

Trends, evaluation & policy of CSR in India

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Abstract

Corporate Social Responsibility is now recognized as a means to attain sustainable development of an organization. Hence, it needs to be recognized as an organizational impartial. According to New Company Law, 2012 corporates must contribute 2% of their net profits towards CSR which made Indian companies to intentionally work towards CSR, as it essential a given class of companies to apply a portion of their profits on CSR activities. In this era of opposition, companies distinguishing the pole that they have, as a part of the society. This give rise to Corporate Social Responsibility (CSR) and it becomes the burning topic and ahead more and more position in Indian economy. Simply social responsibility suggests that the responsibility that government, corporation, organization or individual has to society. Corporate must understand that to uplift the demoralized society, government alone will not be able to succeed in its attempt. Basically India stays in its villages. The report is valid even today precisely from all the viewpoints. The methodology of this research is based on secondary data. Six public and private companies have been taken to understand the working pattern in context of CSR.

The main aim behind this study is to see why CSR is vital for Corporation? Why should they subsidize for Country's Economic Development? As we know, today Indian corporates go beyond Philanthropy (Charity) concept and it's more concentrate on the entire stakeholder.

Keywords: society relations, stakeholders. India, philanthropy

1. Introduction

Newly, the concept of Corporate Social Responsibility has ongoing ahead serious care by researchers in the Indian context. A discussion with a board of entrepreneurs from the corporate sector and leaders of civil society oratory on various combative issues related to the concept of 'Corporate Social Responsibility'. Corporate Social Responsibility as 'it is the duty of the firm to uses its capitals in ways to benefit society, through dedicated contribution as a member of society, taking into version the society at large, and refining the welfare of the society self-sufficiently of the straight gains to the company'. From the above discussion, it can be decided that this notion is measured to be important by various researchers and investors of Indian corporations, there is an obvious space with respect to the description of the concept. The development of CSR in India refers to changes over time in India of the social norms of Corporates involved in CSR activities. Businesses are attained to carry about a general self-assured impact on the groups, cultures, civilizations and situations in which they function. The basics of CSR rest on the detail that not only public policy but even corporate should be responsible sufficient to address social issues. Thus companies should contract with the trials and issues looked after to a convinced range by the states. CSR is a management thought whereby companies assimilate social and environmental anxieties in their business operations and relations with their stakeholders. CSR is usually unstated as being the way through which a company attains a balance of economic, environmental and social constraints while at the same time speaking the prospects of shareholders and

stakeholders. Anything that is satisfactory for the society can be called CSR and such movement must be shown by company on their website and company should take endorsement from board. CSR is an important component of development because companies need to look after their communities, mainly those that are operating in rural areas. But, CSR also has an ecological aspect that the business might inspiration based on their operation Many companies might have inspirations for doing CSR such as the unaffected care of their environment and society that would finally become their source of human capital as well as raw resources that they need to bear.

Over the last decade and a half, we have seen a innovative shift in the relationship of private sector with the state and civil society. The views of consumers, employees, investors, partners and local groups in the context of the functions of businesses in the society and near the society are quickly changing. Every small- or large-scale firm has its sponsors with both hopeful and unwanted desecrations in the society. Globalization has painted the deliberate concern of shareholder relationship, brand connection and other such issues which have become crucial for directing the business morally and ethically. The occurrence of barriers to global trade and speculation has led to a more organized, combined and symbiotic paradigm of international trade. Globalization, privatization and liberalization have recruited new lines between the state and the market that have changed the private sector, which is predictable to pay towards the civil society. The relationship between companies and the civil society is continuously affecting from old-style compassion to the

review of the purposes, rights and duties of business to the society. Huge spread of Corporate Social Responsibility (CSR) thought and its uses have been pressure the firms to adopt a code of conduct of social responsibility. Today, the common goal of the domestic and international business community appears to be bringing forth wealth in a socially and ecologically responsible way.

2. Objective of the study

1. To examine the need and importance of CSR.
2. To examine the role of CSR in India.
3. To analyses the Trends of CSR in India.
4. To determine the CSR Activities Of Some Indian Companies.
5. To examine the Issues & Challenges of CSR in India.

