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## A study on Corporate Social Responsibility

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**Abstract:** Corporate social responsibility allows a business to fulfill their duties and responsibilities towards the society. It makes the company accountable not only to the shareholder but to the society as a large. Only to generate the revenue should not be the objective of the corporate but it needs to think about the surrounding also for the long term survival. In April 2014, India became the first country to legally mandate corporate social responsibility. Many big and small corporate in India took the initiative and done excellent contribution to serve the nation. This paper focuses on the CSR activities of top companies who received the First national corporate award in the excellence of CSR in 2019 in the first three Categories.

### Introduction:

The main objective of the company is to earn a profit and maximize the wealth of the shareholder. With this basic objective, every company wants to achieve long term stable growth. Various factors decide the long term success of the company like trust, decisiveness, Competition, Records, Network, Patience, Risk, Optimism, etc.<sup>i</sup>In a world disillusioned with globalisation, the business needs to work on a model that works for everyone. Now a day corporate works with the three baseline approach people, Planet, and Profit. Only profit should not be a motive of corporate but the business has a responsibility towards the society and environment. If a company wants to sustain for the long period then he has to take care of the things around it. Corporate uses the various resources from the society for the benefit of the business and its responsibility of the company to restore that benefit also for the stable, long term growth and advancement of the country. Through this ethical practice, a company can improve the lives of its workers, families, and society as a large.

Corporate Social responsibility (CSR) is an enduring assurance by businesses to combine social and environmental concerns in their business operations. By Amending the Indian companies Act, 2013 India became the first country in the world that has made corporate social responsibility compulsory in 2014. As per this amendment, the corporate must spend 2% of its average net profit on CSR activities if their net worth is ₹500 crore or more or an annual turnover of ₹ 1000 crore or more, or net profit of ₹5 crores in a financial year. India became the first country to legislate the need to undertake CSR activities and mandatorily report CSR initiatives under the new Companies Act 2013. The non-compliance of the rule will lead to monetary penalties as well as imprisonment as per the amended law. <sup>ii</sup>

The Government of India had hosted the first National Corporate Social Responsibility Awards (NCSRA) on 29th October 2019 in New Delhi. It was instituted by the Ministry of Corporate Affairs. On the 150<sup>th</sup> birth anniversary of Mahatma Gandhi, The President of India, Shri Ram Nath Kovind, presented first National Corporate Social Responsibility (CSR) Awards to selected companies for their excellence and significant contribution even in challenging circumstances.<sup>iii</sup>Out of a total of 528 entries received from various corporate, 131 companies invited for detailed submission and which was followed by a detailed Assessment. Based on this independent assessment made by the CSR experts winners and honorable mentions across three categories were announced.

### Objectives of the study:

The main objective of the study was to know the various activities done by the top three Indian corporates who received a corporate award for excellence in CSR for their admirable contribution.

## Literature Review:

Dr. Frank Cavico and Dr. BahaudinMujtaba (2012) in the research paper title “National and Global Perspectives of Corporate Social Responsibility” had observed that customers and employees became more ethical and value-centered. They found that the concept of corporate social responsibility had become an extremely genuine and realistic concern for the global business leader, executive, manager, and entrepreneur. Business leaders were expected to lead by not only legal values but with ethical values and social values.<sup>iv</sup>

Dr. ReenaShyam (2016) in her research paper titled “An Analysis of corporate social responsibility in India” noticed that had already started practicing social responsibilities before a decade ago before CSR became a popular cause. The researcher found that as time passes the concept of CSR also transited from the obligation to respond. It was suggested in the paper that effective and valuable partnerships between Government, Corporate, and various NGOs will be effective for the social development of the country.<sup>v</sup>

Dr. Rajni Saluja and SangamKapoor (2017) in the research paper titled “corporate social responsibility – evolution” described the four-phase of CSR in India. The first phase was the pre-industrialization period which was lasted till 1850. During that period merchant shared their wealth for charity and religious cause. In the second phase during the independence movement, Gandhiji gave the message that the Indian corporate should be like the temples of modern India and put pressure on industrialists to act towards the building of the nation and its economic development. The third phase of CSR was 1960-80 was defined as a period of command and control. The public sector was seen as the chief mover of progress. Despite various efforts, during this period CSR failed to catch the stream. In the fourth phase (1980 - 2015) Indian companies started abandoning their traditional engagement with CSR and integrated it into a sustainable business strategy.<sup>vi</sup>

Jayati Sarkarand Subrata Sarkar (2015) in their working paper titled “Corporate Social Responsibility in India - An Effort to Bridge” Found that it was difficult for the companies to find the appropriate project every year. The companies also required dedicated centers to monitor the projects continuously. In the research paper, the point of view of different countries concerning CSR had been also stated.<sup>vii</sup>

Research methodology: The data and information related to various companies are collected from various reports of the Government and the annual reports of the companies.

