

## ROLE OF CSR REPORTING PRACTICE IN CEMENT INDUSTRY

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### ABSTRACT

*In present scenario, it has been noticed that increased facts of informed citizen are significantly analyze the impact of industry actions on the world. This has changed social opportunities and has given importance to overall development, social equity and positive action. The consequence is that the organisation is growing stronger and more specifically connects with acts defined as CSR. In several countries that wish to achieve the goals of sustainable growth , environmental protection and Community health initiatives also need to be implemented to enhance the business climate. The critical requirement of each organisation, stage, field, and country is environmental and social protection in each country. CSR is a philosophy whereby businesses collectively decide to contribute towards a better social system and a clean environment; CSR is an idea whereby businesses are committed to the improvement of all their stakeholders and community in voluntary partnership with other relevant concerns. This article describes the various forms of CSRs implemented by the cement industry in accordance with the provisions of the Act 2013 of the New Companies.*

**KEYWORDS:** *Corporate Social Responsibility, CSR, Companies Act 2013.*

### Introduction

Today, the essence of all industries has shifted from conventional private institution to social institution, in the sense of corporate social responsibility. Many companies have learned from the weaving of social and environmental concern in business policy that incremental change and competitive gains will come from the base. A company should do the trade or business and make profit in this process, the business fulfills the requirements of the public. For this every company has firm obligation towards society, where the company working. This definition honours societal values and performance expectations, since it enables the public to take advantage of business and trade activities. Although in wish to earn more and more earnings in limited time period, the business has unnoticed the ethical values. This publicly objectionable practice may grow the earnings of business, but will have unfavorable result on social environment at large. Every organisation should follow the principles and standards of social and ethical conduct. Companies can achieve long-term achievement by socially responsible and ethically consistent behaviour.

According to the **Kotler and Lee** "Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. The word discretionary refers to a voluntary commitment a business makes in choosing these practices". The term community well - being includes both the human conditions as well as environmental issues. CSR is a philosophy whereby businesses collectively decide to contribute towards a better social system and a clean environment; CSR is an idea whereby businesses are committed to the improvement of all their stakeholders and community in voluntary partnership with other relevant concerns.

With all the major cement manufacture companies, Rajasthan is India's leading producing state. The area of Chittorgarh, which produces high quality cement is considered rich in raw materials (cements grade caestones). Almost every major cement company in Rajasthan has production facilities. There are currently 24 cement plants in various Rajasthan districts. The relevance of the analysis is to take account of existing CSR activities in the cement industry and their importance. Still today, no study group including Govt has considered the preliminary experience of cement companies in Rajasthan. Corporate Social Responsibility in the cement industry, agencies or any volunteer institute.

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## **Review of Literature**

**Carroll (1979)** argued that, because of his early contributions to social responsibility, Bowen should be called "the founder of corporate social responsibility." He presented a three-dimensional model of corporate social success to researchers as well as administrators, which are the social problems that organisations must solve, what the ideology of the organisation is or what the model of social response is. The economic, legal, ethical and discretionary expectations of businesses in society at any time are part of the social responsibility of business.

The company's credibility was achieved through CSR by McWilliams and Seigel(2010), suggesting that businesses offering persuasive products are part of CSR operations, leading to loyalty to the customer and increased sales.

**According to Clarkson (1995)**, stakeholders are those entities who are primary or secondary stakers with or claim ownership, rights or interests in a company and its operations. Typical stakeholders include shareholders and investors, staff, consumers, vendors and government and market-based and infrastructure-building societies to which taxes are payable.

**Hartmann (2011)** has noticed that the food industry is still seeking to enhance customer discharging facilities. Consumers often favour food companies that prefer CSR practises. Pohle and Hittner (2008 ) proposed that business organisations use CSR as a growth opportunity, and 76 percent agreed that their CSR aspirations were not well known.

**According to Swisher, Rezola and Sterms (2006)**, an environmentally friendly and socially sound society built on a sustainable basis is economically efficient.

## **Objectives of the Study**

The role of CSR in the cement industry and its effects on local areas should be analyzed and also discuss the provisions regarding corporate social responsibility as per the company's act 2013.

## **Concept of Sustainable Community Development**

Without the encouragement and contribution of the key stakeholders, the company can not continue to be a continuous concern. In the case that corporations do not continue to participate, the whole business structure will collapse. In comparison, other secondary stakeholders include media and a wide range of interest groups capable of organising public opinion in support of the success of the business or not. The secondary players in the company's transactions are not linked and are not essential to their continued life. Society is between the main stakeholders of the company whose needs and requirements have to be fulfilled in a sustainable way. Consequently, public, economic and ecological growth may be viewed as covering public areas. Thus, a company which prioritizes the public anticipation is probable to like maintain of that population, ensuring the sustainability of the industry.

The public or society is usually defined as a group of people sharing a general point, who are mutually dependent for the fulfillment of convinced requirements, which live in close nearness, and interrelate on a normal origin. In a society, there is a feeling of obligation to cluster benefit and willingness to converse candidly. The creation of society is an intolerable and undesired process of disparity between situations, relationships and the class of people and their work is difficult. It works better as a tool on the basis of a sense of social solidarity among all parts of society. In partnerships with external institutions it refers to initiatives taken by society which enhance the role of society members in the creation of sustainable society. The engagement of employees of companies is encouraged by ties between the society and the expansion of broader policies and programmes. Society growth reflects and continues to learn concepts of obligation, equity, opportunity, participation, mutuality, reciprocity. Education, capability and empowerment are at the centre of growth in society.

