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# CONTENTS

# Current Trends of CSR Practices in Indian Firms

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## ABSTRACT

India is a developing nation. CSR plays an important role in shaping economy of a developing country. The contemporary Indian economy is characterized by a paradigm shift from corporate tycoon to socially responsible. The importance of CSR is increasing day by day because the firms realize that the ultimate goal is not profit making but trust building. Trust building is much more important and a viable asset to run a business smoothly. The research paper attempts to analyze the study of CSR trends in India. This is an effort to give insight to what extent firms can follow the CSR. It also throws light upon CSR for Indian firms which would be helpful for both social and economic interest. In this paper it is mentioned that after the amendment in The Companies Act 2013 which came into effect in 1st April 2014, so after implementation what are the activities received attention by Indian firms highlighted.

**Keywords:** CSR, Social Risks, Environmental Risks, Hazardous Sector, CSR Drivers

## Introduction

The effectiveness of corporate social responsibility has become the main concern to sustainable growth of a business, which comes through many aspects of business and making all the aspects stronger to gain sustainable success. Success in business is not all about maximizing the wealth but thinking about the development of the stakeholders, community and environment as well. Corporate social responsibility is a term used to make the place favorable for workers, community and building confidence in people for long term achievement of the success with the help of the stakeholders of the company.

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It promotes stakeholder engagement with the help of three institutional components of society- business, government and civil society to facilitate people to strengthen them. According to the point of view of Mahatma Gandhi, Indian companies were supposed to be the "temples of modern India".

## Top 10 Indian Companies' Sustainability and CSR 2016

1. Tata Steel Ltd.
2. Tata Power Company Ltd.
3. UltraTech Cement Ltd.
4. Mahindra & Mahindra Ltd.
5. Tata Motors Ltd.
6. Tata Chemicals Ltd.
7. ITC Ltd.
8. Shree Cements Ltd.
9. Bharat Petroleum Corporation Ltd.
10. Larsen & Toubro Ltd.

(Source: IIM Udaipur, Futurescape and Economic Times)

Indian corporate societies are much conscious about social consideration and community development. They have been involved in serving the community since years, their aims to do business for two causes, wealth maximization and community development. Their tremendous success in business is based upon their inclination towards community development and economic development of India. Corporate social responsibility started driving fast from 1980s in India because of the great vision of Indian business families but current scenario is quite opposite, it needs some more strategic and effective initiatives in educational, social, medical and entrepreneurial field to drive our country towards new prospects.

Before 2014 the term CSR was supposed to be a part of corporate ethics and was not in much practice but the actual practice came into the effect from 1st April 2014 as per the clause 135 of The Companies Act 2013, it ensures that the activities as are included in CSR policy undertaken by firms as a mandate.

## Various CSR Initiatives in Key Domain

### Educational Initiatives

Education is the first step for systematic success in life and contributes in the development of a country, it is known as a fundamental right to everyone below 14 years of age but everyone is much aware about the condition of education in India particularly primary and secondary education. Rate of dropouts is very high in secondary and post secondary education. According to the 2011 census, enrolment in secondary education is 69% but attainment is only 40% in the same way enrolment in post secondary is 25% but attainment is only 7% which show the sensitiveness of the situation in education.

**Table-1: Educational Initiatives**

| Stages | Enrolment | Attainment |
|--------|-----------|------------|
| Secondary | 69% | 40% |
| Post Secondary | 25% | 7% |

