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A Study on the Role of Business in the Development of Society Through Corporate Social Responsibility Initiatives in India

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Abstract:
Since the New Company Law of 2013 mandates that all businesses pay 2% of their net earnings to corporate social responsibility (CSR) and requires a specific class of corporations to put aside a portion of their income for these activities, Indian companies have been actively engaging in CSR initiatives. Once companies begin functioning in, for, and utilizing the resources that society offers, it is imperative that they make a positive impact on society. Since corporate social responsibility (CSR) has become a fundamental business practice, the management of large international firms has given it a lot of attention. It facilitates business processes that align with societal values.
Many initiatives are thought to come together at CSR in order to guarantee the socioeconomic development of the community. These days, Indian businesses go beyond the notion of philanthropy or charity and concentrate more on all stakeholders. This study aims to investigate the CSR practices of Indian businesses. This essay will help academics and researchers identify the best corporate social responsibility (CSR) approaches and carry out further research on what is best for India and what CSR is truly required in India. Additionally, this study seeks to identify the ways in which companies fail to meet social expectations and provides suggestions for improving corporate social responsibility (CSR) initiatives that benefit society and the country at large.

Keywords: India, CSR-Corporate Social Responsibility, Community, Business.

INTRODUCTION

EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

India is home to the world's most successful corporate social responsibility (CSR) convention. The concept of "CSR" has origins in Mauryan history, when thinkers like Chanakkya emphasized the significance of moral behavior and ideals in commercial dealings, despite the term being relatively new in India. Since ancient times, charitable giving to the poor and disadvantaged has been an unofficial form of corporate social responsibility (CSR). Indian literature have frequently discussed the need of allocating one's earnings to the less fortunate members of society. Our culture is deeply rooted in sharing and compassion. Religion also played a major role in promoting the concept of CSR. Hindu traders built temples and night shelters for the poor and gave charity. Dharmada, which mandates that a maker or seller charge a buyer a specific amount that is then contributed to charity, was followed by Hindus. The amount was known as

the charity amount, or Dharmada. Daashaant's style was also embraced by Sikhs. A portion of one's income had to be contributed to the poor, according to an Islamic edict known as zakaat.

The first phase of CSR was sparked by charity and the noble deeds of philanthropists. Family values, traditions, culture, and religion all had an effect in addition to industrialization. Up to 1850, wealthy businesspeople established temples or other houses of worship as a way of giving back to the society. In the 1900s, industrialist families like the Tatas, Birlas, Modis, Godrejs, Bajajs, and Singhanias, among others, promoted this concept by creating trusts for philanthropic organizations, educational and medical institutions, and community development. In the second phase, the struggle for independence, the industrialists were rushed to show their dedication to the welfare of society.

Mahatma Gandhi urges for wealthy businessmen to share their fortune with the less fortunate members of society. During the third phase, which ran from 1960 to 1980, CSR was impacted by the emergence of public sector entities to ensure fair wealth distribution in the country. Industrial licensing laws, high taxes, and private sector restrictions all contributed to corporate wrongdoing. Consequently, laws concerning environmental issues and corporate governance were approved. In the fourth phase, which started in 1980, Indian corporate companies included CSR into a sustainable business plan. Due to economic liberalization, globalization, and the elimination of licensing and regulatory frameworks, the nation's economy expanded quickly in the 1990s.

Consequently, there was a stronger drive for industrial advancement, which enabled companies to contribute more to social responsibility. Corporate social responsibility (CSR) is being handled more formally in India and has evolved beyond charitable giving.

OBJECTIVES OF THE STUDY

1. To know how the CSR fund is distributed among the states in India.
2. To know how the CSR initiatives have contributed to the development of society in India.

RESEARCH METHODOLOGY

A wide range of sources, including media reports, newspaper articles, journals, research papers, magazine articles, and government websites like the Department of Corporate Affairs ministry, provided the secondary data required for this study.

Limitations of the study:

1. This research study is limited to secondary data only.
2. This study is concentrated only on the distribution of CSR funds and their utilization.

