

---

## **Corporate Social Responsibility: An Indian angle**

Dr.M.Nagabhaskar , Associate Professor, Department of MBA,  
Malla Reddy Engineering College, Hyderabad

T.Manju Ushasree, Assistant Professor, Department of MBA,  
Malla Reddy Engineering College, Hyderabad

Dr.BVL Sudheer . Chaluvadi, Associate Professor, Department of MBA,  
Malla Reddy Engineering College(A),Main Campus, Hyderabad.

---

### **Abstract:**

Corporate Social duty is now well-known as a means to acquire sustainable Improvement of an business enterprise. For this reason, it needs to be commonplace as an organizational Goal. Consistent with New enterprise law, 2012 corporates should make contributions 2% of their internet income in the direction of CSR which made Indian businesses to consciously paintings Closer to CSR, because it required a prescribed elegance of businesses to spend a portion in their Profits on CSR sports. Any contribution closer to welfare of society is known as as .The principle intention at the back of this examine is to peer why CSR is vital for corporation? Why should They make contributions for u . S . A .'s economic development? And What are the important steps Government ought to take to improve contribution of corporate for CSR sports? As we Know, today Indian corporates go beyond Philanthropy (Charity) concept and its more Concentrate on all of the stakeholder. The existing research paper tries to analyse Several such factors of the new CSR law in the context of current company philosophy And additionally drawing interest of the government in the direction of realistic difficulties Inside the implementation of the brand new provisions.

**Key Words:** Corporate Social Responsibility, Philanthropy, Department of Public Enterprise, Special Purpose Vehicle.

### **Introduction:**

The evolution of CSR in India refers to changes over time in India of the cultural norms of corporates engaged in CSR activities engaged in CSR sports. Organizations are managed to result in an overall fantastic impact at the communities, cultures, societies and environments

---

wherein they perform. The fundamentals of CSR rest at the reality that not handiest public coverage but even company should be responsible enough to Deal with social problems. For that reason businesses should cope with the demanding situations and problems sorted to a Positive volume via the states. CSR is a management idea wherein companies integrate social and environmental concerns Of their enterprise operations and interactions with their stakeholders. CSR is typically understood as Being the way thru which a company achieves a stability of monetary, environmental and social Imperatives while at the equal time addressing the expectations of shareholders and stakeholders. Whatever this is useful for the society can be called CSR and such activity ought to be shown by way of Organization on their internet site and organization have to take approval from board.

CSR is an vital detail of improvement due to the fact businesses need to appearance after their Groups, specially those that are running in rural regions. But, CSR also has an environmental Factor that the business may have an effect on primarily based on their operation Many companies may have Motivations for doing CSR together with the genuine care in their surroundings and society that might Eventually grow to be their source of human capital as well as raw substances that they need to sustain. Additionally, A few corporations will see it as an vital detail of gaining societal reputation for his or her operations. It's far clearly authentic for the businesses that are working in far off regions, like mining and oil and gas Groups. They're regularly encountered by using many communities that indigenously stay there, and the Groups have to live with these groups. Any other component on CSR is that companies must see it As a voluntary movement as opposed to something this is pretty regulated. Because it's far some thing that is ideal For the enterprise to do, it's now not some thing that the agency has to do due to law or anything else. On the other hand, organizations need to not be absolutely forced to do CSR as mandatory movement, due to the fact Once more, the development gamers are not simply corporations. It is usually authorities as well as civil Society and the network itself.

### **Data and Methodology:**

The data of this study is secondary data which we have collected from different sources such as official websites of department Corporate Affair minister, Newspaper Articles, Research Papers and Magazine Articles. As we know the traditional perspective stressed on Corporate Philanthropy which means charity for Social, Cultural and Religious purposes and Modern Perspective stressed on long term interest of stakeholders and sustainable development. The

---

main aim behind this study is to see why is vital for Corporation? Why should they contribute for Country's Economic Development? and What are the Important steps Government should take to improve contribution of corporate for CSR activities? We have examined the data from various sources and analyzed the same. We have not used any statistical tools and techniques because we are not trying to establish any relationship between different variables rather through discussions and analytical thinking we tried to see how our country has changed its policy over the period of time and what are the result of these policies are.

## **Review of Literature**

- a) According to Geoffrey heal suggested that CSR is an important part of corporate strategy in sectors where inconsistencies arise between corporate profit and social goals, or discord can arise over fairness issues. There are number of social sectors where corporate can play a valuable role under CSR and can produce social goods for its society. According to him CSR program can be profitable element for company strategy, reducing risk management, Generating brand equity, improving relations with regulators, lower cost of capital, improved human relation and employee productivity and to the maintenance of relationship that are important to long term profitability.
- b) According to Anupam Sharma And Ravi Kiran, them CSR is emerging as a new field in the management research. In India, many firms have taken the initiatives of CSR practices which have met with varying needs of society. According to him number of IT and Auto industry is more going for taking up CSR initiatives while FMCG sector. Authors said that India has entered or taken a transformational change by involving into new CSR initiatives.
- c) According to Kishor Neelakantan, the enactment of the company act 2013 will create a big regulatory push for CSR activities and this is mandatory for all company operating in India. So it is good for economic development but how Shareholder think about it while evaluating company? So according to author suggests that framework for investors to evaluate companies' CSR efforts which is based on four key parameters- Integrity, strategic orientation, efficiency and transparency.

