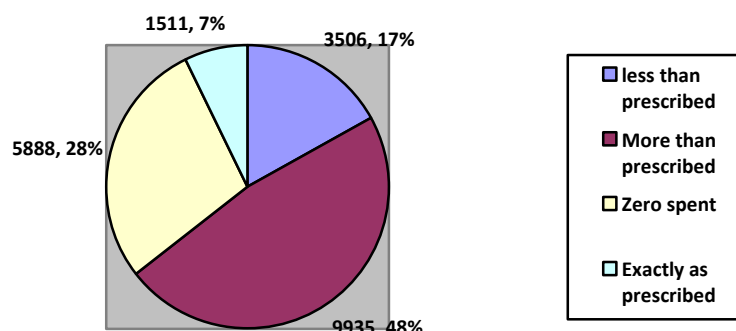
TABLE: 2 THE MAJOR COMPANIES SPENDING OF CSR IN THE F.Y 2021-22

S. NO.	NAME OF THE COMPANY	TOTAL AMOUNT THAT HAVE BEEN SPENT AS THE CSR
1	LIANCE INDUSTRIES	922 Crore Rupees
2	S LIMITED	674Crore Rupees
3	FC BANK LIMITED	634.42Crore Rupees
4	TATA SONS PRIVATE LIMITED	545.83Crore Rupees
5	GC LIMITED	531.45Crore Rupees
6	IAN OIL CORPORATION LTD	445.09Crore Rupees
7	PC LTD	418.87Crore Rupees
8	OSYS LIMITED	361.82Crore Rupees
9	LTD	335.43Crore Rupees
10	WIPRO LTD	246.99Crore Rupees

(Source: csr.gov.in)

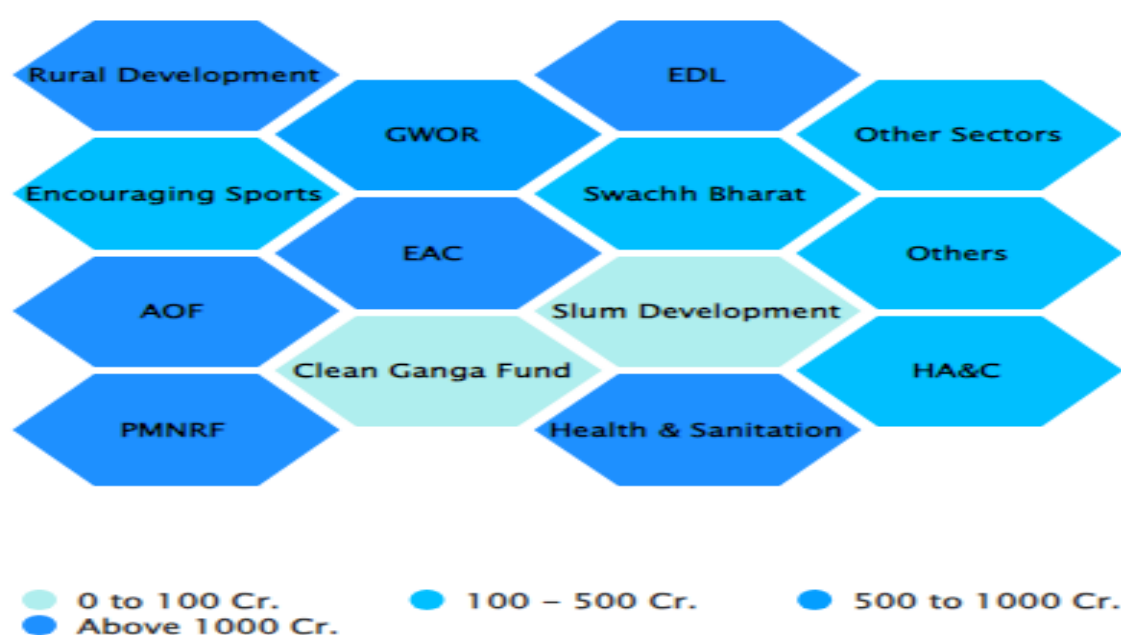
The above-mentioned table gives some data regarding the spending of various companies for the welfare of developing communities, theses data forecast only 10 companies with the spending but the total amount spent as the CSR is around Rs. 26210.95 Cr and the total companies that are involved in the CSR spending is 20840. The spending is a great initiative for the development causes.

PIE-CHART:1
THE OVERVIEW OF THE COMPANY SPENDING'S IN THE F.Y 2021-22



- The above-mentioned pie-chart describes the data that shows the different company's spending for the F.Y 2021 to 22.
- The first sector of the pie-chart is used to prescribe the companies. Around 48% of the company's that situated in India spent more than the prescribed limit, which shows the eagerness of the company for the spending, to develop the sectors which are required the funds. The total no of company that spent are 9935.
- The second sector of the pie-chart is used to prescribe the companies. The percentage was 28%. It is the bad example for other companies on the basis of the spending to the sectors.
- The third sector of the pie-chart is used to prescribe the companies, which has spent the money as the mentioned. So, it provides the data insight, which can be easily used for the fulfillment of the tax objection.
- The last sector of the pie-chart is used to prescribe the companies that spent the amount less than the prescribed limit, so their capability is tested on the basis of the spending for the CSR activities

IMAGE: 1



SPENDING OF CSR IN DIFFERENT SECTOR (Source: csr.gov.in)

The above-mentioned honey comb structure is the image, that represents the amount that have been spent on different sectors for the Financial Year 2020-21 for the welfare for the different sectors that are need to renovated in different places. The other sector comprises of technology incubators, benefits to armed forces and admin overheads.

ABBREVIATIONS TO THE ABOVE-MENTIONED IMAGE

- **AOF** - Any Other Fund
- **PMNRF** - Prime Minister National Relief Fund
- **GWOR** - Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities
- **EAC** - Environment, Animal Welfare, Conservation of Resources
- **EDL** - Education, Differently Abled, Livelihood
- **HA&C** - Heritage Art and Culture

All the above-mentioned measures are the requirement for a person who is not directly know to the company. These types of measures will not only promote the particular area alone, it also enhances the GDP of the country. The above-mentioned data are the numbers and image of the company's spending and the sectors for which the amount has been used to improve. The spending not only an advantage for the country alone it is a great measure for the company's long run.

CONCLUSION

This study was a great platform to know the area of CSR and the CSR involvement in different sector's growth. The initiative is a great exposure for the indirect development of the country. From the time of independence, India's literacy rate was around 12%. The literacy rate is a data that provides the data which could tell the percentage of the people who can read and write many kinds of infrastructure was to be resorted and created. This CSR came into existence after the Companies Act 2013, even though before companies act 2013 some companies-initiated CSR through different names. After the mandatory, most companies came forward to spend for CSR. CSR gave importance to the areas like education, healthcare, environmental conservation, etc. Some companies partnered with the NGO are to tackle the problem and spend to the correct areas. The spending fulfilled the basic needs of the people who lack it and want it. Not only CSR boosted the society to a required standard but also it promoted the company by building brand reputation on the areas where the CSR has been used. This promoted the company for the long run without an additional cost. Main disadvantage behind the CSR can be of not seeing the CSR for the betterment of the society. Many loopholes were found by the companies in the CSR spending and many Frauds also taken place.

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