Review of Literature

1. According to Arora, Kourula, and Robert [2020], corporate social responsibility (CSR) has gained attention in both the business and development domains.
2. According to Barnett, Henriques Husted, [2020], corporate social responsibility (CSR), which is based on the principles of business-societal relations, is impacted by philanthropic considerations, the pursuit of better business performance, strategies for competitive advantage, and the provision of social goods to address social and economic challenges.
3. According to Carroll [2021], a commonly recognized definition of corporate social responsibility (CSR) entails a company's concern for stakeholders other than its shareholders, including economic,

legal, ethical, and discretionary responsibilities that are consistent with the social responsiveness strategy.

4. According to Kotler, Hessekiel, and Lee [2012], CSR can reduce risks by concentrating on stakeholders other than shareholders.
5. According to Freeman, Harrison, and Wicks (2007), the stakeholder theory highlights that CSR is an essential component of a company's identity and relationship with its stakeholders, rather than merely an act of corporate philanthropy.
6. According to Sternberg [1997], stakeholders in this situation include communities, workers, clients, and other organizations with a stake in the business's operations.
7. According to Barney [1997], winning over stakeholders is crucial to a company's success and necessitates a thorough grasp of how they view the enterprise.
8. According to Freeman [1984], in order to have a significant and long-lasting influence, the design and execution of CSR programs must consider the various perspectives, expectations, and local cultures of stakeholders. A more responsible and inclusive approach to business is promoted by the stakeholder theory, which offers a thorough framework for incorporating social and environmental factors into corporate decision-making.

Data Analysis and Interpretation

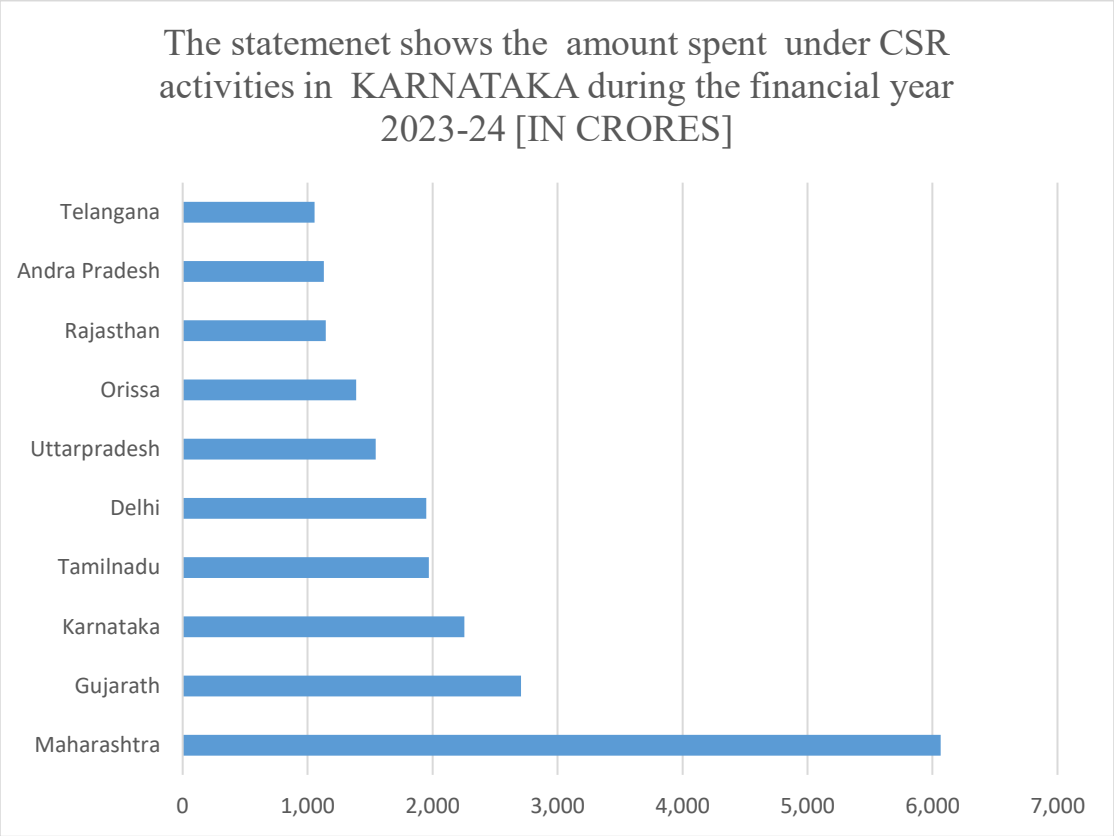
In order to arrive at the following research study result, information regarding the CSR fund, which is supplied to every state in India by various commercial firms, was gathered from secondary sources:

