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**A STUDY OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA  
(WITH SPECIAL REFERENCE TO DEWAN HOUSING FINANCE  
LIMITED)**

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**ABSTRACT**

*Corporate social responsibility (CSR) is a business approach that will help for sustainable development by delivering economic, social and environmental benefits for all stakeholders. Many topics such as human rights, corporate governance, health and safety, environmental effects, working conditions are addressed by corporate social responsibility, which will contribute to the economic development of the country. The main purpose of the CSR is to minimize the negative impact of business on society. Corporate social responsibility has become very popular now days. In the present paper, researcher has made an attempt to provide information of some selected housing companies towards corporate social responsibility in India.*

**Introduction**

Basically corporate social responsibility means that an enterprise should be accountable for all of its stakeholder. CSR refers to ensuring the success of the business by inclusion of social and

environmental considerations into a company's operations. It means satisfying your shareholders and customers demands as well as managing the expectation of other stakeholders such as employees, suppliers and the community at large. It means the positive steps of business enterprises towards society. In other words we can say that corporate social responsibility means the contribution of an enterprise towards sustainable growth of an economy. It means the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value.

It does not include only the utilization of profits for the social and environmental development, but also the methods that a company employs to earn these profits including socially responsible investments, and transparency to various stakeholders among others.

### **CORPORATE SOCIAL RESPONSIBILITY IN COMPANIES ACT 2013:**

Section 135 and schedule VII of the companies' act 2013 has notified for the provisions and rules of corporate social responsibility. These rules came into effect from 1<sup>st</sup> April, 2014. According to the provision of this act every public and private limited company networth of which has more than 500 crore and turnover of which has more than 1000 crore and profits of corporation are more than 5 crore rupees, have to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities.

CSR is the responsibility of an organization due to the various impact of activities of its on the society, The environment & its own prosperity known as the TRIPLE BOTTOM LINE of people, planet and profit.

Triple bottom line concept (3P) explains that to stand in the society for a longer period of time any organization should contribute in the favor of following elements:

**People** link with equitable & favorable enterprise step towards labor, the community and region in which it operate its business. There is always a need for the support from people (society) in business for longevity and sustainability. As an inherent part of the society, there is also a need to have devotion in giving maximum benefit to the society.

**Planet** refers to maintainable environmental adoption. Causal relationship always exists between corporations and planet. If corporations take care of their environment, environment will also provide benefits to them. Dangerous or ruinous products such as weapons, toxic chemicals or batteries containing dangerous heavy metals will not produce by triple bottom line Co.

**Profit** After deducting the cost of all inputs including the cost of the capital from its revenue the economic value created by the organization, is known as profit. Profits are very essential and important for every organization. With the help of process simplification, by reducing inefficient activities, save processing, by improving work management and service time and usage of material as efficient as possible., any organization can increase its profits.

## **Definitions of CSR**

**Many authors have defined the term corporate social responsibility in recent times.**

At the international level, the concept of CSR was first mentioned by William J. Bowen in 1953 in the publication “Social Responsibilities of Businessman”.

**According to Bowen** “social responsibility of businessman refers to the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society.”

**European Commission** explained CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and interaction with their stakeholders on a voluntary basis.”

**According to Infosys founder, Narayan Murthy**, “Social responsibility is to create maximum shareholders value, working under the circumstances, where it is fair to all its stakeholders, workers, consumers, the community, government and the environment.”

## **REVIEW OF LITERATURE**

**Agarwal, A. (2013)** conducted a study to know the important steps taken by Indian government to improve contribution of corporate for CSR activities. They found that in the stipulation

of company bill, 2012 it has been said that companies having net worth of Rs. 500 crore or turnover of company are more than 1000 crore or a net profit of more than 5 crore or more during any financial year have to compose a committee for corporate social responsibility of board composing of three or more directors and in which one director should be independent director. They also showed that schedule VII of the Companies Bill 2012 describes activities that may be included by companies in their CSR policies which includes promoting the education in society, to promote gender equality, to ensure environmental sustainability etc.

