

AN ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE IN SELECTED INDIAN COMPANIES

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Abstract

Corporate social responsibility has become an inevitable priority for business leaders across the globe in recent times. More and more Indian business organizations embrace the practice of CSR under different names such as corporate sustainability, social responsibility, and corporate citizenship. CSR is concerned with treating the internal and external stakeholders of the firm ethically or in a socially responsible manner and the wider aim of corporate social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders. Under the new Companies Act, 2013, passed by Parliament in August 2013, Companies with net worth over 500 crores or turnover of over 1000 crores or net profit of 5 crores, two per cent of average profit of previous three years needs to be spent for social cause. Corporate Social Responsibility (CSR) has gained considerable interest among academicians and business organizations in the past decade. The aim of this paper is to describe the existing practices of corporate social responsibility in Public Sector Enterprises in India. It is tried to find out whether the selected companies fulfilling their CSR spending requirement of 2% of average profit or not.

Keywords: Corporate Social Responsibility (CSR), Corporate Citizenship, Stakeholder, Public Sector Enterprise.

Introduction

CSR is not a new concept in India. Ever since their inception, corporate like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. The basic objective of CSR in these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporate feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

It's a tradition in India for the Merchants to involve in societal development since epic period. Over the centuries, this strong tradition of charity in almost all the business communities of India has acquired a secular character. National patriotism motivated the Indian Industrial Sector towards the Corporate Philanthropy. But, later, it has evolved from Individual altruism and Corporate Philanthropy to Corporate Social Responsibility (CSR). There was further boost to CSR with globalization.

Review of Literature

Jorge A. Arevalo and Deepa Arvind (2011) in their article "Corporate Social Responsibility Practices in India: Approach, Drivers, and Barriers" found that the Stakeholder Approach is the most approved one in the Indian situation followed by the Profit Motive for pursuing CSR. The study also

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