

Corporate Social Responsibility (CSR) Initiatives of Select Public and Private Organizations in Andhra Pradesh: An Empirical Study

D.Raja Venkata Pavan Kumar

**Department of Sociology & Social Work,
Acharya Nagarjuna University,
Guntur, Andhra Pradesh. India.**

Prof. Y.Ashok Kumar

**Head Dr. Ambedkar Chair,
Acharya Nagarjuna University,
Guntur, Andhra Pradesh. India.**

Abstract

Corporate Social Responsibility is a boon to the nation to extend the help from corporate companies in the form of law and enforcement from their profit and net worth capacity. The ministry of corporate affairs has initiated as a mandatory work to implement the CSR initiatives to the deprived people of the society. Nearly 6000 companies have been identified and participated in the implementation of CRS initiatives in India. The research paper is focusing on very few companies and public sector organisations which have done predominant services to the deserved candidates of Andhra Pradesh. The CSR initiatives are predominantly focusing on Education, health care, Environment, Community Development and digital peripherals development. In this research work the CSR initiatives mainly taken into consideration from the public sector organisations like NTPC, Andhra Bank, ONGC, ITC and corporate companies like Reliance Industries AP, Reddy Laboratories Ltd, NATCO pharmaceutical company and others. The CSR initiatives are described in detail with their commitment and monitoring in Andhra Pradesh. CSR is mandatory for the greater net worth and remarkable net profit making companies in India. In this paper the CSR Initiatives have been discussed with collected data from their published papers available in the internet. The authenticated information related to CSR is depicted with proper exemplification and fact sheets.

Key Words:

Corporate Social Responsibility, Corporate companies, Public Sector organisations, CSR initiatives to uplift the standards from the below poverty line – employability to the rural and semi urban youth.

Introduction

The companies whose net profit is greater than five hundred crores should spend minimum of 2 per cent of their net profit calculation for previous 3 financial years for the corporate social responsibility. The CSR includes to eradicate the extreme hunger and poverty, promotion of education to the youth with economically background, promotion of gender equality and women empowerment activities, striving to reduce the children mortality and improvement of maternal health. In this process the companies are bound to undertake the CSR programs in the society. The basic motto is to uplift the standards of the people who are under the poverty line [1].

The company directly involve in the implementation of the corporate social responsibility initiatives like Community Development (CD), impartation of Education to the poor below the poverty line, enhancement of Environmental conditions by improving the sanitation and reducing the pollution in slum areas, taking effective steps to the people of below poverty line with Healthcare provision, improving the skills of the unemployed youth to sustain with self-employment or employment opportunities [2]. The company which is involved in CSR initiatives can employ the NGOs to identify the deserving groups or individuals and provide the fruits of CSR [3].

Cite this article as: D.Raja Venkata Pavan Kumar & Prof. Y.Ashok Kumar, "Corporate Social Responsibility (CSR) Initiatives of Select Public and Private Organizations in Andhra Pradesh: An Empirical Study", International Journal & Magazine of Engineering, Technology, Management and Research, Volume 6, Issue 5, 2019, Page 1-8.

The CSR initiatives and fruits of the program can be given directly or indirectly by the company. The Company should spend the targeted amount for the initiatives continuously when their net profit is more than 500 crores [4]. The main aim of the CSR is to provide the necessary strength to the poor and below poverty line people [5]. The state governments and central government agencies are helping and directing the proper initiatives to implement the program in the society [6]. In Andhra Pradesh the predominant public sector companies and private sector companies have focused much on the youth and women to implement their CSR initiatives in the process of creating Swarnaandhra Pradesh building through Unsustainable goals 2020 [7]. This has been invited and implored by the Honorable Chief Minister Mr.Nara Chandra Babu Naidu on behalf of the government of Andhra Pradesh. Andhra Pradesh is a newly formulated state with no permanent assets and infrastructure to perform the administration. The government has identified the need of employment and skill development to the youth of Andhra Pradesh will increase the Gross Domestic Product of the state. Every family should be enriched with the earning member with employment or self-employment. The government of Andhra Pradesh has implemented several initiatives to strengthen the youth with employability [8].The basic CSR initiatives are identified and enlisted are Community Development (CD), Education, Environment, Healthcare, Community improvement and Peripheral[9].

Related work

CSR has become a mandatory activity of every company in India to contribute their profit for the development of the nation. The CSR initiatives are designed to uplift the living standards of the people who are under the level of below poverty line. The focus is especially on the rural youth and urban slum areas [10]. The companies have initiated the activities combined with the digital Indian concepts in providing the skill and opportunities to have better economic lives.

This program is directly influencing the economical standards of the small farmers and educated unemployed youth of India. The program is also created the better results in women empowerment by providing sustainable growth to Indian Women [11].

