

ISSN :
2319-9318
January 2019

PEER REVIEWED INTERNATIONAL REFERRED RESEARCH JOURNAL
Impact Factor : 5.234 Special Issue : "Recent Trends in Economics & Commerce
UGC Approved Journal No.41012



MAH/MUL/03051/2012
ISSN-2319-9318

ISSN :
2319-9318
January 2019

PEER REVIEWED INTERNATIONAL REFERRED RESEARCH JOURNAL
Impact Factor : 5.234 Special Issue : "Recent Trends in Economics & Commerce
UGC Approved Journal No.41012

Sr. No.	Topic	Researcher	Page No.
24	Reforms and Entrepreneurship in India for Economic Development	Dr. Sunil Joshi	134
25	"Financial Management of Nashik Municipal Corporation"	Dr.S.K.Pagar Prof. Sonawane A. B.	140
26	Corporate Social Responsibility: Indian Perspective	Prof. Vijay M. Sukate	145
27	Workforce Diverse Management in the Organization	Dr. Manisha A.Navare Kulkarni	151
28	The study of general instructions for preparation of profit and loss account and balance sheet as per companies act, 2013	Thakur Akash Ashok	155
29	Human Resource Management	प्रा.श्रीमती अश्विनी पी.निसाळ	163
30	कृषी पर्यटनातून कृषी क्षेत्राचा आर्थिक विकास	प्रा. डॉ. नयना भिमराव पाटील	165
31	कृषि उत्पन्न बाजार समितीचा कृषि विकासातील भूमिकेचा अभ्यास (विशेष संदर्भ नांदगाव कृषि उत्पन्न बाजार समिती सन २०१७-२०१८ अहवाल)	डॉ.एस.के.पगार योगेश देवराम मोकळ	170
32	विपणन संशोधन	प्रा.रंजना विठ्ठल जाधव	175
33	कृषी विपणनाची धोरणे व आव्हाने	प्रा.वाय.एम.जाधव	179
34	An Estimation of Socio-economic status of export quality grape growing farmers	Dr. S. K. Pagar Madhuri B. Kharjul Ajit B. Kharjul	183
35	Corporate Social Responsibility a key to business success	Prof. Smt. Shradha Vijay Shrimali	189
36	Recent Trends in Human Resource Management	Prof.Sunita Vijaykumar Deshmukh	194
37	Indian Real Estate: Boom or Bubble?	Dr. Pooja Talreja	196
38	Women workers in the informal sector: a study	Mrs. Sangita S.More	199
39	Relevance of Chanakyaniti, Shivaji Maharaj's real life decisions and relevance it's with modern management for entrepreneurship development.	Prof. Patil Tejabsing Ransing	205
40	Impact of GST on Indian Agricultural Sector.	Prof. Kiran Aher	211
41	भारतातील शेतक-यांच्या आत्महत्या -	प्रा. शशिकांत सदाशिव सांगळे	214
42	Financial Management Practices & Profitability of business enterprises in Small Scale Industry in Nasik	Mr. Amol G. Shinde	217

CORPORATE SOCIAL RESPONSIBILITY: INDIAN PERSPECTIVE

Asst. Prof. Vijay M. Sukate

Dept. of Commerce

RNC Arts, JDB Commerce and NSC Science College,

Nashik-Road, Nashik. 422101.

Abstract:

The Indian Companies Act, 2013 has introduced the CSR idea in the country and through explains the mandate in promoting greater transparency and disclosure. The Schedule 7 of the Act listing the CSR activities, suggest the communities to be focal point. On the other hand, by discussing a company's relationship to its stake-holders and integrating CSR into its core operations. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies. The practice of CSR is not new to companies in India. However, what this Act does is bring more companies into the fold. Also, it is likely that the total CSR spends will increase. What is clear to many companies is that if this increased spending is to achieve results on the ground – which is the intent of the Act – then it needs to be done strategically, systematically and thoughtfully. The Paper discusses the rules of CSR, role of CSR in community development, CSR Activities, Challenges of CSR.