Table 01: Statement shows the amount spent under CSR activities in India during the financial year 2023-24.

Name of the Institution	Amount spent[IN CRORES]
HDFC BANK	922
Reliance Industries	899
TCS	813
ONGC	612
TATA STEEL	573
INFOSYS	451
IOC	436
RELIANCE JIO	403
ITC	380
ICICI BANK	368

[Source: National CSR Portal, Bharath SR Performance Report-2018-2023]

Chart-1



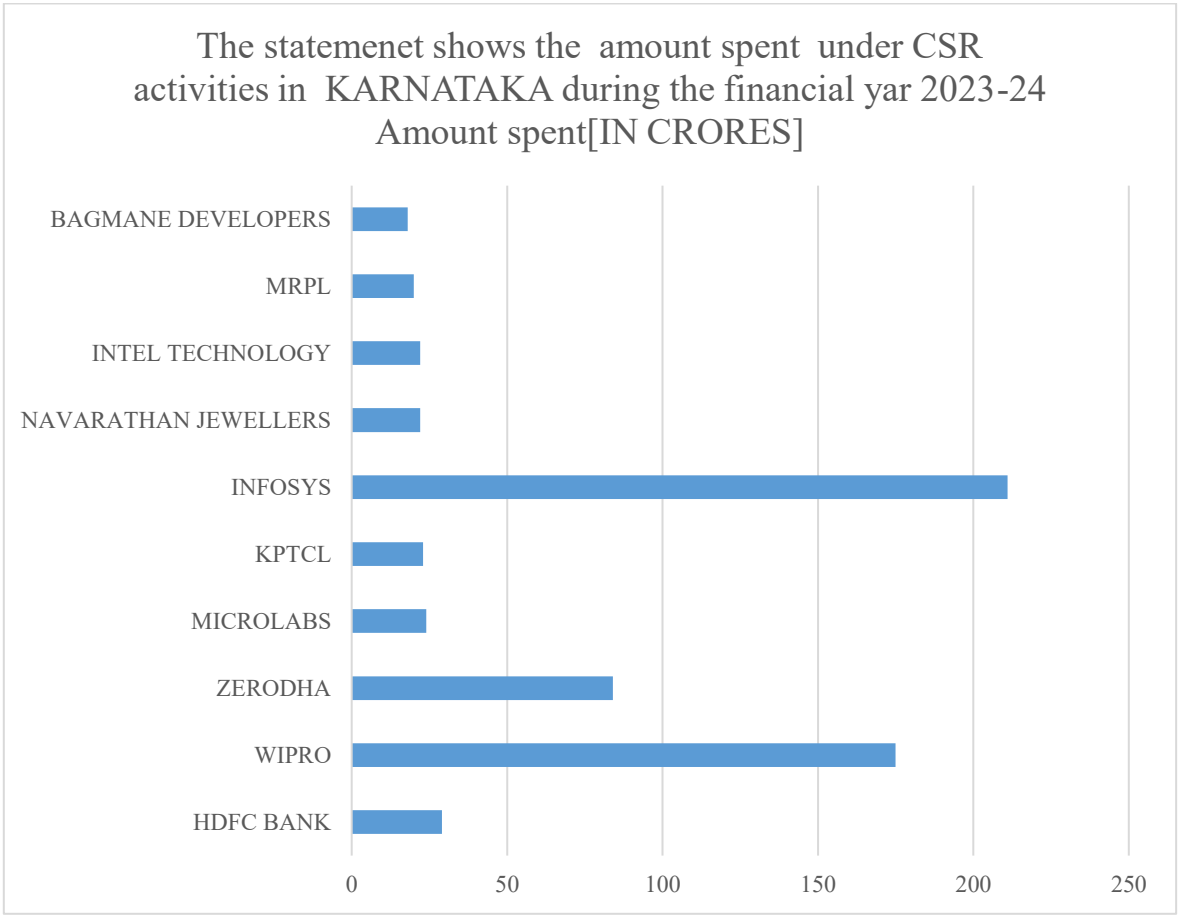
The aforementioned statement and bar graph illustrate how much Indian businesses in India spent on CSR projects in 2023–2024. It shows that ICICI Bank spent Rs. 368 crores and HDFC Bank spent the highest sum of Rs. 922 crores.