**Figure-1: Educational Initiatives**
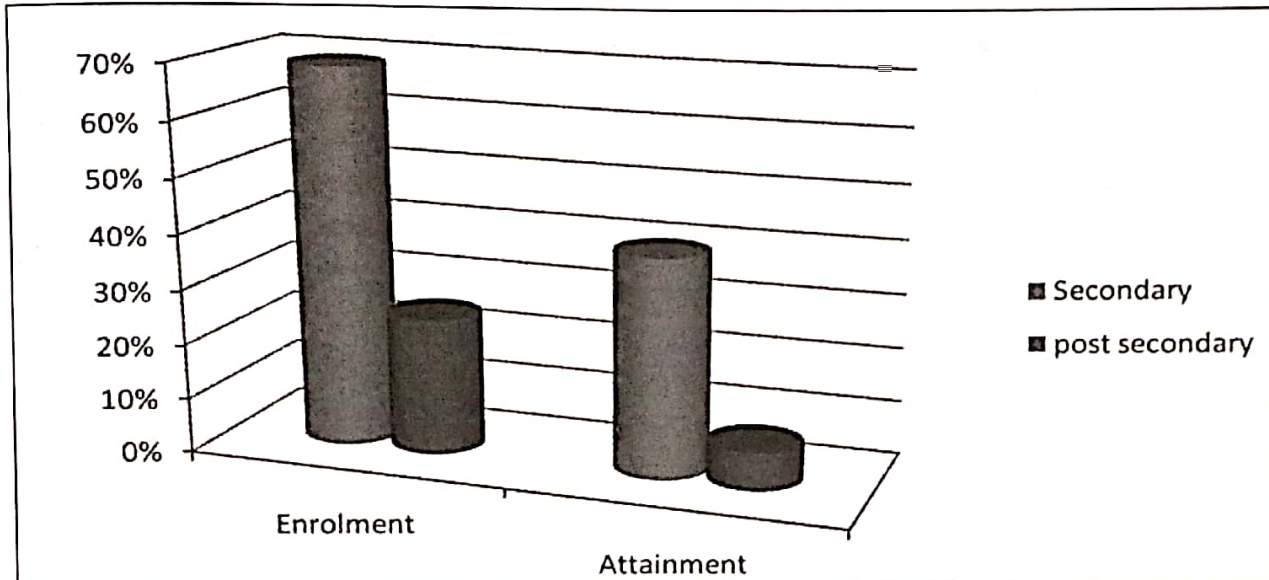


Source: Census 2011

According to the census 2011, increment in education from 2001-2011 is only 9.17% in male and 9% in female education. As we all know about education that it is the backbone of any community, development and prosperity of the nation are based upon education. Therefore some of the big initiatives in this regard are appreciable like,

- Tata Education Excellence Program
- Wipro's "Applying Thought in Schools"
- ITC's Primary Education Program
- Tech Mahindra Foundation (TMF) 'Empowering through Education etc.

## Tata Education Excellence Program

A unique initiative aimed at promoting excellence in education at schools in Jamshedpur and other cities where the company has operations was started by Tata Steel, with the objective of improving the quality of education, and to create a culture of excellence and nurture the citizens of tomorrow.

Forty schools are currently benefitted from this programme, which covers 2,500 teachers and 100,000 students from the ICSE, CBSE and other examination boards. It is unique in nature because it is run by a private institution rather than by the government. A special committee has been set up to oversee and govern this initiative, and all resources are disbursed by the company.

It adopts a holistic approach, with its framework bench marked against similar frameworks in the US, Europe, Japan and Australia. The programme encourages schools to promote the concept of quality and performance excellence in all their activities, including teaching and learning methods.

## Wipro's 'Applying Thought in Schools'

Wipro is contributing in education as Demonstration schools which provide good quality education at costs and constraints similar to that of rural government schools. Demonstration Schools provide the opportunity to strengthen the theory practice linkage. It gives a purpose to experiment, to plan, implement and tackle some core issues or problems that mark our education system, all in the context of larger challenges that India faces. It enriches the learning of the Foundation on School Education

The first sets of schools began operations in mid-2012 and are located in the following states: Uttarakhand, Rajasthan, Karnataka and Chhattisgarh. 50 such schools are planned to be established by 2016.

In the wake of the Constitution along with the Right of Children to Free and Compulsory Education Act, National Policy of Education, State Policies, National Curriculum Framework.

The Curriculum allows children to develop an interest in and understanding of the world around them, nurture the ability to analyze, reflect and communicate, build capacity for caring relationships, appreciation of arts and aesthetics, build life skills, attitude and responsibility towards work and facilitate livelihood in future. An integrated approach will ensure that all forms of knowledge, perspective, and values have an equal place.

## ITC's Primary Education Program

ITC's Primary Education Programme aims the lack of quality primary education in rural communities which has become main concern for the government to strengthen. It is also aiming to strengthen the government primary schools' vast network by stemming drop-outs, increasing enrolments and improving learning outcomes, the Programme puts in place mutually reinforcing interventions that are coordinated to support a move towards child friendly schools.

ITC also aims on infrastructural facilities to provide government schools, such as separate toilets for boys and girls, boundary walls, drinking water stations and furniture. It focuses more on students and teachers to train them on WASH (Water, Sanitation, Hygiene) principles, and also motivate them to form WATSAN (Water and Sanitation) Committees and Child Cabinets to take ownership of WASH areas in schools, helping to promote behavioural change among children.

ITC's Primary Education programme has covered over 467,000 students and more than 1,325 government primary schools have been provided infrastructural support.

## Tech Mahindra Foundation (TMF) 'Empowering Through Education'

Tech Mahindra Foundation is playing a vital role in development quality of education under the umbrella of Tech Mahindra Foundation which was established in 2007, operates across eleven locations in India, and runs programs in education and employability.