Introduction:

India has the world's richest tradition of corporate social responsibility. Though the term CSR is comparatively new, the concept itself dates back to over a hundred years. CSR in India has evolved through different phases, like community engagement, socially responsible production and socially responsible employee relations.

The present-day CSR is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large. CSR simply refers to strategies corporations or firms conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers and their families, and involving in activities for environmental conservation and sustainability.

Key Words: Corporate social responsibility, community development, CSR Rules, CSR Activities

Objectives of the study:

1. To study the basic concepts of CSR
2. To Study the rules and regulations of CSR
3. To Study the CSR activities
4. To Study the role of CSR in Community Development
5. To study the Challenges of CSR

Research Methodology:

The research paper is an attempt of exploratory research. The study focuses on study of Secondary data collected from various books, national & international journals, and government reports, publications from various websites which has been published and focused on various aspects of corporate social responsibility.

Meaning of CSR:

CSR means different things to different people, and many organizations interpret what CSR means to them based on their own peculiar business requirements and the size of their organization. For some organizations, they measure or evaluate their CSR initiative by their company's allocation or budget for CSR. In such an instance, most often, these organizations refer to their CSR initiative as CSI (Corporate Social Investment). However, for our need as firms; either newly embracing CSR or expanding our existing horizon on the subject; our definition in this guide is based on the relevance of CSR to large, small, medium, and macro enterprises. This relevance is all-embracing and it goes beyond the actual amount of money spent to drive and sustain the process. The relevance takes into consideration the fact that there are so many things a business or an organization can do to drive and sustain its CSR initiatives which may not be monetary based. This guide seeks to highlight those activities which every business can engage in to drive its CSR initiative which will bring returns to the business in the short and long run.

Definitions:

'Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large'

World Business Council for Sustainability Development

"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"

The European Commission defined CSR in 2006

'CSR is a corporate culture where businesses or companies decide voluntarily to contribute to a better society and a cleaner environment'.

Corporate Social Responsibility Basic Rules:

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social

- Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfils the criteria specified in sub-section (1) of section 135 of the Act, shall comply with the provisions of section 135 of the Act.
 - (3) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act.
 - (4) The companies mentioned in the rule 3 shall constitute CSR Committee as under:
 - (I) an unlisted public company or a private company covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director
 - (II) A private company having only two directors on its Board shall constitute its CSR Committee with two such directors;
 - (III) With respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.
 - (5) The CSR Policy of the company shall, *inter alia*, include the following namely:
 - (a) a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same; and
 - (b) Monitoring process of such projects or programs;
 - (6) CSR expenditure shall include all expenditure including contribution to corpus for projects or a program relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
 - (7) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure. In case of a foreign company, the balance sheet filed under sub clause (b) of sub-section (1) of section 381 shall contain an Annexure (8) The Board of Directors

of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure

CSR Current Scenario in India:

Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations. The 21st century is characterized by unprecedented challenges and opportunities, arising from globalization, the desire for inclusive development and the imperatives of climate change. Indian business, which is today viewed globally as a responsible component of the ascendancy of India, is poised now to take on a leadership role in the challenges of our times. In India, CSR has evolved to encompass employees, customers, stakeholders and sustainable development or corporate citizenship. Numerous organizations grade companies on the performance of their corporate social responsibility. As a result CSR has emerged as an inevitable concern for business managers in every organization.

CSR Activities in India:

Education, gender equity and women's empowerment, combating HIV/AIDS, malaria and other diseases, eradication of extreme poverty, contribution to the Prime Minister's National Relief Fund and other central funds, social business projects, reduction in child mortality, improving maternal health, environmental sustainability and employment enhancing vocational skills among others. Investment in education, health, skill development and social infrastructure will enhance capabilities of the youth by improving their nutritional, skill and educational level, which in turn will better their employment prospects.

