

An Analysis on Implementation Challenges of CSR Activities by Corporate Entities in Tamil Nadu

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Abstract: *Corporate social responsibility is a process in which all businesses band together and contributes to society's well-being and it's generally made up of two words i.e. ethics and responsibility in which ethics is always at the heart of CSR which means fastening on compensating society and other stakeholders who are directly concerned about society's quality of life and on the other side" responsibility" suggests that businesses have a duty to the communities in which they operate to address social issues and give further than simply fiscal services. Section 135 of the Companies Act, 2013 mandates that eligible Indian companies, including those in Tamil Nadu, devote two percent of their average net profits to particular social welfare projects as part of their Corporate Social Responsibility (CSR) obligations. CSR initiatives face a number of obstacles that may lessen their efficacy, despite the fact that they have gained popularity due to their capacity to improve corporate image and bring about positive social change. Even though Tamil Nadu has one of the highest levels of funding for corporate social responsibility (CSR), the execution of these programs still encounters challenges that impede the advancement of sustainable development. This paper's primary objective is to investigate the challenges Tamil Nadu businesses encounter when putting CSR initiatives into practice, with an emphasis on the discrepancy between the necessary expenditures and the real socioeconomic gains made. The study draws attention to issues like making sure businesses, the government, and civil society organizations work together.*

Keywords: Tamil Nadu, Corporate entities, Social Responsibility, Challenges, Communities

I. INTRODUCTION

Corporate social responsibility is a process in which all businesses band together and contributes to society's well-being and it's generally made up of two words i.e. ethics and responsibility in which ethics is always at the heart of CSR which means fastening on compensating society and other stakeholders who are directly concerned about society's quality of life and on the other side" responsibility" suggests that businesses have a duty to the communities in which they operate to address social issues and give further than simply fiscal services.

CSR is a multi-faceted conception. Economic, legal, ethical, and humanitarian enterprises are each intertwined." The profitable, legal, ethical, and charitable liabilities that lie on pots by the society at any particular point of time are appertained to as commercial social responsibility.

Economic:

An association should incorporate itself in generating profit from the perspective of growth to the most abecedarian position. It's pointless to do any CSR work if you don't succeed then.

Ethical:

It's important for the reality to perform its conditioning as per morality and ethical law of conduct, and to go above the legal and non-supervisory scores.

Philanthropic:

Giving back to society is the company's responsibility. Indeed if it's optional in nature, this aspect of responsibility has a significant impact.



Legal:

All rules and regulations are laid down by the government in order to govern the business, employment, competition, health and safety in the country. The Corporation must abide by these laws and do everything by keeping these guidelines in mind.

Tamil Nadu holds a unique position in India’s profitable frame, constantly ranking among the top contributors to the public GDP. With a high viscosity of manufacturing, IT, and cloth capitals, the state attracts substantial CSR investments. Under Section 135 of the Companies Act, 2013, eligible companies are commanded to spend 2% of their average net gains on social development. While large- scale players like TVS Motor Company, Ashok Leyland, and conscious have established robust CSR bodies, numerous mid-sized and lower realities struggle to navigate the transition from "unresistant philanthropy" to "strategic social investment."

The CSR Landscape in Tamil Nadu:

The state's CSR expenditure is heavily concentrated in three primary sectors

- Education- Focus on structure, " Road to School" programs, and skill development.
- Healthcare- Mobile medical units and support for government hospitals.
- Environment- Water conservation, desilting of tanks, and solar energy enterprise.

Tamil Nadu possesses a robust artificial base and a progressive social tradition. For CSR to truly beget change in this terrain, it must transcend the "check- box" intelligence. By addressing the perpetration gaps ranging from geographical bias to the lack of scientific requirements assessment — commercial realities can move beyond being bare benefactors to getting engineers of social equity. In FY 2023- 24, Tamil Nadu entered roughly ₹ 1,968.76 Crores in CSR finances from over 2,700 companies. Still, the distribution of these finances remains slanted toward civic and peri-urban centers like Chennai, Coimbatore, and Hosur, frequently leaving the most backward sections underserved. The ultimate success of CSR in Tamil Nadu wo n't be measured by the crores spent, but by the narrowing of the gap between its industrialized centers and its pastoral heartlands.