ARISE or All Round Improvement in School Education is the largest educational initiative under the school education programme of Tech Mahindra Foundation.

The whole-school turn around programme, which works with 65 schools, 19 partners, and 6 municipal corporations across India, aims to develop existing government and non-government schools into model schools of excellence.

ARISE+ or All Round Improvement in Special Education is a special programme which encompasses the Foundation's work in the area of school education for children with disabilities.

Working with diverse groups within the domain, the Foundation empowers children with disabilities, including sight impairment, hearing / speech impairment, loco-motor disabilities, and a range of mental disorders and disabilities across India.

Shikshaantar, which literally means creating a difference to education, is the second flagship initiative of Foundation, encompassing its work with teachers and the education system. The most important component of the Shikshaantar programme is capacity building of teachers, principals, school inspectors, education officers, leaders and management officials by training. Through the In-service Teacher Education Institute (ITEI), the Foundation is building capacities of more than 1500 teachers, more than 400 heads of schools, and more than 70 education functionaries in the primary schooling system of East Delhi Municipal Corporation (EDMC).

Shiksha Samwardhan, which means education enrichment programme, is the third large initiative of the Foundation. It consists of thematic interventions around learning enhancement which make learning interesting, child-centred and activity-based, reduce the cumulative burden of non-comprehension and promote grade-appropriate competencies. The programme largely works with children who remain or have fallen out of the safety net of the education system.

All these initiatives can be encouraged but some more strategic plans for the betterment of education system are needed. Some initiatives for the improvement of basic education are needed to encourage those children who are away from quality education then the value education can be understood easily. Their relentless effort cannot spoil because they are dedicated to their responsibility.

## Social Awareness Initiatives

Awareness in the society is the main cause of the development which changes the mindset of the people to think differently about anything such as Right to vote, polio, HIV/AIDS, road safety, pollution control, TB, dengue, eve teasing etc., by the awareness, these things can be controlled easily with the help of some sort of campaign. According to **The Companies Act 2013** (Cause 135) which came into effect in 2014 clearly talk about the CSR, so many companies have taken initiatives for social awareness program, like

1. Indian railways "clean Ganga"
2. Aditya Birla Group "Model villages"
3. ITC's e-Choupal initiatives

4. TATA Power "Act for Mahseer"
5. TATA chemicals "Save the Whale Shark Campaign"

## Indian railways 'Clean Ganga'

Indian Railways has decided to use the water released from sewage treatment plants for non-potable purposes like washing trains and platforms in the wake of corporate social responsibility. As India is suffering from water crisis at large, Indian Railways will also formulate a policy for using water more efficiently in its premises, after signing an MoU with Water Resources Ministry for using non-potable water released from effluent treatment plants along the Ganga and Yamuna river areas.

## Aditya Birla Group 'Model Villages'

For over 50 years now, the Aditya Birla Group has been and continues to be involved in meaningful, welfare driven initiatives that distinctively impact the quality of life of the rural poor. The vision is to actively contribute to the social and economic development of the communities, in so doing build better sustainable way of life for the weaker sections of the society and raise the country's human development index. In this series Group started to make villages model in terms of education, healthcare and family welfare, infrastructure, agriculture and watershed management, and working towards sustainable livelihood pattern. The footprint of our community work straddles 2,500 villages. In working with the communities, they gauge what their real needs. Of the 2,500 villages are engaged in this cause, they have zeroed in on 300 villages, hope to morph into model villages. Making of a Model Village entails ensuring self-reliance in all aspects viz., education, healthcare and family welfare, infrastructure, agriculture and watershed management, and working towards sustainable livelihood patterns. Fundamentally, ensuring that their development reaches a stage wherein village committees take over the complete responsibility and the teams become indispensable.

## ITC e-Choupal Initiatives

It is an India-based business initiative by ITC Limited which provides Internet access to rural farmers. The purpose is to inform and empower them and, as a result, to improve the quality of agricultural goods and the quality of life of farmers. It is a consumer product and agribusiness conglomerate in India known for their production of cigarettes, specialty paper, food products and packaging services. Through the e-Choupal initiative, it has created more than 6,500 e-Choupal computer stations in rural areas that serve an average of six hundred farmers each. Using this technology, farmers may order supplies, learn about best agricultural practices, receive weather reports and read about pricing for crops throughout the region.