Table-2 The statement shows the amount spent on CSR activities in Karnataka during the financial year 2023-24.

Name of the Institution	Amount spent[IN CRORES]
HDFC BANK	29
WIPRO	175
ZERODHA	84
MICROLABS	24
KPTCL	23
INFOSYS	211
NAVARATHAN JEWELLERS	22
INTEL TECHNOLOGY	22
MRPL	20
BAGMANE DEVELOPERS	18

[Source: National CSR Portal, Bharath SR Performance Report-2018-2023]

Chart-2



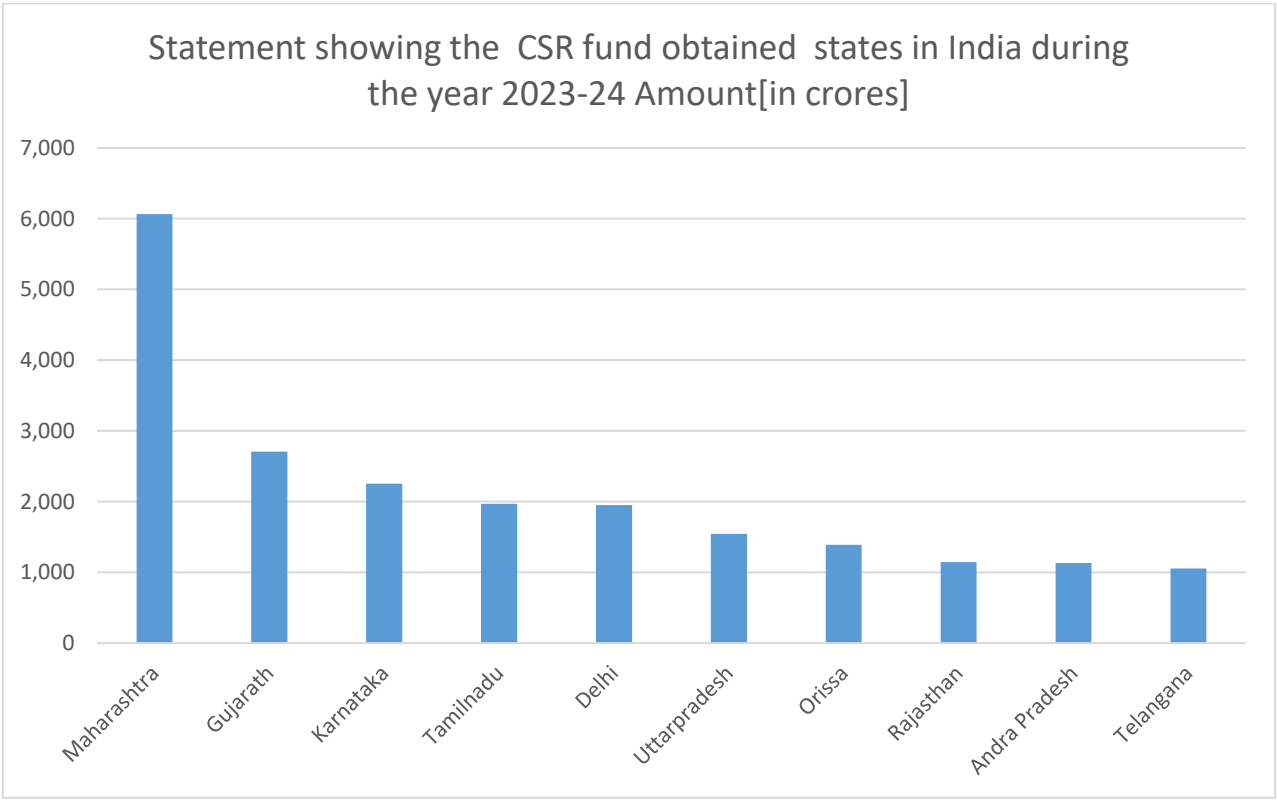
The bar graph and statement provided above show how much Indian companies in Karnataka State spent on CSR initiatives in 2023–2024. According to the data, INFOSYS spent Rs. 211 crores, whereas BAGMANE DEVELOPERS spent the least amount of Rs. 18 crores.