**Cholasseri, H., & Uvais, M.(2013)** reviewed a study to know the dimensions and various challenges of corporate social responsibility in India. The objectives of the above study were to find the challenges and impact of CSR on Indian businesses. Data was collected by the researcher from the secondary sources. On the basis of above study they found that “CSR dimensions are formed under the foundation of Human capital, natural capital and the environment. Its dimensions involve because of related marketing, promotion, socially responsible business practice, corporate philanthropy and corporate social marketing”.

#### **Benefits of CSR:**

- **Increase goodwill**
- **Favorable response of public toward brand**
- **Help to retain skillful and trained staff**
- **Help to increase revenues and profits**
- **Help to enhance the growth of the organization**
- **It will help to support public value outcomes**
- **It will help to encourage both professional and personal development**
- **It will help to enhance relationship with our clients**

## Prospects and challenges of CSR:

### Challenges of CSR

CSR has obtained prominence in India, but still there are various issues which are challenging its efficiency and reach. Various challenges includes lack of adequate understanding of the concept or meaning of CSR, non-availability of original data and specific information on the kinds of CSR activities, coverage, policy etc. there is always a deficiency of trained and developed staff which also create an additional problems for reduced CSR initiatives. A survey conducted by Times Group survey elicited responses from participating organizations about various challenges facing CSR initiatives in different parts of the country revealed.

- **Shortage of community participation in CSR activities:** The local community does not show its interest to make participate and contribute to CSR activities of companies. This is highly attributable to the fact that within the local communities there prevail compact or little knowledge about CSR due to which no serious steps have been made to increase awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further annoyed by a lack of communication between the company and the community at the grassroots.
- **Need to build local capacities:** Need for capacity building is also required for the local nongovernmental organizations as there is serious deficiency of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.
- **Issues of transparency:** Lack of transparency is one of the key problems which are brought forth by the survey. The companies are also expressing that part of the local implementing agencies there also exists lack of transparency, as they do not make adequate efforts to disclose information on their programmes, audit issues, impact assessment and utilization of funds. This reported lack of transparency negatively impacts the process of trust building between companies and local communities, which is key to the success of any CSR initiative at the local level.
- **Deficiency of well-organized non-governmental organizations:** It has been also noticed that there is also deficiency of well-organized nongovernmental organizations in

backward and remote areas that can evaluate and recognize real needs of the circle and work along with companies to ensure successful implementation of CSR activities. This also erects the case for investing in local communities by way of building their capacities to undertake development projects at local levels.

- **Visibility factor:** The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many non-governmental organizations to involve themselves in event-based programmes; in the process, they often miss out on meaningful grassroots interventions.
- **Lack of Clear CSR Guidelines:** There is also a lack of well define legal guidelines or policy which will provide a direction for CSR initiatives of companies. Business size and profile are the main factors on which the scale of CSR initiatives of companies should depend. In other words, the bigger the company, the bigger is its CSR program.
- **Lack of agreement on Implementation of CSR Issues:** There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

## **CONTRIBUTION OF DHFL TOWARDS CORPORATE SOCIAL RESPONSIBILITY:**

### **For the financial year 2016- 2017:**

- DHFL has been invested INR 8.82 crore under CSR programmes in FY17 and also a further INR 4.22 crore in the pipeline, taking commitments to Rs.13.04 crore.
- 17% contribution was made toward skill development programme, 22% for rural development, 45% for education, 7% for financial literacy and 9% for other programmes.

### **For the financial year 2015- 2016:**

- 14% contribution was made toward skill development programme, 33% for rural development, 51% for education and 2% for other programmes.

### **For the financial year 2014- 2015:**

- DHFL has chosen Education as the core area of investment in 2014-2015 under its CSR program and will focus on key sustainable programs in this sector due to The Right to Education Act enshrines a committed approach to providing universal access to education.

### **Conclusion**

With the emerging issue of CSR it will help to ensure that the company can grow on a sustainable basis, while ensuring fairness to all stakeholders, CSR has come a long way in India. It has successful linked business with social inclusion and environment sustainability. From responsive activities to sustainable initiatives, corporate have clearly exhibited their ability to make a significant difference in the society and improve the overall quality of life. In the current social situation in India, it is difficult for one single entity to bring about change, as the scale is enormous. Corporate have the expertise, strategic thinking, manpower and money to facilitate extensive social change.

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