## TATA Power 'Act for Mahseer'

Mahseer is a fish acclaimed all over the world for being an outstanding game and food fish of India. Mahseer is one of the 20 mega fishes in the world; it can grow to about 9 feet in size, or 54 kgs in weight. There are around 33 species of this fish. Besides, Himachal Pradesh and the Himalayas, some species of this fish are found in the River Ganga and Yamuna too. Known as the toughest sport fish, Mahseer is a well-known game

fish and an angler's delight; the size and fighting prowess of the fish makes it popular among recreational angling enthusiasts. It is also known as the king of fresh water for this reason. TATA has taken initiative to save them and their species which can be encouraged for social awareness

## The reasons for extinction of this species are:

- Loss of habitat
- Declining quality of habitat due to Industrial and human pollution leading to loss of breeding grounds
- Impacts of river valley projects
- Use of explosives, poisons and electro fishing by poachers,
- Introduction of exotic species

## TATA chemicals 'Save the Whale Shark Campaign'

The whale shark is the largest fish in the world and was once slaughtered along the Gujarat coast in large numbers for its oil and meat. This led to a steep decline in its population and hence, it was declared an endangered species in 2001. The 'Save the Whale Shark Campaign' was started in 2004 with an aim to create conservational awareness amongst the coastal communities and garner their support for protecting this endangered fish.

After the great success of two phases, this project is now in the third phase and is being implemented in partnership with the Wildlife Trust of India and the Gujarat State Forest Department with support from the fishing communities of Veraval, Sutrapada and Dhamlej region. A total of 585 whale sharks which were incidentally caught in the fishing nets of the locals have been rescued and released. The forest department has institutionalised the process of providing monetary relief to fishermen towards fishing net damages incurred during the whale shark rescue operation. The annual celebration of Whale Shark Day has also been started by the forest department. Research work on whale shark biology including its feeding, breeding and migratory patterns is continuing, and this will help establish scientific knowledge about this species and help in its long term survival.

Campaigns are the main basis of awaking people to prevent themselves from any problem which makes the society stronger by means of morally, behaviorally, psychologically etc. Companies are also taking interests in such campaign by providing facilities to NGOs, UNICEF, WHO, Central and State Governments programs are the big names in this regard.

## Health Care Initiatives

It is said that "health is wealth", in this prospective of life, health care becomes more important than any other aspect of life. To be honest India has poor health care system for public unlike USA and UK. So the responsibility of corporate becomes indispensible towards health care of the community to enable them to live their life healthier and develop themselves. The health care industry should take initiatives to provide affordable health care facilities which can be accessible to underprivileged society which has become hot talk in India. In rural area only 2% doctors are available while population of rural area is

68%. So the private healthcare sector can do a lot with the collaboration of corporates. Many corporate societies come forward to take initiative in this regard like,

- TATA Steel's Maternal and Newborn Survival Initiative (MANSI)
- L&T's community health centers
- M&M collaboration with the Lifeline Express trains
- Jubilant Life Sciences initiative to reduce malnourishment in children and promotion of breast feeding in village communities

**TATA Steel's Maternal and Newborn Survival Initiative (MANSI)**

The programme is designed to benefit 17,500 women aged between 15 and 49 years and 6,400 children under the age of two years. It aims to reduce maternal and child mortality and morbidity in the identified block. It seeks to promote positive health behaviour and appropriate care seeking behaviour, improve access and utilization of health services, influence policy and share best practices and enhance community capacity to sustain health initiatives beyond the life of the project.

## L&T's Community Health Centers

L&T's Andheri Health Centre (AHC), which renders several health services to the community, has crossed a major milestone of 50,000 female Laparoscopic Sterilization Procedures from 1979 till today which is really a great achievement towards the service of the community. The team of doctors have sterilized 50,000 women and 3,870 men. The services rendered by AHC include Family Planning, Mother & Child Health Care including immunization, Skin & Leprosy clinic, Chest Diseases & Tuberculosis clinic, and Cataract & Eye Check-up. Family Planning operations through laparoscopic procedures started in 1978-79 with a dedicated team of ten gynecologists, anesthetists and surgeons at Andheri. The Centre undertakes several procedures: Copper-T insertion, and Medical Termination of Pregnancy (MTP with Cu-T).

## The Mahindra Group with Lifeline Express trains

The Impact India Foundation launched this project in 1991. The Life Line Express offers medical and surgical interventions to the differently abled in remote areas, free of cost. The hospital on rails consists of 5 coaches, fully air-conditioned and equipped with the most modern gadgets. The Mahindra group sponsored Lifeline Express to treat patients with operable orthopaedic disabilities (post polio deformities), hearing related disorders, cleft lip, Dental and eye related operable disabilities.

The Mahindra group is glad to bring the Lifeline Express to Wardha. Last year, Mahindra's Automotive Sector &amp; Mahindra Finance had taken the Lifeline Express to Rangia, in Assam, where several thousand patients underwent medical check-ups, post which 594 surgeries were performed. It has become a train of hope to the people.