Challenges of CSR:

1. Lack of Awareness of General Public in CSR Activities:

There is a lack of interest of the general public in participating and contributing to CSR activities of companies. This is because of the fact that there exists little or no knowledge about CSR. The situation is further aggravated by a lack of communication between the companies involved in CSR and the general public at the grassroots.

2. Need to Build Local Capacities:

There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

3. Issues of Transparency:

Lack of transparency is one of the key challenges for the corporate as there exists lack of transparency on the part of the small companies as they do not make adequate efforts to disclose information on their programmes, audit issues, impact assessment and utilization of funds. This negatively impacts the process of trust building among the companies which is a key to the success of any CSR initiative.

4. Non-Availability of Well Organized Non-Governmental Organizations:

There is non - availability of well organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities.

5. Visibility Factor:

The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many non-governmental organizations to involve themselves in event based programmes; in the process, they often miss out on meaningful grassroots interventions.

6. Narrow Perception towards CSR Initiatives:

Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more as donor driven. As a result, corporates find it hard to decide whether they should participate in such activities at all in medium and long run.

7. Non-Availability of Clear CSR Guidelines:

There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. The scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the larger its CSR programme.

8. Lack of Thinking:

On Implementing CSR Issues There is a lack of consensus amongst implementing agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

Principles of National Voluntary Guidelines are:

1. Businesses should conduct and govern themselves with ethics, transparency and accountability.
2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
3. Businesses should promote the wellbeing of all employees.
4. Businesses should respect the interests of, and be responsive toward all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
5. Businesses should respect and promote human rights.
6. Business should respect, protect, and make efforts to restore the environment.
7. Businesses should support inclusive growth and equitable development.

8. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Conclusion:

CSR is about business, government and civil society collaboration with the bottom line is the achievement of win-win situation among the three entities. From the social point of view, CSR should benefit community because the latter has a very complex structure as it consists of individuals with various levels of control of resources physically and intangibly. Since the current meaning of CSR is complex, knowing the theories allows scholars to have a better understanding about corporation-society relations, in which theories and practices of CSR are influenced by economic and non-economic as well as internal and external forces. The concept of CSR is firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies.

References:

1. David Crowther and Guler Aras, Ventus Publishing Aps, ISBN 978-87-415, Corporate Social Responsibility
2. Pricewaterhouse Coopers Private Limited, Handbook on Corporate Social Responsibility in India.
3. Dr. Reena Shyam, an analysis of corporate social responsibility in India , International Journal of Reseach - Granthaalayah, May- 2016, ISSN – 2394-3629(P)
4. Gadaf Rexhepia Selma and Kurtishib Gjilnaipe Bexhetic, Corporate Social Responsibility (CSR) and Innovation The drivers of business growth?, Journal of Procedia Social and Behavioral Science.
5. Piyush Choudhary, Corporate Social Responsibility an Indian perspective, Oct. 2010.
6. Ananda Das Gupta, Implementing Corporate Social Responsibility in India: Issues and the Beyond
7. Victoria Baird, Christina Kramer, David Wofford, What is CSR? 2012
8. Dd. Dipl.-Vw. Malte Kaufmann, The impact of corporate social responsibility on business performance can it be measured, and if so, how? The Berlin International Economics Congress 2012, March 7th-10th, 2012 Presented by The Bucharest Academy of Economic Studies
9. Jayati Sarkar and Subrata Sarkar, Corporate Social Responsibility in India - An Effort to Bridge the Welfare Gap Indira Gandhi Institute of Development Research, Mumbai August 2015
10. Maimunah ISMAIL, Corporate Social Responsibility and its role in community development: an international perspective, JISR Vol. 2/9 2009
11. Paul Hohnen, Author, Jason Potts, Editor, Corporate Social Responsibility An Implementation Guide for Business, IISD, 2007