## **Cement Industry - Sustainability**

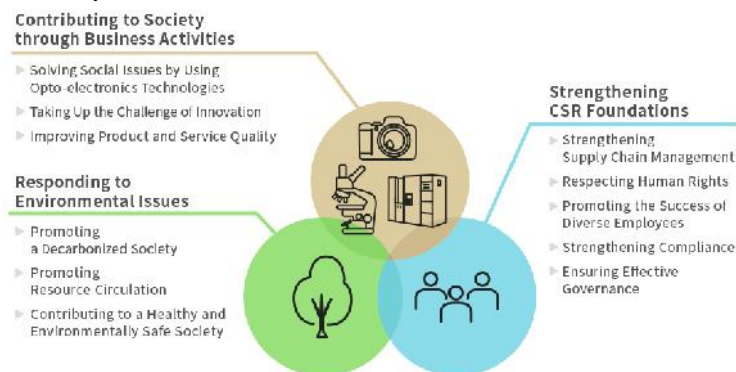
The Indian cement industry, while big, is also one of the most energy-efficient, according to the Cement Sustainability Initiative's (CSI) World Business Council for Sustainable Development (WBCSD) data programme (GMR). India was able to achieve very success in 2010, the latest year in which data is available, with exact energy consumption per tonne. In all three cases, the industry in that country is currently growing, providing this thermal performance, which is of strictly more expert value for current plants than older ones. Brazil and China, which also have rapidly developing large cement industries, have performed much less well.

### Corporate Social Responsibility

Company's sense of responsibility towards the environment and the society (both social and ecological) in which they work is defined by corporate social responsibility (CSR). Companies will carry out this duty through waste and emissions mitigation systems, educational and social services, environmental friendliness and related activities. CSR isn't just gifts or charity. CSR is a way that corporate companies contribute visibly to the social welfare. Socially conscious businesses should not just use money for events that only boost their income. They use CSR to align the company's activities and growth in economic, environmental, and social objectives. CSR is intended to boost its consumers and society's image as a company brand.

### Importance of Social Responsibility of Corporations

- The Corporate Social Responsibility is an immense term which is used to explain the efforts of a company in order to improve society in any other way.
- CSR improves the public image by publicizing the efforts towards a better society and increase their chance of becoming favorable in the eyes of consumers.
- CSR increases media coverage as media visibility throws a positive light on the organization.
- CSR enhances the company's brand value by building a socially strong relationship with customers
- CSR helps companies to stand out from the competition when companies are involved in any kind of community.



### Role of CSR in Education

- The key strategy to facilitate primary schooling and to expand society's innate abilities enormously:
- Organization of Capacity Building Centers
- Society based different education program
- Training & Orientation program for education
- Technical Education for better learning

### Role of CSR in Infrastructure Development

The company's objective is to foster socio-economic growth which is necessary for the excellence of life:

- Fundamental Infrastructure Facilities in the area
- Sanitation and Hygiene
- Pure Drinking Water Supply
- Building / restoration of society places

### Role of CSR in Healthcare

The major objective is to make sure better health for the community through:

- Health Camps in plant's area
- Mother & Child Care projects for better birth rate
- Immunization program
- Preventive health through awareness program

### CSR under the New Companies Act, 2013

CSR is not a new concept in India, as stated earlier. Corporations have been active in the service of the society since their foundation such as the Tata Group, the Aditya Birla Group, Indian Oil Company, etc., to name a few. Many other organisations have played a part in society through donations and charitable activities. CSR's fundamental mission today is to optimise the cumulative effect of the business on society and stakeholders. A growing number of businesses incorporate CSR strategies, procedures and services in their business activities and processes. Increasing numbers of businesses believe that CSR is not just a form of indirect expenditure, it is necessary to preserve goodwill and credibility, to protect attacks and increase market competitiveness. Companies are made up of CSR teams which create and allocate budgets to the policies, strategies and objectives of their CSR programmes. The social ideology of these services is also straightforward and well developed and aligns them with conventional business. The programmes, which are essential to this process, are enforced by the employees. CSR services include economic development, educational, environmental and health development, etc.

Moreover, businesses are gradually joining forces with NGOs and using their resources to build projects to solve larger social problems. CSR in India has undergone various phases. The business has clearly shown the potential to make a positive difference in society and to enhance the overall quality of life. Not one company but everyone should strive to make a difference in the current social condition in India, so that social issues are resolved effectively and permanently. Partnerships should be facilitated between businesses, NGOs and the government in order to allow India's socio-economic innovations to be rapidly implemented by combining skills, strategic thinking, staffing, and money for comprehensive social change.

### Conclusion

According to the above new provisions of companies act 2013, the corporate social activities are very essential for any business organization to make a good impression to all related stakeholders. The CSR playing the major role in goodwill creation of any business organization so cement industry also using the CSR activities for legal compliance of companies act. As per the companies act 2013 the CSR is mandatory for certain type of companies. The cement industry also covered in these new provisions of companies act, so cement industry also make efforts for CSR in the form of activities of education, health, infrastructure development, women empowerment etc. The role of CSR for any organization is very important for goodwill creation as well as legal requirements of new provisions of this new act. According to our theoretical analysis of role of CSR, provisions of companies act 2013; all companies to work under the wind for the development of the place where they work for the welfare of the society as per the provisions of companies' act 2013.

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