

‘A STUDY ON UTILIZATION OF CSR FUND WITH REFERENCE TO MAHARASHTRA’

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Abstract : All the business houses are part and parcel of the society. Their survival of business is depends upon stakeholders support. Managers are discovering that maximization of return to stockholders is not a sufficient goal, society is demanding more and making demands stick through legislation, litigation and public presser. Corporations are being told, “ your job is to serve society through reliable and safe products and of high quality and were expect you to be good citizen while you are about it—no pollution, no discrimination, no hazardous working conditions etc. Considering this point of view there is responsibility of business towards society is to work for minimise social issues. This concept is also based on ethical issue but there was not legal frame work regarding how to define social responsibility. Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. The purpose of this study is to identify regional allocation and utilisation of CSR fund in Maharashtra. Rather than that the study explore the information regarding various corporate houses current CSR practices in India. This paper examines companies view, and conducts their CSR practices on environmental issues, responsible sourcing, stakeholder engagement, development of labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, etc.

Key words: Corporate Social responsibility, environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee, social and gender equality, human rights and good governance.

“Friends, together, we can achieve a new phase of globalization - one that creates inclusive and sustainable markets, builds development and enhances international cooperation”

1. Introduction:

The basic object of the business is to provide product and service to society and try to improve standard of living of the society. Each and every business is part and parcel of the society. Their survival and development is depends upon stakeholders support. Considering this point of view there is responsibility of business towards society for the minimise cross cutting issues. Corporations are being told, “ your job is to serve society through reliable and safe products and of high quality and were expect you to be good citizen while you are about it—no pollution, no discrimination, no hazardous working conditions etc. This concept is also based on ethical issue but there was not legal frame work regarding how to define social responsibility. The basic object of the business is to provide product and service to society and try to improve standard of living of the society. Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

Now a day’s most of the companies are taken initiatives for direct utilisation of their share towards minimising social problems and cross cutting issues of the society like a valuable contribution to poverty eradication through implement various need based programmes Indian government gives the little encouragement for companies to consider the long-term sustainable development. There are several companies in India concentrated on issues such as healthcare, education, rural development, sanitation, skill and ability enhancement of rural youth, soft sill development programme, and water shed management, financial inclusion microcredit, and women empowerment. Analysis of several surveys in India suggest that though many companies in India have taken on board the universal language of CSR, CSR seem to be in a confused state. Individual companies define CSR in their own limited ways and contexts. It seems that CSR in India has been evolving in domain of profit distribution. There is a need to increase the understanding and active participation of business in equitable social development as an

integral part of good business practice. Due to implementation of CSR can achieve competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes

2. Objectives of the study:

The present paper is carried out with the following objectives.

1. To overview of policy regarding corporate social responsibility.
2. To study role of corporate sector in corporate social responsibility.
3. To know CSR fund disbursement in Maharashtra.
4. To suggest suitable measures for balanced disbursement in Maharashtra

3. Methodology of the study:

This paper is prepared on the basis of secondary sources of data, such as books, newspaper, research journal and study material of professional courses, government survey reports as well as websites and some extent primary observations of the researcher. For the purpose of data analysis statistical techniques, graphical presentations are used for proper interpretation.

Review of Literature:

1. Richa Gautama and Anju Singh studied on 'Corporate Social Responsibility Practices in India: A Study of Top 500 Companies'. After completion of their study concluded that Business houses all over the world are realizing their stake in the society and engaging in various social and environmental activities. The need of the hour is to formulate effective strategic policies and adopt various instruments according to the company history, its content, peculiarity in relationship with its different stakeholders so that CSR can be best implemented towards its goals – sustained environmental, social and economic growth. As of now, the trends have changed and CSR affects not only the company's reputation and goodwill but also govern the financial performance.
2. Joan C. Henderson' Corporate social responsibility and tourism: Hotel companies in Phuket, Thailand, This paper deals with the subject of 'corporate social responsibility with reference to the hotel sector and the 2004 Indian Ocean tsunami which was to prove a test of management approaches. It discusses the rising interest in CSR issues, linked to the sustainable development movement, and its particular relevance for the tourism industry. Reactions to the disaster of hotel companies with a presence in the resort of Phuket in Thailand are reviewed and responses reveal ascertain level of commitment to CSR in theory and practice. However, there is also evidence of tensions between commercial and more philanthropic activity which must be addressed and reconciled by manager's issues of concern.

Conceptual Framework:

Indian corporate sector continue facing negative externalities where the costs of resource use, environmental degradation are neither paid by those who incur them nor are reflected in actual prices. Today's economic framework gives little encouragement for companies to consider for sustainable development. There are several companies in India involved in diverse issues such as healthcare, education, rural development, sanitation, microcredit, and women empowerment. Analysis of surveys in India suggests that, Indian companies should take initiatives for Corporate Social Responsibility. It seems that CSR in India has been evolving in domain of profit distribution. There is a need to increase the understanding and active participation of business in equitable social development as an integral part of good business practice. Corporate social responsibility is term that is as, 'The efforts of company in order to improve society through the other ways'. It improves the image of the company because company in taking efforts for better society and media coverage as positive light on the organization. It enhances brand value and building socially strong relations with the customers.

It is to be determined that net worth more than 500 Corers or turnover more than RS.1000/- Corers or profit more than RS.5.00 Corers are eligible and mandatory for maintain CSR Fund. While calculating amount of CSR fund, last three years average profit will be considered for determination of CSR Fund liability of that particular company. It make sure that the organization spends a minimum 2% of the average net profit accumulated with in three immediately preceding financial years.