---

## **Policy in India:**

Beneath the groups Act, 2013, that replaces the almost six-decade antique legislation governing The way corporate function and are regulated in India, worthwhile companies with a big business Would ought to spend every year as a minimum 2 in step with cent of 3-yr average income on CSR works. This Would apply to the organizations with a turnover of Rs 1,000 crore and or greater, or net really worth of Rs 500 Crore and more, or net income of Rs five crore and greater. As in step with new proposals, from the start of 2013-14, top incomes PSUs like ONGC, BHEL and NTPC may additionally ought to double their expenditure on CSR as In line with the new draft guidelines being finalized by using the branch of Public companies (DPE). PSUs with Internet income among Rs a hundred-500 crore are required to earmark 2-3% in their income. They ought to make sure That they spend complete quantity earmarked for , in any other case, they have got to reveal why they have got not spent Those fund. Public quarter companies with a income of much less than Rs one hundred crore are required to make contributions Three% in their earnings for challenge such activities. The proposed hints stated that if Public quarter gadgets (PSU's) are not able to spend the Earmarked amount for CSR in a particular 12 months, it needs to be spent inside the subsequent years. The suggestions Continue to exempt unwell and loss-making PSUs from allocation of finances for challenge CSR Sports.

## **Stipulation of the Company Bill, 2012:**

Every organization with internet worth of Rs 500 crore or extra, or turnover of Rs 1,000 crore or greater Or a internet profit of Rs 5 crore or greater at some stage in any economic year to constitute a CSR Committee of the Board inclusive of 3 or extra directors, of which as a minimum one director will be an impartial Director. The Board's file to reveal the composition of the CSR Committee. The main functions of the CSR Committee are:

- a. Formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the company as specified in Schedule VII of the Act.
- b. Recommend the amount to be spent on these activities.
- c. Monitor the company's CSR policy periodically.

---

After the CSR Committee makes its guidelines, Board of the business enterprise shall approve the CSR policy and expose contents of such coverage in its file and additionally location it on the company's website.

In addition, details about the coverage evolved and implemented with the aid of the agency on CSR projects in the course of The year to be blanketed inside the Board's document every year. Board to make sure that the activities listed in the CSR coverage are undertaken by using the business enterprise. Board to ensure that at the least 2% of average net earnings of the corporation inside the three right away preceding economic years is spent in every financial 12 months on such activity. Desire to receive to the nearby place and regions around the company operates for CSR spending. If a enterprise fails to provide or Spend such quantity, Board to specify motives in its report for that failure. Organizations required to conform With CSR shall provide extra information with the aid of manner of notes to the assertion of earnings and Loss approximately. The combination expenditure on CSR activities. Schedule VII of the agencies invoice 2012 prescribes Activities that may be blanketed by way of companies of their CSR rules: Eradicating extreme hunger and poverty:

- a. Promotion of education;
- b. Promoting gender equality and empowering women
- c. Reducing child mortality and improving maternal health;
- d. Combating human immunodeficiency virus, acquired immune
- e. Deficiency syndrome, malaria and other diseases;
- f. Ensuring environmental sustainability;
- g. Employment enhancing vocational skills;
- h. Social business projects;
- i. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the
- j. Central Government or the State Governments for socioeconomic development and relief and
- k. funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, l) minorities and women; and;

---

m. Other matters as may be prescribed.

### **Effects of CSR:**

- a) The contribution of CSR isn't to make contributions in one zone of society best as a substitute to assist Groups and to nurture the society over a time period. Organisation can contribute below CSR in any of the arena (training, fitness, surroundings, Upliftment for the society and many others.) which They prefer most and that's beneficial for the agency factor of view.
- b) Groups ought to participate effectively and correctly for CSR contribution as Businesses are concerned with numbers' of stakeholders like clients, employees, suppliers, Authorities, creditor, financial establishments, and so on. So that they have the responsibility to attend to The hobby of all the stakeholders for his or her own sustainable boom.
- c) Each organization ought to take initiatives for CSR practices to make this planet a better place to Stay and not just this, it'll additionally help groups to build their goodwill.
- d) Companies can differentiate themselves from their opponents by taking CSR tasks.
- e) Organization can take CSR as an opportunity and a platform for growth and live to tell the tale.
- f) A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, better decision making and risk management processes.
- g) Neither central government nor state government can tell corporate how to spend money towards welfare for society. The decision rest on board how money spend in various CSR activity.