Sector-Specific Analysis

Sector	Primary Focus in Tamil Nadu	Key Challenge
Education	Infrastructure, SMART classrooms	Maintenance of facilities post-handover to govt.
Healthcare	Eye camps, mobile vans	High recurring costs and lack of specialized staff.
Agriculture	Tank desilting, solar pumps	Resistance to change from traditional farming methods.
Environment	Coastal cleanup, afforestation	Regulatory hurdles and land-use permissions.

Key Implementation Challenges

The perpetration of CSR in Tamil Nadu is hindered by several structural and functional backups

A. Fragmented Implementation & Duplication of Efforts

Fractured perpetration & Duplication of sweatshops numerous companies operate in silos, leading to a "clustering" effect where multiple realities target the same geographical area or cause. For illustration, several companies may borrow schools in the same block of Kancheepuram while schools in Dharmapuri remain neglected. This lack of collaboration leads to a waste of coffers and prevents the scaling of high- impact systems.

B. Disconnect Between Corporate Goals and Community Needs

There's frequently a "top-down" approach where CSR programs are designed in commercial boardrooms without thorough requirements Assessment checks. systems similar as installing high- tech water cleansers in townlets where the primary issue is lack of drainage structure illustrate this mismatch.



"The core problem lies in the fractured perpetration of CSR conditioning, which may not effectively address the state's critical challenges." (Niruban et al., 2023).

C. Lack of translucency and Professionalism in NGOs

utmost companies apply CSR through third- party NGOs or trusts. In Tamil Nadu, while numerous NGOs are estimable, companies constantly cite a lack of translucency, poor fiscal reporting, and shy professional moxie among original perpetration mates as significant hurdles.

D. Measurement and Impact Assessment Hurdles

Quantifying the " social return on investment" is notoriously delicate.⁴ While companies can fluently report labors(e.g., " 100 toilets erected"), they struggle to measure issues(e.g., " reduction in water- borne conditions over 5 times"). The absence of standardized criteria and long- term monitoring leads to " megahit- and- run" philanthropy rather than sustainable development.

E. Geographical Bias

The " original area preference" clause in the Companies Act encourages companies to spend in regions where they operate. Given Tamil Nadu's artificial terrain, this creates a difference between bucolic sections(Chennai, Tirupur) and agricultural or backward sections(Ariyalur, Ramanathapuram).

Emerging Challenges:

Major challenges faced by the corporate entities while implementing CSR activities in their surrounding environment are:

1. Structural walls- The " Original Area" Paradox:

The Companies Act 2013 suggests that companies should give preference to the original area where they operate. In Tamil Nadu, this has created a "Developmental Divide."

Industrial Concentration- Most diligence is clustered in the Chennai- Hosur- Coimbatore corridors. Accordingly, these sections admit a disproportionate quantum of CSR finances.

The " Shadow" sections- sections like Perambalur, Ariyalur, and Pudukkottai, which warrant a heavy artificial presence, admit lower than 5% of the total state CSR spend. This geographical bias hinders the state's goal of balanced indigenous development.

2. The Cultural and Language Nuance:

Tamil Nadu has a strong history of social justice movements and community- led welfare. Corporate realities frequently face challenges when their CSR models do n't align with original artistic sentiments

Resistance to " Commercial Intervention" In pastoral areas, there's occasionally dubitation toward commercial- led development, perceived as a " guilt duty" for environmental declination(especially in the chemical and leather belts of Vellore and Cuddalore).

Communication Gaps CSR directors frequently use " commercial- speak" that fails to reverberate with original panchayat leaders. Successful perpetration requires ground- builders who speak the original shoptalk and understand the nuances of villadministration.

3. Regulatory and Administrative Hurdles:

The "Tamil Nadu model" of governance is largely centralized. Corporations frequently encounter administrative disunion

NOC Detainments enforcing systems in government schools or hospitals requires No expostulation instruments(NOCs) from multiple state departments(Education, Health, PWD). These regulatory detainments can extend design timelines beyond the financial time, leading to " unspent CSR finances" which now must be transferred to government- notified finances under revised law.

The CSR Authority of Tamil Nadu The state government lately established the Tamil Nadu CSR Board to streamline finances. While intended to help, some pots find this adds another subcaste of reporting and sweat a loss of autonomy over where their finances are spent.



4. Technical Challenge: The "Output vs. Outcome" Gap:

One of the most significant challenges is the lack of scientific impact assessment. numerous Tamil Nadu- grounded enterprises concentrate on " Hardware CSR" rather than " Software CSR."

