

**Corporate Social Responsibility : Current Issue****U.M.Gharge**

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**Introduction –**

**T**he Concept of CSR originated in the 1950 s in USA and the concept came into use during 1960s and 1970. During 1980 to 2000 Corporations generally recognized a responsibility towards Society.

“ CSR is nothing but maximizing the value of your company over a long period in the long form, social & Environmental issues become financial issues.” India is the 1<sup>st</sup> country in the world who make CSR mandatory. Making amendment to the Company Act, 2013 in April 2014 Business can invest their profits in areas such as education poverty, gender equality & hunger.

The amendment in the schedule VII of the companies Act- those companies with net worth Rs. 4.96 billion or more or annual turnover Rs. 9.92 billion or more or net profit Rs. 50 million or more during financial year shall contribute 2% of average net profits of three years towards CSR. CSR involve Conducting business ethical way & in the interest of wider community. Responding positively to societal priorities & expectations. Balancing Shareholders interest against the interest of wider community. To fulfill long run self interest of the organization Built Better Public image, avoid misuse of resources, minimize environmental damage, To make economic & social welfare of community. The Corporate Sector also realized that as it is a social organ and uses social resources, it is responsible to the society.

**CSR : Examples in India –****Tata Group -**

The Tata Group in India carries various CSR projects, - Community improvement & poverty all alleviation programs, women empowerment activities income generation, rural community development & other social welfare programs. In the field of education, Tata group provides scholarships. Also helps to health care programs like child education, awareness of AIDS, Environment protection , providing sport scholarships infrastructure

development such as hospitals, research Centers, sports academy etc.

**Ultratech Cement –**

India’s biggest cement company involved in social work a cross 407 villages in India Its CSR Activities are mainly concentrated on health care & family welfare programs, education infrastructure environment, social welfare & sustainable livelihood. The company arranged medial camps, immunization programs, sanitization programs, school enrollment, plantation drives, water conservation programs, organic farming programs etc.

**Mahindra & Mahindra –**

Indian automobile manufacturer mahindra & mahindra established, mahindra Education Trust 1954, mahindra foundation in 1969. For promoting education. CSR programs involves scholarships & grants, livelihood training health care for remote areas, water conservation, disaster relief programs. It runs programs such as “ Nanhi kali” on girl education.

**I ITC Group-**

ITC related with hotels, FMCG, agriculture, It & packing sectors etc. The company has generate sustainable livelihood opportunities for six million people through its CSR activities. Their e- couple program, connect rural farmers through internet for fracturing agriculture products. Covers 40,000 villages & over 4 million farmers. social empowerment programs through micro enterprises or loans have created sustainable livelihoods for over 40,000 rural women.

**Methodology –** The Study uses mainly secondary data. Secondary data is collected from CSR Reports Published by Ministry of Corporate Affairs and various Books. The data used for the study is from the period of 2014-15 to 2016-17. Simple statistical tools such as percentage , average , graphs are used to analysis and interpret the data.

Figure 3  
The Pyramid of Corporate Social Responsibility



Diagram-1 showing Pyramid of CSR

**Dimensions of CSR –**

- 1- Business Ethics, Values, principles
- 2- Accountability & transparency.
- 3- commitments to socio – eco. deullopments.
- 4- Environments to concerns
- 5- Human rights
- 6- Workers rights & welfare
- 7- market relations
- 8- corporate governance

**3P's of CSR**

People, Planet and Profit



Diagram -2 showing 3 P,s of CSR

**CSR involves-**

Economic responsibilities of corporations-

- 1.Financial profit, economic growth & asset creation.
- 2.Economic impact such as outsourcing, knowledge innovation.

- 3.Monetary support for political parties.
- 4.Stock exchange Activities including insider trading, economic regulations & tax incentives.
- 5.Intellectual property rights, patents, trademarks, Anti trust & competition.

**Social Responsibility of corporations-**

- 1.Labour rights – Slave, forced child Labor, non-discrimination, equal opportunities, minimum wages, health & safety. Measures.
- 2.Right to work– Protection against Unjustified, dismissals vocational training / guidance
- 3.Right to hold opinions- Freedom of expression, thought conscience & religion.
- 4.Right to privacy – Drug testing, personal information, surveillance etc.
- 5.Cultural rights – Right to take part in political life. Right to family life.