## Entrepreneurial and Skills Development initiatives

Everyone is much aware about the unemployment rate in India which is directly affecting the Indian economy. The main reason behind this problem is unproductive and less

quality education. Skill development in students has become main factor to reduce the unemployment form India. Indian government has taken initiatives like Skill India program and Start up India Stand up India. The corporate societies are already working for this cause since years like,

- L&T's Construction Skills Training Institutes (CSTIs)
- TATA Motor's Learn, Earn and Progress (LEAP) for mechanic motor vehicle training
- The GAIL Institute of Skills (GIS)
- Mahindra Pride Schools provide livelihood training to youth

## L&T's Construction Skills Training Institutes

For a fast growing and evolving industry like the construction industry, the need for skilled labour is indispensible and as leader in construction, L&T is playing a key role in creating skilled labour through its Construction Skills Training Institutes that are spread across the country. L&T began to promote Construction Vocational Training in India by establishing a Construction Skills Training Institute in late 1995 at Chennai. The Construction Skills Training Institute has separate conducive campuses at Chennai, Mumbai, Ahmedabad, Bangalore, Hyderabad, Kolkata, Delhi and Cuttack for Practical and Class Room Training, which are contributing in the development and making people skilled towards the economical development of India.

## TATA Motor's Learn, Earn and Progress (LEAP) for Mechanic Motor Vehicle Training

In 2014-15, the company put a five-year plan with the target of skilling 1 million people. Out of a total CSR spend of Rs.186.2 million in the year, nearly Rs.80 million was estimated for the skill-building initiative. The thinking behind this is that India, poised to become the world's 'youngest country' by 2020, with an average age of 29, will by then account for 28 percent of the world's workforce.

The number of this workforce is enormous but its employability quotient is alarmingly low and which is also the main concern to the Government of India that explains the urgent need for education in job skills. The National Skill Development Council estimates that around 170 million Indians will require employment in the informal sector by 2022. 35 million are needed in the automotive sector — where Tata Motors is the largest enterprise in India — as mechanics, drivers and the like. So the responsibility of TATA Motors becomes big in this sector.

## The GAIL Institute of Skills

In the competitive business scenario, enhancement of learning capabilities of employees is a must for all organizations. In this direction, GAIL established its training centre "GAIL Training Institute" (GTI) at Noida in the year 1997 with assistance from DANIDA and at Jaipur in 2005.

Since then, it has developed itself as a good Training Institute offering various training programmes related to the gas value chain for professional development of executives

working in the Oil & Gas sector. To achieve GAIL's vision, GTI is continuously gearing up to design programs to sharpen knowledge, improve skills, align attitude and promote efficient use of applicable technology. GTI has been meeting these aspects with ever increasing process improvement of its management system and is an ISO certified Institute.

## Mahindra Pride Schools Provide Livelihood Training to Youth

In support of the Government mandate for affirmative action, the Mahindra group has set up Mahindra Pride Schools to empower youth from socially disadvantaged sections of society by providing livelihood training, to enable them to gain employment based on their skills.

The first Mahindra Pride School located at Pune, commenced operations in 2007. To date, Mahindra Pride Schools have come up in Chennai, Chandigarh, Patna and Srinagar. The school is meant exclusively for youth (18-25 years) from socially disadvantaged sections i.e., (SC), (ST), (OBC), Notified Tribes (NT) and De-notified Tribes (DNT); offering equal opportunity for men and women, with a focus on rural youth. It is non-residential and offers various alternative livelihood options to the students free of cost. 'Road Shows' are conducted for a month in specific communities / hamlets with a high SC/ST/OBC/NT/DNT population to spread information about MPS and encourage the youth to enrol for the training offered by the school.

## Conclusion

The CSR regime in India is in a nascent stage, it is found that there is a need for creating awareness about CSR among masses to make it more effective. CSR practices should function as built-in self regulating mechanism whereby business would monitor and ensure the adherence to law, international norms and ethical standard.

In this age of fast growing and high technological world, the responsibility of corporate world towards the service of the community becomes indispensable when The Companies Act 2013 (clause 135) came into effect in 2014; this act says clearly that funds must be spent from income to contribute in the improvement of quality of life of the community. Many initiatives have been taken in all four areas of development as mentioned above but still some strategic and effective initiatives are needed to reach the need of the people particularly in basic education, health, social awareness and skill development programs.

In recent years firms realized the true importance of CSR and initiating the step towards it, firms sustainability involves social responsibilities.

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