Hardware CSR (Easy to measure)- erecting a restroom, painting academy, giving a machine.

Software CSR(Hard to apply)- perfecting the literacy issues of scholars, behavioral changes in sanitation, or long-term- term motherly health advancements.

5. The Problem of "CSR Greenwashing"

In the artificial belts of Manali and Ennore, where environmental pollution is a sensitive issue, companies frequently use CSR for " image operation."

The Challenge- Planting trees(afforestation) is the most common CSR exertion because it's visible and easy. Still, these conditioning frequently ignore more burning original issues like groundwater impurity or air quality, leading to disunion with original activists and " Greenwashing" allegations.

6. Current Issue:

Translucency and responsibility remain critical, with shady reporting and inspection issues eroding trust, as seen in Tamil Nadu's CSR geographypost-2021 emendations calling impact assessments. Limited stakeholder engagement results in misalignment, while a failure of able original NGOs hampers scalability, particularly during heads like afflictions. Public incognizance further diminishes participation in Tamil Nadu's enterprise.

Recommendations for Improvement:

To overcome these challenges, a shift in strategy is needed

- **Collaborative CSR Models-** Companies should form colleges to attack large- scale indigenous issues, reducing duplication and participating in the burden of monitoring.
- **Obligatory Needs Assessment-** perpetration should be interceded by a participatory pastoral appraisal(PRA) to insure community buy- in.
- **Capacity structure for NGOs-** Corporate realities should invest in training their NGO mates in professional design, operation and reporting.
- **Using Technology-** Using Civilians mapping and real- time data dashboards to track design progress can enhance transparency and responsibility.

Strategic Recommendations for the Future:

To evolve, the perpetration frame in Tamil Nadu must borrow the following

- **District- Level CSR Cells:** The state could grease district-wise panels that list " vetted" systems for companies to choose from, icing finances reaching backward blocks.
- **The 3- Time Lifecycle:** Moving down from periodic cycles to 3- time design cycles to allow for meaningful impact assessment.
- **Shared Service Centers:** lower companies in artificial estates(like SIDCO) should pool their finances into a single " Trust" to execute one large, high- impact design rather than 50 bitsy, ineffective bones .

II. CONCLUSION

The perpetration challenges in Tamil Nadu are n't simply fiscal but are deeply embedded in structural and geographical difference. The " Original Area Preference" has inadvertently created an experimental incongruity while artificial capitals like Chennai, Kancheepuram, and Coimbatore substantiate a achromatism of commercial- funded systems, the " Shadow sections" of the south and east remain starved of private capital. This attention leads to a duplication of sweats similar as theover-provisioning of structure in certain civic seminaries — while pastoral counterparts warrant introductory amenities.



Likewise, the dissociation between commercial boardrooms and grassroots reality remains a significant hedge. Without the rigorous Needs Assessment checks and Participatory Rural Appraisal(PRA) styles banded before, CSR conditioning riskgetting" aesthetic philanthropy" largely visible but low in long- term social return. The executive disunion, characterized by detainments in government NOCs and a lack of professionalized NGO mates, further complicates the capability of pots to execute large- scale, sustainable interventions.

- **The Path Forward: From Silos to Systems:** To overcome these challenges, the commercial realities of Tamil Nadu must move down from insulated systems toward a Collaborative Impact Model. The future of successful CSR in the state lies in three specific shifts
- **Corporate Governance** The establishment of the Tamil Nadu CSR Board should be abused not as a regulatory chain, but as a data- driven clearinghouse. By aligning commercial finances with the State's Sustainable Development Goals(SDGs), the government can guide companies toward high- need, under-served regions like Ariyalur or Nagapattinam.
- **Outgrowth- Grounded Monitoring** Companies must shift their reporting from" labors"(plutocrats spent or units erected) to" issues"(enhancement in knowledge rates or reduction in child mortality). Homogenizing these criteria will ensure translucency and invite advanced situations of community trust.
- **Empowering the Original Ecosystem** rather than counting on public- position NGOs, pots should invest in the capacity structure of original Tamil Nadu- grounded grassroots associations. This ensures that systems are culturally nuanced, linguistically accessible, and community- possessed.

The transition from compliance- driven spending to impact- driven investment requires deeper community engagement and bettercross-sectoral collaboration. Addressing these perpetration gaps is essential if the commercial sector is to play a meaningful part in achieving Tamil Nadu's Sustainable Development Goals(SDGs).

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