Table 3: The statement showing the CSR fund obtained in states in India during the year 2023-24

Name of the state	Amount[in crores]
Maharashtra	6,066
Gujarath	2,708
Karnataka	2,255
Tamilnadu	1,969
Delhi	1,950
Uttarpradesh	1,545
Orissa	1,389
Rajasthan	1,146
Andra Pradesh	1,130
Telangana	1,055

[Source:-Secondary data]

Chart-3



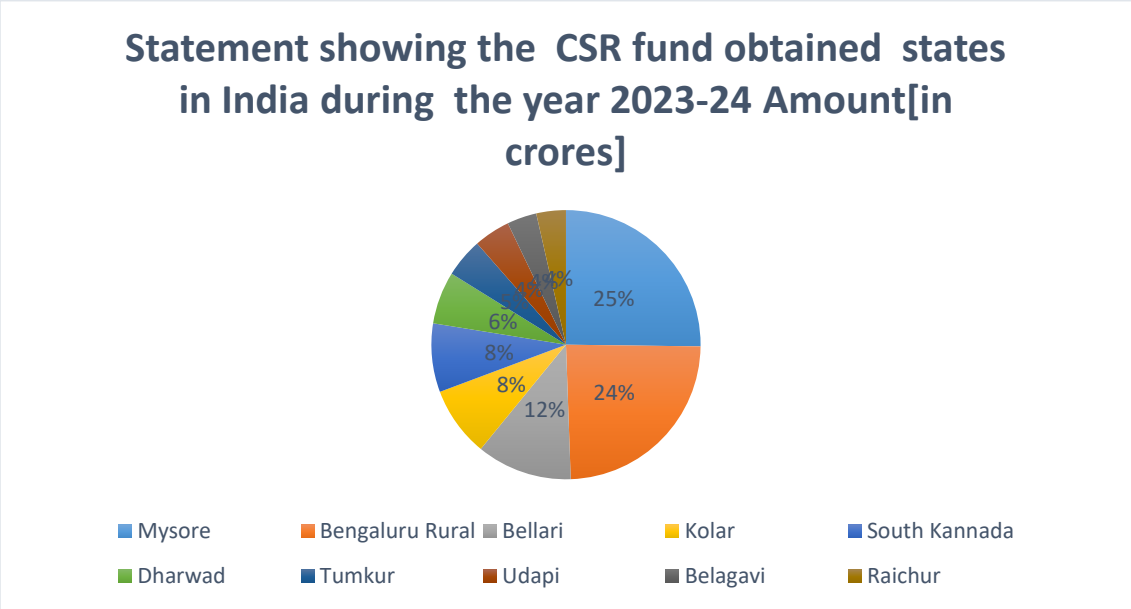
The aforementioned claim and bar chart demonstrate that the Indian states provided the CSR fund. Telangana received the least amount, while Maharashtra received the most.

Table 4: The statement shows the CSR fund obtained by districts in Karnataka during the year 2023-24.