The companies whose network is greater than 500 crores have to participate in the CSR activities. The program is shared and participated with Indian Companies as well as the companies migrated from foreign countries like Google, Microsoft, CGI, Proctor and Gamble, Godrej etc [12]. The goal of CSR is to share the economic growth and ideology to the deprived and disastrous population to capture the opportunities and upgrade their economic status [13]. CSR initiatives are combined with the United Nations principles of sustainable development goals 2030. Indian government has identified the need of education and skill development and women empowerment as the backbone of the GDP of India. The program is forcefully or voluntarily implemented by the companies and made them to associate with the development programs. The development is mainly focused on Community Development in rural and urban areas, providing good Education to the poor, Initiating the sanitary facilities and enhance the Environmental sanctity, providing the Healthcare facilities and establishing the hospitals in the rural and remote areas of the country [14].

CSR History

The government of India has incorporated the CSR in the Company act section 135. In this act the company which has the net worth of rs.500 crores and the company which has the turnover of more than 1000 crores and the company which has the net profit of 5 crores should spend at least 2 per cent of the net profit calculated for the last three years to the CSR initiatives [15]. CSR is mandatory for all Indian companies and public sector companies. The CSR policy and rules are implemented from 01-04-2014 onwards. It is mandatory for the companies to spend the prescribed amount to CSR initiatives.

The company should also monitor the initiatives from time to time and submit the report to the respective authorities of Ministry of Corporate Affairs with evidential outputs [16].

CSR in India

The Government of Andhra Pradesh has represented the need of employability and women empowerment in the sun rising state of Andhra Pradesh to the corporate companies and public sector companies whose net income is more than 500 crores. In this process the government of AP has requested five Public Sector Organisations Vizag steel (Raastriya ispat nigam Limited) Oil and Natural Gas Company ONGC AP National Thermal Power Corporation NTPC vizag and finally Andhra Bank to implement the CSR initiative program in AP. Similarly the corporate private companies Reddy's Laboratories Andhra Pradesh, NATCO Pharmaceuticals Andhra Pradesh, Reliance industries AP and ITC Guntur AP to take up the CSR initiative in the state. The participation of CSR initiatives have been identified as the prime activity of the companies in Andhra Pradesh. The driving force to achieve Sustainable goals in India is the prime cause to the companies [17]. Other than these companies have identified the NGOs in Andhra Pradesh and had the contract to spend the amount for the development of youth of Andhra Pradesh with time to time reporting and monitoring. Nearly 300 training partners from Andhra Pradesh who have enrolled their empanelment through APSSDC. These training partners have been working in imparting technical and employability skill development with assured employment in different companies to sustain economically [18].

Implementation of CSR

Ministry of Corporate Affairs notified that according to the Section 135 and Schedule VII of the Companies Act the Companies should implement the Corporate Social Responsibility Policy and Rules, 2014 strictly without fail in India. The CSR initiatives should be implemented by the companies or by the representatives or NGOs or its Agencies.

The CSR initiatives should be monitored time to time and submit the evidential reports to the Ministry of Corporate Affairs before every April end. It is also mandatory the qualified company should formulate the committee with three directors of the company to implement and monitor the CSR initiatives [19].

CSR support

In this context the companies who have been qualified to implement CSR, Reddy's Laboratories Andhra Pradesh, NATCO Pharmaceuticals Andhra Pradesh, Reliance industries AP and ITC Guntur AP are taken into consideration and recorded the CSR initiatives and activities to demonstrate the supported works implemented in Andhra Pradesh [11].

Results

The following companies have implemented CSR initiatives in Andhra Pradesh. It is a well-known fact that nearly 20000 crores are spending from nearly 6000 companies in India towards the corporate social responsibility. If this is reaching to the deserved people then the country will get rid of poverty and the GDP of the country will be developed up to the mark [20].

Vizag steel (Raastriya ispat nigam Limited) is one of the predominant public limited company which has spent on CSR initiatives with great interest in Andhra Pradesh. The following facts are taken from the financial statements of accounts published online. Vizag Steel has become predominant and remarkable CSR company because it has spent the amount even it has incurred loss and with no profit. The spirit of Vizag Steel is predominant and need to be keep in the first place in the list of all other companies in India.

Vizag Steel - Raastriya ispat nigam Limited			
Financial Year	Annual Profit	CSR 2%	CSR Spending
Amount in Crores			
2014-15	711.29	14.22	17.67
2015-16	326.56	6.53	15
2016-17	-211.04	NIL	13.75
2017-18	-1151.67	NIL	13

Vizag steel (Raastriya ispat nigam Limited) has spent the above amount for the development of poor rural

and urban youth who needs immediate attention for their financial status improvement. The spending has given great relief for the people who are leading the life below the poverty line.

Andhra Bank			
Financial Year	Annual Profit	CSR 2%	CSR Spending
Amount in Crores			
2014-15	638.44	12.77	1.06
2015-16	539.84	10.8	1.28
2016-17	174.34	3.49	3.19
2017-18	3412.53	68.25	1.49

Andhra Bank has implemented the CSR initiatives through its rural development trust bank by providing the skill development training to the rural youth and semi urban youth. The bank also provided the vocational and human resource development training for more than 71,666 participants. The Bank is continuously monitoring the activities and goals implementation and achievement of the participants [21].