**Environmental responsibility of corporations-**

1. Green house gas emissions & global warming.
2. Soil & water contamination.
3. Treatment & reduction of waste water.
4. Eco- Efficiency
5. Recycling & Reuse of materials.
6. Protection of forest resources.

Type of company/industries (Number of companies)	Prescribed CSR expenditure (INR Cr)	2016-17		2015-16		2014-15	
		Amount spent (INR Cr)	Amount spent (per cent)	Amount spent (per cent)	Amount spent (per cent)		
Chemicals (1)	6	24	407	119	101		
Construction and cement industry (6)	124	165	125	102	90		
Mining and metals (7)	509	566	111	107	83		
Consumer products (17)	535	587	110	97	87		
Automobile and allied products (9)	423	452	107	105	85		
Energy and power (14)	2379	2525	106	101	89		
Services (8)	116	106	92	100	94		
Banking and financial services (19)	1407	1281	91	80	61		
Media and entertainment (2)	48	42	87	103	87		
Industrial manufacturing (8)	193	158	82	82	69		
Pharmaceuticals (6)	255	202	79	76	53		
IT Consulting and software (5)	1100	959	87	78	91		
Telecom (3)	314	167	50	31	21		

Source: IPIG in India and based on our India CSR survey, 2017

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Diagram - 3 showing CSR Expenditure by the type of Company

The total CSR spending by the top 500 compawes in India since mandatory CSR in 2014 likely to cross RS. 500 billion by march 2019.with



average Rs. 120 billion funding annually for education, health care rural deployment areas Said bhomik shah (CEO) NGOBOX & CSRBOX.

In addition, the top 500 complies, which contrite to over 90% of total CSR spend, are estimated to spend over Rs. 110 billion on social initiates in financial year 2019 Education is most favored area of CSR Investment in the coming years.

**Business Advantage of CSR-**

CSR promotes vision of business, accountability to a wide range of stakeholders, also environment protection and well being of employee community and Civil Society both now & in the future.

1. The Shrinking role of government-  
Government relied on legislation and regulation to deliver social & environmental objectives in the business sector.
2. Demands for greater disclosure-  
Corporate disclosure from stakeholders inducing customers, suppliers, employees, communities, investors etc.
3. Increased Customer interest-  
Ethical conduct of companies growth influence on the purchasing decisions of customers.
4. Growing investor pressure-  
Investors assess companies performance & make decision based on criteria that include ethical concerns.
5. Competitive Labour markets-  
To hire & retain shelled employees companies have to improve working conditions DiD

**CSR Acitivities-**

Focus on healthcare, family welfare programs, education infrasture, environment, social welfare & sustainable livelihood. Hold annual tree planting event. set up recycling bins throughout facilities. minimize amount of paper waste.CSR self regulating mechanism where business monitor ensure to law, ethical standard & international norms.CSR deliberate inclusion of public interest into corporate decision making.

**CSR trends in India –**

Annexure referred to in reply to RajyaSabha Unstarred

**Table 1-Development sector wise CSR Expenditure for 2014-15 to 2016-17 (CSR Expd.in Crores)**

Sectors	2014-15	2015-16
Health/poverty & malnutrition/ sanitation	2246	3117
Education	2728	3073
Rurul deployment	1017	1051
Environment/Conservation of resources	1213	923
Swachh Bharat Kosh	121	355
Any other fund	36	262
Woman empowerment/oldage homes/Reducing inequalities	326	213
Prime minister’s National Relief fund	192	136
Encouraging Sports	160	95
Heritage art & culture	157	90
Slum area development	123	9
Clean Ganga Fund	19	3
Other sectors (Technology Incubator& benefit to armed forces etc.)	465	497
<b>Total Amount</b>	<b>8803</b>	<b>9822</b>