Name of the District	Amount[in crores]
Mysore	156
Bengaluru Rural	150
Bellari	71
Kolar	52
South Kannada	51
Dharwad	39
Tumkur	29
Udapi	27
Belagavi	22
Raichur	22

[Source: Secondary data]

Chart-4

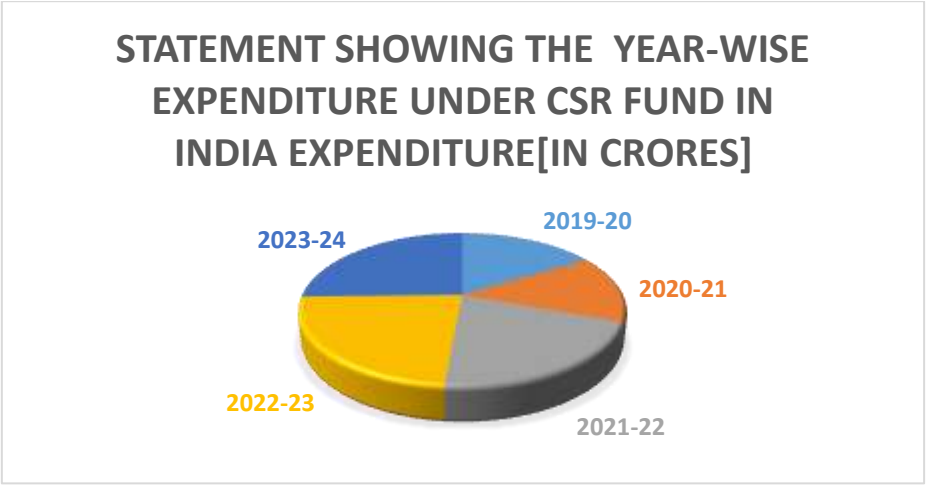


The aforementioned statement and the pie diagram demonstrate that the districts in the state of Karnataka received the CSR fund. Raichur district received the lowest sum of Rs. 22 crores, while Mysore district received the maximum amount of Rs. 156 crores.

Table 5: Statement showing the year-wise expenditure under the CSR Fund in India.

Year	Expenditure[in crores]
2019-20	24,966
2020-21	26,211
2021-22	27,141
2022-23	30,932
2023-24	34,909

Chart-5



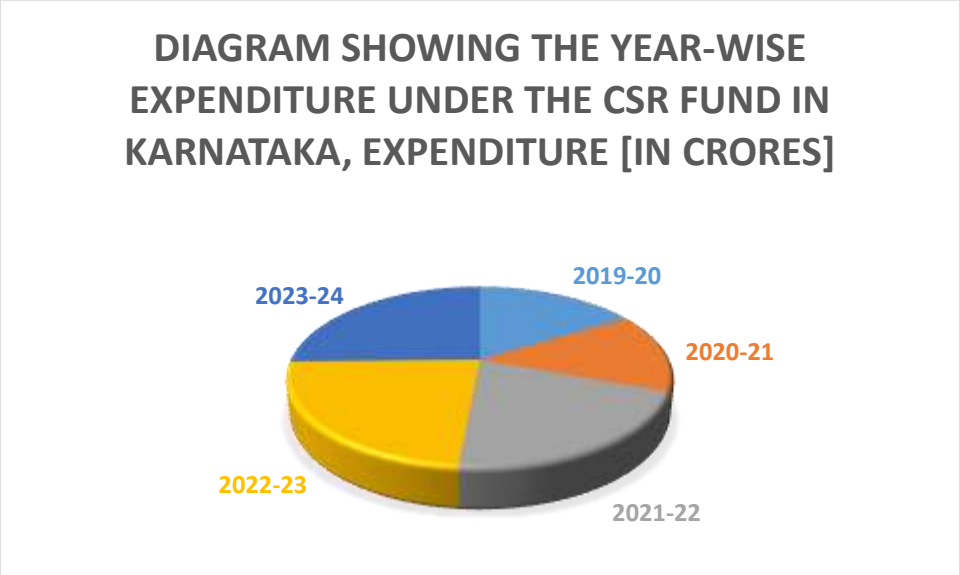
The pie chart and the aforementioned statement show the annual spending under India's CSR budget. Every year, the amount spent steadily rises.