## Data Analysis:

**(1) Power Grid Corporation of India Limited:** The Company is an Indian state-owned electric utility company headquartered in Gurugram, India, and about 50% of the total power generated in India on its transmission network. With the objectives of “Transmitting smiles,” the company has spent ₹195.52 crores during FY 2018-19 towards various CSR activities. The company has sanctioned more than 200 CSR projects of value of approximately ₹ 360 crores that will be executed over the next 2-3 years.<sup>viii</sup>The company has constructed community centers, open sheds, roads, culverts, and drains, classrooms in schools, drinking water systems, and development of ponds in Odisha for rural development. By Joining the hands with National Skill Development Corporation the company has trained 5000 youth across the country. The company has also organized short-term vocational Skill Development Training program, Placement linked skill development program, Capacity Building & Skill Development Training Programmes, Skill Development training on Transmission Line Tower Erection & Stringing, Vocational training programs for rural women on fruit and vegetable processing and many more to develop the various skills in society. The company has started constructing 10 Storied, 325 bedded Dharmshala at AIIMS, New Delhi, for providing shelter to patients and their attendants. The company has constructed 9437 Numbers of Toilets in 4244 Schools in Andhra Pradesh, Assam, Bihar, Chhattisgarh, Madhya Pradesh, Odisha and Uttar Pradesh under "Swachh Vidyalaya Abhiyaan". The company has also provided Scholarship to 850 students of Assam & Manipur, who became orphans due to Militancy/Communal violence. The company has distributed 10,000 solar lanterns to school children in Bihar, Jharkhand & Odisha for better education. The company has installed Solar Photovoltaic Lights in various villages.<sup>ix</sup> The company received a “Corporate Award for Excellence in CSR” spent above 100 Crore in the year 2018-19.

**(2) Mahindra & Mahindra Limited:** The Company is an Indian Multinational vehicle manufacturing corporation established in 1945 in Punjab. With the objective “Rise for Good” the company has spent ₹ 93.5 crores during FY 2018-19 towards various CSR initiatives. Under the project “Nanhi kali” the company has supported 370000 underprivileged girls to the academic support with an annual kit and also provided yellow tablets to the secondary class girl for digital learning. The company has planted 16.4 million trees in 10 years under the “Hariyali program.” Through the “Mahindra Pride School Program” the company provides 90 days of extensive training to the students for the computer application and life skill to enhance their employability and trained 33235 students and provided 100% placement. The company has also awarded the “Mahindra All Talent Scholarship” to 9640 students from lower socio-economic strata to enable them to

pursue a job oriented diploma course at a recognized Government Polytechnic Institute in India till today.” Lifeline Express”, the world’s first hospital on the wheel through which the company has provides medical facility to the financially weaker section of society. The Mahindra Group has made Swachh Bharat an integral part of its Esops efforts since its launch in 2014 and collectively invested ESOPs person-hours towards 266,426 the Swachh Bharat Campaign.<sup>x</sup> The company received “Corporate Award for Excellence in CSR” spent above 10 crores to 100 Crores in the year 2018-19.

**(3) Edelweiss Financial Services Limited:** The Company is a leading diversified financial services conglomerate. The company provides a broad range of financial products and services, catering to a substantial and differentiated client base, including corporations, institutions, and individuals. With the commitment to go beyond growth and address societal and environmental imbalances the company has spent ₹ 3.54 crores during FY 2018-19 towards various CSR activities. The company focuses on renewable energies, maximization of resource efficiency by recycling, rainwater harvesting, and reduced carbon through effective management. The company reached over 1 million vulnerable children via 17 education programs with 12 implementing partners all over India. To support and promote sports activities the company has provided insurance protection cover of ₹ 5 million to 790 athletes of Asian Games and Commonwealth Games. Through water and livelihood programs, advanced financial Inclusion plan via 83 self-help group and 56 joint liability group, capacity building programs for sustainable agriculture, legal helps to women and girls through advocate the company has tried to empower the farmers, women, and youth.<sup>xi</sup> The company received a “Corporate Award for Excellence in CSR” spent above ₹1crores to ₹10 Crores in the year 2018-19.

### Conclusion:

Intending to do a business and increase the wealth of the shareholder, it is the prime responsibility of the companies to take sincere care of the society and environment for the long term sustainability and growth of the country corporate need to focus on social objectives also. Through the CSR company can use their profit in areas like education, poverty, hunger, gender equality as per the compliance. This company can strengthen its image in society also. A company that leads with a social purpose is perceived positively by the customers also. The government has also initiated the activities to motivate the corporate to fulfil its social objectives by presenting CSR awards. The various companies like ITC Limited, Tata Steel Limited, National aluminium company Limited also received an honourable corporate award for excellence in CSR for their initiatives for inclusive growth and sustainable development.

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