

# Contribution of Industrial Sector's In Corporate Social Responsibility (CSR) In India

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**Abstract** – As a developing country, India is at growing stage of its industries, agriculture, telecommunication and infrastructure. After adoption of LPG (Liberalization, privatization, globalization) during 1991, Indian economy opened to worldwide enterprises which to have pro's and con's as a threat to domestic industries but also brought immense of opportunity for growth of industries and other sector's. This lead the Indian economy to bring up new idea of corporate social responsibility so as to prevent concentration of economy as well as to balanced development of overall nation. By this research paper we are going to analyze the contribution pattern of industry and application section of CSR in India

**Keywords-** Corporate Social Responsibility, Industrial Contribution.

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## INTRODUCTION

Corporate social responsibility is also stands for corporate sustainability, sustainable business, corporate conscience, corporate citizenship or responsible business.

But actually referred as type of international private business self-regulation whose main object is to contribute to societal goals of philanthropic (Dispensing or receiving aid from fund set aside for humanitarian purpose), Activist or charitable nature by engaging in or supporting volunteering or ethically oriented practices.

India is the first country across the world which made CSR as mandatory thereby amending the companies Act 2013, in April 2014.

According to the Companies (corporate social responsibility policy) Rule ,2014 under section 135, section 469(1) ,section 469(2) and other related section of rule:-

- Companies having Net worth of Rs. 500 cr. or more.
- Companies having turnover of Rs. 1000 cr or more.
- Companies having net profit of Rs. 5 cr. or more.

Than companies crossing prescribed threshold are required to spend at least 2% of their average net profit for immediately preceding 3 financial year on CSR activities.

As per above rule all sectors of industries are contributing towards CSR for different Aid / Facilities/ section of societal economy which are dealt further.

## OBJECTIVES

- To analyze expressly meaning and actualization of rule in india.
- To analyze CSR spending pattern of different corporate sectors.
- To find out maximum spending and least spending sector of indian industry.
- To analyze CSR application section of societal requirement.
- To find out most and least application area of CSR funds.

## REVIEW OF LITERATURE

**P. Harshavadhini and M. Kannappan (2017-18)-** "Introspection of CSR in India".

In this they explained in endoscopic evaluation of CSR evolution at stage wise and its applicability as well.

**Charted- Suneera tondon-** "Indian Industries Spend Most And Least On Social Welfare".

This article and paper examined the parameters of most and least spending of different sectors for CSR in summarized manner.

## RESEARCH METHODOLOGY

This research paper is an explanatory in pattern which is primary based on secondary sources such as article, books and websites for its data consideration.

## STUDY OF CSR AND INDUSTRIES IN INDIA

CSR is an ethical term of business or industries which is used to represent the upliftment or development of deprived section of society by sharing one's earning who is well capable of evolution of CSR are as old as business or trade system in India:-

- Philosopher era- some of philosopher like koutilya promoted ethics and principles involvement in business activity and at that period of industrial system were pushed towards religious, charity as key moving factor (KMF) for this philanthropic tendency.
- 19th century or social inclination era- During 19th century CSR became part of social inclination apart from industrial or business interest because at that duration temples, school's, higher education institution and infrastructure were at priority. In fact term CSR came in to use in 1970's only.
- 20th century or philanthropic vision- during 20thcenture Indian economy witnessed shifting the emphasize of giving or traditional charity towards business-social issues. As the concept of being in isolation is worthless than overall development of business along with parties related to business as well as social environment are much impact fully boomed during this era, which ultimately rebounded CSR with industries and business.
- Modern era- Now industries-business and CSR became complementary to each other and also CSR has become KMF(key moving factor) for measurement of industrial growth or development thereby entailing a strategic emphasis on community development through educational, research, cultural projects with a view to consider wide-scale stakeholders responsibility and societal obligations instead of only their profit.
- Some other KMF for CSR contribution by industries in india-
  1. Reduced involvement of government in economy of industrialization.
  2. Greater disclosure and transparency requirement by stakeholders.