Table 6: Statement showing the year-wise expenditure under the CSR fund in Karnataka.

Year	Expenditure[in crores]
2019-20	1,448
2020-21	1,278
2021-22	1,850
2022-23	2,059
2023-24	2,255

[Source: Secondary data]

Chart-6



The pie chart and the aforementioned statement show the annual spending under Karnataka's CSR budget. Every year, the amount spent steadily rises.

FINDINGS

1. According to the listed list of CSR funds from Indian corporations, Gujarat was ranked second, Maharashtra was ranked first, and Karnataka was ranked third. Only progressive states should receive CSR funding; sensitive areas and backward regions in India should not be the focus. Every year, businesses who donate CSR funds have focused on livelihood, education, and assistance for the disabled. They spent Rs. 1,162 crore in Karnataka and Rs. 16,288 crore in India for this purpose in 2023–2024.
2. In India, Rs. 9,087 crores have been spent on health, poverty reduction, safe drinking water, preventing malnutrition, and maintaining cleanliness; in the state of Karnataka, Rs. 428 crores have been invested. In India, the CSR Fund has spent Rs. 3,459 crores on environmental, animal, and human resource protection; Rs. 2,408 crores on rural development; Rs. 2,092 crores on women's empowerment, gender equity, and elderly housing; and Rs. 704 crores on the upkeep and culture of ancient monuments. Education, health, sustainable development, rural development, and sports are prioritized over the welfare of senior residents, the development of slum areas, and gender parity when it comes to the use of CSR funds in the state of Karnataka.

3. The CSR fund in India is steadily growing annually. 59,634 initiatives have been implemented under the CSR fund throughout India in 2023–2024. An average of Rs. 58.5 lakhs has been spent on each initiative. In India, infrastructure development accounts for an average of 60% of the entire CSR fund. In India, 27,188 businesses donated to the CSR Fund in 2023–2024; Rs. 34,909 crores were invested, and 59,633 projects were completed.
4. Indian businesses contributed Rs. 10,000 crores to the CSR Fund in 2014–15. This sum was increased to Rs34,909 crores in 2023–2024, a 13% increase over the previous year. 60% of the CSR Fund in India is held by economically developed states like Maharashtra. However, less money has been allocated to underdeveloped states like Mizoram, Meghalaya, Diu and Daman, Tripura, Pondicherry, and Nagaland.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The government has implemented corporate social responsibility (CSR) because it wants companies to be more accountable to their shareholders and society at large because they are social entities, according to the aforementioned study. Many large corporations today use volunteer initiatives to improve their environmental and social performance. The ultimate objective of any business is to benefit society by providing high-quality, safe products and services that improve people's quality of life without jeopardizing the environment or the community's life support system. A company should refocus and clarify its objective in order to help and serve society. Finally, it is recommended that Indian businesses concentrate their CSR efforts on the community's present needs.

RECOMMENDATIONS

The data analysis and conclusions indicate that there is a regional disparity in the allocation of CSR monies in both Karnataka State and India. To address this regional disparity, the following suggestions are put forth:

1. The results of this study show that not all Indian states receive an adequate share of the CSR fund. Therefore, it is essential to allocate the CSR monies to each state according to their needs and requirements.
2. The allocation of CSR monies in India is uneven per area. Therefore, it is imperative to prevent this regional disparity in the allocation of CSR funds.
3. Very little money is given to India's less developed states, despite the fact that the CSR cash allocation is increased each. Thus, action is needed to give these states additional funding.
4. Despite having robust and beneficial CSR money utilization policies, the corporate sector has not adequately executed them. Implementing them correctly is essential. In this way, the CSR fund will assist the real recipients.
5. There is a need to address issues in rural areas, such as eliminating poverty and providing healthcare and education. According to this perspective, business people must take the lead in CSR projects.

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