3. Research Methodology

The methodology of this research is based on secondary data

4. Literature Review

There are people who entitlement that Corporate Social Responsibility causes some ulterior motives while others reflects it as a fable. The reality is that CSR is not a method for brand building; however, it makes an internal brand among its employees. Treating into actions that help society in one way or the other only adds to the goodwill of a company. Corporate Social Responsibility is the duty of everyone i.e. business corporations, governments, individuals because of the reasons: the income is received only from the humanity and therefore it should be given back; thus wealth is meant for use by self and the public; the basic motive behind all types of business is to satisfy the hunger of the strength as a whole; the fundamental objective of all business is only to help people. CSR holds a very vital place in the development scenario of the world today and can pose as a substitute tool for sustainable development. As corporations have shown great fears for their speedy community and the stakeholders, it can be safely concluded that much of the fate of society lies in the hands of the corporate. Corporate sustainability is a developing procedure and not an end. The Companies bill is a good creativity on the part of the government however what would be involved in 'spending' on CSR is unclear and is left for the companies to decide. CSR has a extensive effect across the globe expressly in emerging markets. in India CSR is still at a very rising stage. CSR has come a long way in India. From receptive activities to bearable enterprises, corporates have clearly showed their ability to make a important difference in the society and recover the overall quality of life. In the current social situation in India, it is difficult for one single object to bring about change, as the scale is huge. Corporates have the knowledge, strategic thinking, manpower and money to facilitate extensive social change. Effective partnerships between corporates, NGOs and the government will place India's social development towards tremendous growth.

5. CSR - A Concept

CSR, which is now a days related with several terms and expressions like corporate responsibility, corporate responsibility or ethics, corporate citizenship, triple bottom

line, and Environmental Social and Governance (ESG) norms, is becoming increasingly joined into advanced business patterns and exercises. There is an upcoming trend of referring to it as 'responsible competitiveness' or 'corporate sustainability'. Defining CSR is indefinable, as it is a dynamic and ever evolving concept. There is no agreement among the researchers on what CSR is and what the corporate or business units need to do to fulfill their social responsibilities. CSR deceptively is divided into two broad approaches-micro and macro. Under the micro method, every company is predictable to reflect the social responsibilities and subsidize kindly towards their contentment. Under this methodology, each business unit at the micro level must come onward, along with the management and other such objects, and work for social progression. Theorists like Ackerman and Carroll believe in the micro approach and advocate the individual responsibility of business units towards the society. Dissimilar to this, the believers in the macro approach of CSR reject the idea of individual responsibility of business elements towards society and promoter that it is the government, not business units that should work on social welfare programs and achieve the country's social goals. Theorists like Milton Friedman and Theodore Levitt are the proponents of this method, who promote and highlight that the business element has nothing to do with social goals and must concentrate only on the economic responsibilities. The concept coined by Milton Friedman, no doubt, gained ground in the earlier times, but in the changing scenario, micro method is being accepted by the business globally, and social objectives have acknowledged attention of business planners, who believe that expenditure on social issues is not an expense but investment, the benefits of which will certainly accrue to them in future.

6. CSR in India

In India several companies have started understanding that it is a balanced move to take up CSR activities and assimilate it with their business process. Companies are becoming progressively aware of their role towards the society. They are responsible bodies that feel a sense of duty towards the common happiness and the environment. This comes with a rising realization that they, as an important part of this society themselves, can subsidize to its up liftmen and authorize of the whole country in turn. Thus Corporations now are setting up detailed departments and teams that develop policies, strategies and objectives which are for their CSR programs and distribute separate budgets to support them. In the modern era, the new group of corporate leaders reflects optimization of profits as the key, rather than the development of profit. Companies behavior events like health camps, population control events, sustenance a few sick persons, give some scholarships, a few sports events, convey trainings for some livelihood practices without linking them to further growth in the process of conducting CSR. Some corporates found to work on incapacity, some on senior issues, some work on street children. All these are either time bound projects or institution run actions or supports to some NGOs. They also meet the absences of Government run schemes or programs with an aim to improve the quality of the programme. Short term activities are mostly eye washing efforts by corporates where sustainable development methods are usually missed.

Government authorities and people's legislatures are mostly invited in such programs to elegance the occasions and their visibility in the public are taken care in such a way that the

corporates get continuous illegal and quick legal favours and eventually the profit multiplies.