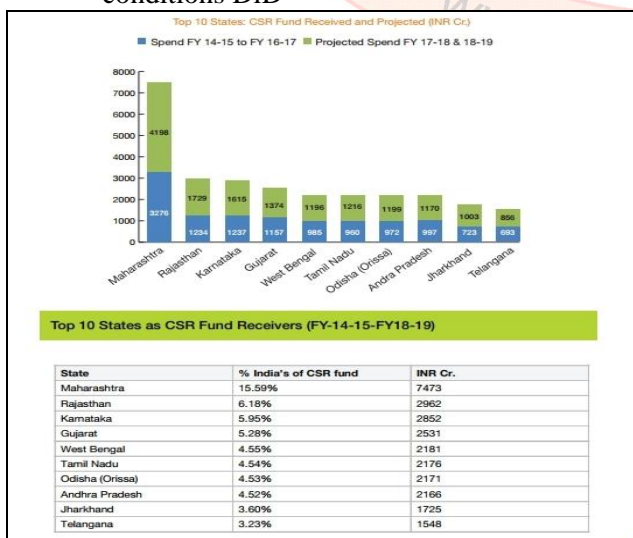


Diagram -4 Showing 10 States CSR Fund Received

	2016-17
Number of Companies for which data Complied	7334
Education & Skills	2973
Roverty, Alleviation, Healthcare	2131
Rural Development	1091
Environment Sustainability	795
Protection of Heritage & art	190
Rural sports & Paralympic	181
Women Empowerment	146
Technology incubation	45
Benefits to Armed forces Veteran	32
Others(Projects, Admin, Disc)	862

Financial year 2015-16 witnessed 28% growth in CSR spending in comparison to the previous year. Listed companies in India Spent Rs. 83.45 billion for various programs such as educational programs, social welfare, health care, environment conservation Reliance Industries spent most followed by the government owned National Thermal power corporation (NTPC) & oil and Natural Gas (ONGC)

2017 CSR spends with new government programs such as swachh Bharat ( clean India) & Digital India, in addition to education & healthcare etc.

**Table 2- Showing Geographic Distribution of CSR Fund**

State	Spend between FY14-15 to FY16-17	Projected Spend FY17-18 & 18-19	% of India's CSR fund
Andhra Pradesh	996.9	1169.9	4.52%
Arunachal Pradesh	255.5	319.8	1.20%
Assam	404	478.1	1.84%
Bihar	336.3	425.9	1.59%
Chhattisgarh	434.6	514.6	1.98%
Delhi	653.2	780.1	2.99%
Goa	156.8	197.9	0.74%
Gujarat	1157.3	1373.8	5.28%
Haryana	469.6	575.4	2.18%
Himachal Pradesh	228.3	284.6	1.07%
Jammu & Kashmir	291.2	379.9	1.40%
Jharkhand	722.5	1003.3	3.60%
Karnataka	1237.1	1615.2	5.95%
Kerala	357.4	448.0	1.68%
Madhya Pradesh	634.9	793.7	2.98%
Maharashtra	3275.8	4197.7	15.59%
Manipur	158.7	210.4	0.77%
Meghalaya	153.6	196.3	0.73%
Mizoram	140.3	180.9	0.67%
Nagaland	137.2	174.4	0.65%
Odisha (Orissa)	972.2	1199.4	4.53%
Punjab	345.9	445.1	1.65%
Rajasthan	1233.6	1729.0	6.18%
Sikkim	163	206.1	0.77%
Tamil Nadu	960.3	1216.1	4.54%
Telangana	692.9	855.5	3.23%
Tripura	160	199.5	0.75%
Uttar Pradesh	681.3	852.7	3.20%
Uttarakhand	382.5	475.6	1.79%
West Bengal	985.4	1195.8	4.55%
Pan-India (Not specified)	--	--	9.57%
Union Territories			1.83%

Maharashtra receives biggest chunk of the total CSR fund spent in the country followed by Rajasthan, karnataka, Gujarat together accounting for 1/3 of the country's total CSR spends. Nagaland

Meghalaya Mizoram & Tripura received lowest CSR Funding.

**Conclusion-**

CSR is the heart & soul of modern corporations. Important standard for corporate governance. CSR indispensable corporate accountability, profitability & environmental sustainability.

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