### **Limitation of CSR Policy:**

- a) No incentive if enterprise pay greater than 2% of internet income. carry forward of such an contribution now not being referred to under the provision of CSR. It Manner if any of the business enterprise now not able to spend 2% of common income in any economic 12 months so That expenditure not being bring forward for subsequent yr

- 
- b) company does no longer have good enough earnings or is not in a position to spend prescribed amount on CSR sports, the directors would be required to give appropriate disclosure/reasons in their Report to the contributors.
  - c) It isn't always clear whether the phase 25 agencies or charitable businesses set up by way of them might be covered towards CSR.
  - d) according to the proposed regulations, sports referring to eradicating extreme hunger and poverty; Merchandising of training, gender equality and empowerment of ladies; decreasing child mortality And improving maternal fitness; combating HIV-AIDS, malaria and other sicknesses; making sure Environmental sustainability, employment enhancing vocational abilities; and contribution to the Prime Minister's national comfort Fund or every other vital or state fund could be taken into consideration As CSR pastime beneath the Act.

**Existing CSR Activities of some companies: Existing CSR Activities of some companies:**

- a) ONGC CSR tasks consciousness on better education, furnish of scholarship and resource to deserving Younger scholars of less privileged sections of society, facilities for building schools and so on.
- b) SAIL has taken a hit action in surroundings conservation, health and hospital therapy, Schooling, self-employment programmers, sports and video games etc.
- c) BHEL has advanced a CSR scheme and its task announcement on CSR is "Be a dedicated Corporate Citizen, alive toward its CSR". BHEL undertakes socio monetary and network Development programmes to sell education, development of living conditions and hygiene In villages.
- d) Reliance Industries initiated a assignment named as "task- Drishti" to carry back the eyesight of Visually challenged Indians from the economically weaker sections of the society. This undertaking has brightened up the lives of over 5000 people to this point. This challenge has also creating consciousness approximately the compelling need for eye donation
- e) Mahindra & Mahindra released a completely unique sort of ESOPs- worker Social option a good way to Permit Mahindra personnel to contain themselves in socially responsible activities in their Choice. It also contributes beneath Mahindra Hariyali, Mahindra pride college,

---

Mahindra Training agree with. Under Mahindra Hariyali, over 1,000,000 bushes had been planted throughout the Us a, to boom the country inexperienced cowl.

- f) Tata consultancy services is India's biggest software program carrier employer and has received the Asian CSR award for starting up community development work and imposing various programs And devoting management and sincerity as ongoing commitment in incorporating ethical values. Predominant consciousness of the agency is on education quarter. Employer is working upon literacy program That cares TCS designed laptop based literacy model to teach adults and this software is Known as a person literacy software.
- g) Infosys: As a main software program company Infosys is into the presenting language and laptop Education. Corporation has unique application for unprivileged kids by which corporation teaches them various competencies and trade their outlook too. Enterprise additionally donates carom, chess board, Candies and many others. To the needy ones.CSR hobby consists of Blood donation camp and Infosys Foundation has been working in the sectors of fitness care, education, surroundings protection And social rehabilitation.
- h) Wipro: company has taken various tasks to ladies empowerment. Three essential CSR Activities encompass surroundings zone, education zone and strength conservation.
- i) ITC: ITC restricted (ITC) is among one in every of India's leading non-public zone corporations having a Diverse portfolio of organizations. ITC is running with the idea of 'Triple backside line' that will make contributions to the boom of economic system, surroundings and social development. Most important focus Region of the enterprise is on elevating agricultural productivity and helping the agricultural economic system to be Greater socially inclusive.
- j) Maruti Suzuki a vehicle industry works upon international warming and worldwide issues like weather Change employer has been strongly making an investment on environmental pleasant merchandise and Production excellent products for the society. Maruti Suzuki is running upon retaining Surroundings and retaining natural environment.



---

**Conclusion:**

From the restricted reveal in over the last few years, a few lessons although emerge. Authorities introduce CSR because they want employer to emerge as greater liable for the society Or for its stakeholders itself. As we recognize, CSR offer real possibilities for the agencies to make contributions in numerous sports which at once or circuitously assist welfare of the society. Companies are social Entity so that they should take care of all stakeholders, it's far vital for them to take rate of this obligation In green manner so that every one participant of employer sense happy. As we know corporates cannot stand On my own they also wishes the guide of their society at large that's critical for their development and Goodwill.

**References:**

- a. <http://www.indiacsr.in/en/?p=13220>: Govt Can't Tell Companies How to Spend CSR money: Sachin Pilot
- b. Initiative of major companies of India with focus on Health, Education and Environment. ISSN 2079\_2034.
- c. [http://en.wikipedia.org/wiki/Corporate\\_social\\_responsibility](http://en.wikipedia.org/wiki/Corporate_social_responsibility)
- d. <http://www.unrisd.org/unrisd/website/newsview.nsf/0/B163470112831808C1256DA90041EC C5?Open Document>.