2. If the company having any unspent amount on account of Corporate Social Responsibility the reasons for the unspent amount and details of the transfer of unspent amount of ongoing project must be submit to the recognized authority.
3. Corporate Social Responsibility (CSR) is a system by which companies to a set their legal, ethical, social and environmental standards.
4. Corporate sector should develop their self-regulation that has developed alongside greater public awareness of ethical and environmental issues.
5. CSR can be broadly defined as 'actions that appear to further some social good, beyond the interests of the firm and that which is required by law'
6. It develops notions of business ethics and the importance of stakeholders besides owners, investors and any shareholders

Types of corporate social responsibility

- Environmental Corporate Responsibility: It involves water shed management, pollution free environment
- Ethical Social Responsibility: to conduct training for retraining, Gender Equity, Clean village campaign, solid waste management etc.
- Philanthropic corporate responsibility
- Economic corporate responsibility. Donation for Prime Minister Relief fund, Disaster management.
- Human rights, medical facility, checkup, healthcare awareness, financial support to physically challenge students, etc.

Following are the some important activities which might are expected and commonly cited in the literature are summarized below.

1. Publication of meaningful and measurable social and environmental goals and regular reporting on progress towards achievement.
2. Formulation of policies to avoid damaging social and environmental impacts of operations.
3. Investment and involvement in social welfare and environmental conservation and upgrading programs.
4. Collaborative activates with government and non-governmental organizations, including local community groups, in such programs.
5. Full compliance with official regulations and a willingness to exceed these.
6. Recruitment and training of local staff and purchase of goods and services from local suppliers
7. Education and training of customers and staff about social and environment issues.

An overview of CSR Fund utilisation in Maharashtra:

Maharashtra is leading state in industrial development in the country. Most of the industrial projects are located in Mumbai, Pune, Nagpur, Chhatrapati Sambhajinar, Nashik and other districts of Maharashtra has been receiving highest CSR contribution with the study period. Kerala, Telangana has been recorded remarkable growth with the financial year 2015 to 2020. Karnataka, Gujarat has also received maximum CSR Fund on yearly basis.

Table: 1
CSR Fund Utilisation in the State
(Within 2015-16 to 2020-21)

Sr.No	Year	Amount in Crores	Increase in %
01.	2015-16	2026.91	100
02.	2016-17	2414.80	119.13
03.	2017-18	2797.53	138.01
04.	2018-19	3147.66	155.29
05	2019-20	3348.82	165.21
06	2020-21	3426.31	169.04

(Source: <https://www.csr.gov.in>)

As per above table it was realised that within the last six years awareness among the corporate sector is increasing over here. In other words corporate sector contributed Rs.2026.91 corers in the year 2015-16 and it was enhanced up to Rs.3426.31Croers (69%) in the year 2020-21.

Table: 2

Districtwide utilisation of CSR Fund (in crores)

Sr. No	District	2019-20	2020-21	Sr. No	District	2019-20	2020-21
1.	Pune	334.44	383.73	19.	Gadchiroli	1.38	9.32
2.	Mumbai city	276.64	392.65	20.	Gondiya	5.76	0.43
3.	Thane	242.23	75.68	21.	Hingoli	0.13	0.23
4.	Raigad	33.73	141.54	22.	Jalgaon	0.89	4.33
5.	Nagpur s	54.20	37.84	23.	Jalana	6.19	5.35
6.	Chatrapati Sambhajinagar	66.69	72.36	24.	Latur	2.56	4.04
7.	Nashik	38.39	70.04	25.	Mumbai	21.13	6.97
8.	Satara	12.79	18.75	26.	Nanded	0.24	1.80
9.	Nagar	10.20	32.82	27.	Nanadurbar	8.71	21.18
10.	Kolhapur	10.67	13.78	28.	Dharashiv	2.66	4.96
11.	Solapur	23.06	14.49	29.	Palghar	23.46	24.09
12.	Akola	1.50	0.54	30.	Parbhani	0.15	0.39
13.	Amravati	10.51	2.57	31.	Ratnagiri	21.58	19.82
14.	Beed	3.13	2.70	32.	Sangli	3.41	3.89
15.	Bhandara	4.98	3.76	33.	Shindhudurg	20.02	2.92
16.	Buldhana	2.32	1.33	34.	Vardha	3.57	6.57
17.	Chandrapur	3.55	5.90	35.	Vashim	0.48	0.10
18.	Dhule	8.90	5.85	36.	Yavatmal	2.90	4.00

(Source: <https://www.csr.gov.in>)

As per above table no 2 shows the fund district wise fund utilisation status of the state. It realised that most of the CSR Fund is utilised in Pune, Mumbai and Thane districts in the state because most of the companies are located in this region. But in case of other districts very few amount is utilised for the development of backward regions of the state. Akola, Gadchiroli, Hingoli, Washim, Nanded district has very less amount utilised on account of CSR. Basically Pune, Mumbai and Thane are the well-developed districts in the state; there is limited requirement of CSR Fund. So government should take intuitive for justified distribution of CSR Fund in backward districts

Conclusion:

Thus this paper explores need and importance of CSR and its framework. CSR has wide scope and day by day the new issues are arising due to industrialisation, urbanisation. Rather than that rural peoples are facing so many basic facilities and services. Government of Maharashtra should take care maximising the CSR fund form corporate sector for the development of undeveloped districts in the state. There is need of time to impart ethical and Indian cultural values among the youth. Corporate sector should take initiative for conducting gender equity, fit India movement, awareness about cybercrime etc. I hope, corporate sector will pay particular attention for minimising the current gaps by offering novel and timely contributions to this field of study.

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