7. Trends of CSR in India

Table 1

Phases	Period	Year	Nature of CSR
First	Pre-industrialization	1800	CSR activities were undertaken in the form of philanthropy with religious belief
Second	Pre-industrialization	1800-1914	CSR activities were undertaken in the form of donations with social welfare objectives
Third	industrialization	1950-1980	CSR activities were undertaken in the form of responsible behaviour with progressive approach
Fourth	Post- industrialization	1980-till today	CSR activities are being performed in various forms by keeping in view multistakeholders benefit.

In India, in the pre independence era, the businesses which established industrialization along with struggling for independence also followed the indication. They put the indication into action by setting up generous foundations, educational and healthcare institutions, and trusts for public development. The contributions either monetary or otherwise were unequal activities of charity or compassion that was taken out of personal savings which neither fitted to the shareholders nor did it establish an important part of business. The term CSR itself came in to common use in the early 1970s while it was scarcely ever reduced. By late 1990s, the concept was fully recognized; people and organizations crosswise all sections of society started supporting it.

8. History and evolution of Indian CSR

India has the world's richest ritual of corporate social responsibility. Though the term CSR is moderately new, the concept itself dates back to over a hundred years. CSR in India has advanced through different phases, like community rendezvous, socially responsible production and socially responsible operative relations. Its history and evolution can be divided into four major phases.

Kautilya on CSR: Kautilya highlighted ethical practices and principles while conducting business.

CSR & Hinduism: Merchants going to the Hindu religion gave alms, got temples and night shelters made for poor. Hindus followed Dharmada where the producer or vender charged a specific amount from the buyer which was used for charity.

CSR & Islam: Islam had a law called Zakaat which ruled that a portion of one's earning must be shared with the poor in the form of donation.

CSR & Sikhism: Similar to Islam's zakat, Sikhs followed what they called

9. Business Perspective

Concentrations on the significance of 'standing capital' for catching and sustaining markets. CSR is unknown but a new business strategy to reduce investment risk and maximize profits by taking all the stakeholders into assurance.

Eco - Social Perspective

Recognizes the fact that social and environmental stability and

sustainability are two major fundamentals for sustainability of the market in the long run. CSR is both a value and a policy for confirming sustainability of a business.

Right - Based Perspective

Focuses on the fact that consumers, employees, stakeholders and affected communities have a right to know about corporations and their businesses. It stresses accountability, slide, and social and environmental investment as major aspects of CSR

10. CSR activities of some Indian companies

- Maruti Suzuki a automobile industry works upon global warming and global issues like climate change Company has been powerfully capitalizing on environmental friendly products and industrial best products for the society. Maruti Suzuki is working upon preserving environment and conserving natural environment. Concept of decrease, reuse and recycle has been promoted by company in all the manufacturing units.
- Mahindra & Mahindra launched a unique kind of ESOPs-Employee Social Option in order to enable Mahindra employees to include themselves in socially accountable activities of their choice.
- ONGC and Indian Oil Corporation has been spending 0.75-1 % of their net profits on CSR activities. ONGC's CSR projects focus on higher education, grant of scholarship and aid to deserving young pupils of less privileged sections of society, facilities for building schools etc.
- SAIL has taken positive actions in environment conservation, health and medical care, education, women upliftment providing drinking water.
- BHEL & Indian Airlines have been commended for disaster management pains. BHEL has also adopted 56 villages having nearly 80,000 inhabitants
- Reliance Industries introduced a project named as Project-Drishti, to bring back the eyesight of visually challenged Indians from the economically weaker sections of the society. This project has brightened up the lives of over 5000 people so far.
- GlaxoSmithKline Pharmaceuticals' CSR programs primarily focus on health and healthy living. They work in tribal villages where they provide medical check-up and treatment, health camps and health awareness programs. They also provide money, medicines and equipment to

non-profit organizations that work towards educating health and education in under-served communities.

- Bajaj Electricals Ltd corporate social responsibility activities include Education, Rural Development & Environment.
- Tata consultancy services is India's largest software service company and has won the Asian CSR award for initiating community development work and applying various programs and offering leadership and genuineness as ongoing commitment in incorporating ethical values. Major focus of the company is on education sector. Company is working upon literacy program that cares TCS designed computer based literacy model to teach adults and this program is known as a adult literacy program.
- Infosys: As a important software company Infosys is into the providing language and computer education. Company has special program for unprivileged children by which company teaches them numerous skills and change their outlook too. Company also donates carom, chess board, chocolates etc. to the needy ones.
- Wipro Cares: Focus area of Wipro cares is on taking educational and health care initiatives for migrated groups and environmental issues and disaster restoration.
- ITC: ITC Limited (ITC) is among one of India's leading private sector companies having a miscellaneous portfolio of businesses. ITC is working with the perception of 'Triple bottom line' that will contribute to the growth of economy, environment and social development. Major focus area of the company is on raising agricultural productivity and helping the rural economy to be more socially inclusive.