3. Outlook of investors for the perceptual decision making.
4. Labor turnover as well labor competitive market edge urge.

## ANALYSIS

India is being more emphasized and focused as well with its CSR spending. As per the survey by KPMG India at year ended march 2018 CSR stood up Rs. 7536.30 cr. and also analyzation of top listed company of different sectors of India.

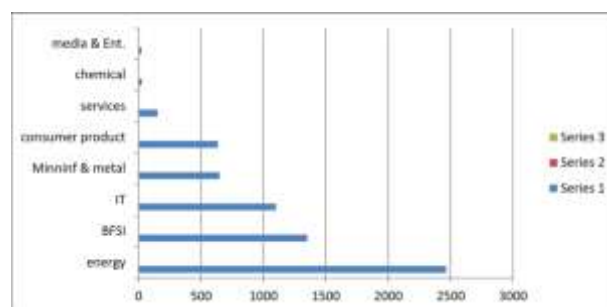
In 2018 CSR spending industries were 47% higher than spendend at 2014 when CSR were mase mandatory in India. This year two factual progresses are noticed in terms of – Governance and contribution of private sectors to.

**For study and analysis further facts and data are presented further-**

### I. Industries CSR spending based on 2017-18 data as per survey-

Industries spending (cr.)	CSR	%
Energy		
BFSI(banking & finan.)	2465	38.52
IT	1353	21.14
Mining & metal	1100	17.19
Consumer product	647	10.11
Services	635	9.92
Chemical	152	2.37
Media &ent.	25	0.39
	22	0.34
Total	6399	

Source: quartz India by KPMG India survey



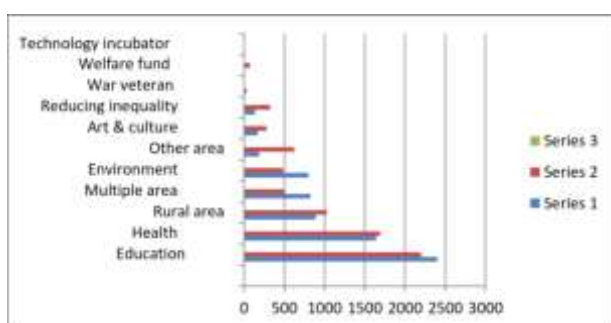
Graph 1.1

Energy and power sector leaded in terms of overall CSR % contribution in India which was followed by BFSI, IT, Mining .....etc. but overall contribution from media & entertainment. Amongst other were least being widespread industry and employing industries.

## II. Application of CSR in Societal sectors (2017-2018)

Sections	2017(cr.)	2018(cr.)	Changes
Education	2404	2202	-204
Health	1641	1691	50
Rural area	889	1029	140
Multiple area	826	505	-321
Environment	797	483	-314
Other area	187	625	438
Art & culture	168	279	111
Reducing inequality	136	325	189
War veteran	31	7	-24
Welfare fund	2	71	69
Technology in cub.	2	NIL	-2

Source: quartz India by KMPG India survey.



Graph 1.2

Spending of CSR fund is heavily skewed towards Education and Health for the year and maximum projects took up by sectors (60% approx...) was in this fields.

Which are then followed by rural development, environment, art and culture. Projects but somehow least projects were entertained in technological incubators field.

## CONCLUSION

By above analysis it seems as maximum contribution is from energy and power thereby spending maximum at education and health section. As stated in 2014-18 CSR contribution are at higher change rate of 46% but then also seems to be sharp decline in number of projects implemented as per contribution percentage. Even the some of the area have not got the spending fund of CSR in 2018 such as technological incubators section and the least contribution from media and entertainment sector is also noted which are told to be bigger revenue contributory sector of the nation.

Average spending should be promoted for overall industrial sectors whether they fulfill the criterion or not. Particular minimum percentage contribution criterion should be devised for the big players who drop out from the CSR rule 2014 after being contributory of CSR. Corporate Governance ethics should be controlled for CSR spending actualization with own system or with implementing partners and annually application percentage should be prescribed.

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