

CORPORATE SOCIAL RESPONSIBILITY DISCLOSURES IN THE ANNUAL REPORTS: A STUDY OF TATA STEEL LIMITED

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Abstract

A business entity is regarded as a social being because it uses the resources provided by the society and reciprocates it by providing with quality goods and services. A company being a larger form of business entity in terms of size, area of operation, employment provider and consumer of resources is expected to give some more services to the society in addition. There had been no legal compulsion for Indian Companies to do social benefit activities and report it to the public till the enactment of new Companies Act of 2013. Companies Act, 2013 provides regulations for the companies in India to spend for the cause of social benefit and disclose accordingly. Till the Financial Year 2013-14, if any social benefit activities had been undertaken and reported by a company in India that was purely voluntary by nature, which is expected to become mandatory from 2014-15 onwards. Annual Reports for four years viz. 2012-13, 2013-14, 2014-15, and 2015-16 of Tata Steel Limited is taken as a template to observe the pattern of disclosures being made regarding the Corporate Social Responsibility in the absence and also in the presence of the implementation of Companies Act, 2013. The present paper attempts to study the regulations of the Companies Act, 2013 regarding CSR and its disclosure and to observe the CSR disclosures done by Tata Steel Limited. The results are encouraging in terms of area of operation. Conclusions are drawn taking into view the regulation, the practice and the need for CSR in India.

Keywords: Social Benefits, CSR, Disclosure, Annual Report, Tata Steel Ltd., Companies Act, 2013.

Introduction

Business is a social being because it is established with the motive of serving the society with production of quality goods and services in addition to profit making. Any service to the society over and above providing of quality goods and services for consumption is counted as contribution of the business to the society. As a business gets men, money, materials and other requirements from the society, it becomes a duty of the business to contribute to the wellbeing of the society. This is Social Responsibility of a business. For a company form of business this is known as Corporate Social Responsibility (CSR). It is desired that the companies should report on the different attempts taken by them for carrying out social benefit activities. This activity of reporting such social activities apart from its routine business activities by a company is known as Corporate Social Responsibility Reporting. In general, a company takes up certain activities like providing educational facilities to the children of the workers of the company and the children of nearby places, providing of health and medical facilities to the families of workers and people residing nearby, participating in certain welfare activities with NGOs such as women upliftment programmes, girl child protection programmes, blood donation camps, training programmes on skill enhancement, donation to needy, awareness programmes on road safety, AIDS prevention, Construction of roads, schools, hospitals, providing computer and agricultural education facilities, awareness programmes on environment protection, cultural and religious programmes, etc. These are generally desired to be disclosed through the annual reports of the

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