11. Policy statement

Through Corporate Social Responsibility (CSR) enterprises, the Company pursues to contribute to social and economic development of the local communal in which the Company functions and the society at huge. The Company suggests devoting a minimum of 2% of the regular net profits for the directly earlier three financial years on CSR happenings. The Board of Directors of the Company done its CSR Board will plan and monitor the spending of CSR activities.

The CSR Committee will yearly endorse the CSR programmes and schemes to the Board for its sanction. The activities assumed in the normal sequence of business will not be a part of CSR actions.

CSR Budget

The CSR Committee will endorse the annual planned spending project-wise to the Board for its thought and approval.

CSR Programmes and Projects

The Company's assurance to CSR projects and programmes will be by capitalizing resources into one or more of the following areas.

- Eliminating starvation, poverty and starvation., promoting healthcare including defensive healthcare and hygiene counting influence to the Swach Bharat Kosh set by the Central Government for the promotion of sanitation and making available safe drinking water;

- Promoting education, counting special training and occupation attractive aptitude skills principally among children, women, elderly, and the then abled, and conservation development projects;
- Inspiring gender equality, approving women, condition up homes and hostels for women and orphans; situation up old age homes, day care middles and such other services for senior citizens and events for dropping differences faced by informally and prudently backward groups
- Settling conservational sustainability, environmental balance, defense of flora and fauna, animal welfare, agroforestry, preservation of natural resources and upholding quality of soil, air and water counting influence to the Clean Ganga Fund set by the Central Government for transformation of river Ganga;
- Defense of national tradition, art and culture counting renovation of buildings and sites of historical position and works of art; location up public libraries; elevation and growth of outdated arts and crafts
- Events for the benefit of equipped forces experts, war widows and their charges
- Training to endorse rural sports, nationwide recognized sports, Paralympic sports and Olympic sports
- Contribution to the Prime Minister's National Relief Fund or any other endowment set up by the Central Government for socio-economic development and relief and welfare of the Arranged Castes, the Scheduled Tribes, other backward classes, minorities and women
- Contributions or funds providing to knowledge incubators situated within academic organizations which are approved by the Central Government;
- Rural development projects;
- Slum area development.

Roles and Responsibilities

The Committee shall act as per the directions of the Board and inter alia shall:

- Formulate and update the CSR Policy which will be approved by the Board of the Company
- Decide the CSR activities to be taken up by the Company in accordance with this Policy
- Decide the amount to be allocated for each project or activity
- Oversee and monitor the progress of the initiatives rolled out under this Policy
- Submit a report to the Board of Directors on all CSR activities undertaken during the financial year which shall duly be displayed on the Company's website (www.birlasoft.com)
- All CSR activities covered under this Policy shall be carried out within India

12. Conclusion

The new economic era in India i.e. the post-liberalization stage of the Indian economy was a catalyst for the fundamental transformation in the corporate social responsibility related practices in the country, the change was twofold: alteration of the conceptual understanding of corporate social responsibility and innovations at the operation level. At the theoretical level, there was a fundamental

transformation from the charity-oriented method to the stakeholder-oriented approach where the target group was seen as stakeholder in the community whose well-being was integral to the long term success of the company. However, the real uprising occurred at the operation stages where companies have started committing manpower, skill in addition to financial resources in order to provide a host of services, programs and schemes that are elastic enough to lodge the needs of the target municipal. The CSR initiatives have also see greater people contribution at all stages and tighter answerability standards. The issue of norms for corporate social responsibility seems to have been sufficiently dealt with by industry practices like benchmarking, CSR ratings and documentation by different agencies. While the situation in the private sector seems acceptable, there is violent debate on the social role of the Indian public sector in the post-liberalization phase especially in the light of the twin processes of privatization and the dismantling of monopoly/quota regimes. There is a need for widespread research especially in form of experiential studies to address the questions related to this issue.

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