ONGC			
Financial Year	Annual Profit	CSR 2%	CSR Spending
Amount in Crores			
2014-15	17733	354.66	495.23
2015-16	16004	320.08	421
2016-17	17900	358	525.9
2017-18	19945	398.9	503.4

ONGC has implemented the CSR initiatives through triple bottom line approach. They focused on people, planet and profit to create a positive sustainable impact on Society. They have created the core values, compassion, conviction and innovation in the society with their creative activities in the rural and semi urban people whose lively hood is identified as below poverty line. The organization has aimed at developing the techno economic virtues in their walk of life will enhance the economical standards of the society. They have developed the policy with these new and innovative goals and objectives. They have implemented the CSR policy and initiatives in the districts of Srikakulam, Visakhapatnam, Prakasm, Nellore and Chittoor. They have demonstrated the remarkable achievements in the districts with achievable goals and targets [22].

NTPC			
Financial Year	Annual Profit	CSR 2%	CSR Spending
Amount in Crores			
2014-15	14173.78	283.48	205.18
2015-16	13567.43	271.35	491.8
2016-17	11392.68	227.85	277.81
2017-18	11037.3	220.75	241.54

NTPC Vizag has participated predominantly into the initiatives of Corporate Social Responsibility in the rural areas of Vizag and Srikakulam districts. The company has spent more than 2 percent of the net profit of the company in providing the education to the children of rural areas, vocational training to the youth from rural and semi urban areas of these districts. In addition to that the organisation has taken up the initiatives to protect the environment from the ash and complete utilization of ash and peripheral development. It also introduced a novel system to energy conversation practices. The company has focused on the rural youth for upliftment with skill and employability and arranged a resettlement and rehabilitation. NTPC has full filled the aim of CSR initiatives by promoting the youth and women with high rate of employability and self-sustaining self-employment programs [23].

Reddy's Laboratories Andhra Pradesh

The company has to spend the following amount in the form of CSR for three financial years. Dr.Reddy Foundation started in 1996 as a non-profit organisation headed by its three directors and its managing director. The group has identified the larger population with below poverty line in rural and urban areas. The foundation has been extending the CSR initiatives to the rural youth, disabled persons and poor farmers whose livelihood is miserable and difficult. The foundation has been continuously providing the free education to the children of rural areas and providing the skill development and various employment opportunities to the rural youth. The company has extended its CSR initiatives especially in the rural areas of Srikakulam and Visakhapatnam Districts of Andhra Pradesh [24].

REDDY'S LABORATORIES			
Financial Year	Annual Profit	CSR - 2%	CSR Spending
Amount in Crores			
2014-15	1830.78	36.61	29.16
2015-16	2094.44	41.88	41.2
2016-17	2027.82	40.55	40.55
2017-18	1639.61	32.79	32.81

NATCO Pharmaceuticals

NATCO Pharmaceuticals Andhra Pradesh has been taken the initiatives of Corporate Social Responsibility since the inception of the company. It has been serving the society for more than 20 years. It has played pivotal role in improving the living standards of the people in rural and urban slum areas by providing the training and peripherals to facilitate the self-sustained development. It has also enabled them to lead a good and upgraded economic life by providing the small units to earn the lively hood with necessary training. The committee members should spend the amount greater than the prescribed amount of their net profit of 2 per cent to the CSR activities and report the same quarterly with all evidential reports [25].

NATCO PHARMA			
Financial Year	Annual Profit	CSR - 2%	CSR Spending
Amount in Crores			
2014-15	112.09	2.24	2.55
2015-16	136.79	2.73	2.88
2016-17	175.09	3.5	3.64
2017-18	340.04	6.8	6.816

Reliance industries AP has started its CSR activities since 2014 in Andhra Pradesh. The company is providing the CSR policy with a clear and obvious agenda to change the lives and empowering India through collaboration and Digital technology by 2030. The company is participating with its CSR initiatives in National Development Goals and Sustainable Development Goals prescribed by United Nations 2030 Agenda. Reliance foundation has been performing the structured and sustainable development goals with a clear objective spanned across 7 years emerged with a leading corporate objectives and aims. The focus has put on Rural transformation, Health, Education, sports for development, disaster response, Arts, Culture and heritage.

They spent 771 crores of rupees in the financial year 2017-18 in the state of Andhra Pradesh. They are going with a motto 'Growth is Life' in implementing the CSR initiatives. They have implemented CSR initiatives by keeping direct engagement with the community, forging partnership and collaborations and leveraging the power of Information Technology [26].

RELIANCE			
Financial Year	Annual Profit	CSR - 2%	CSR Spending
Amount in Crores			
2014-15	22719	454.38	761
2015-16	27384	547.68	652
2016-17	31425	628.5	674
2017-18	33612	672.24	771

ITC Guntur AP has implemented its Corporate Social Responsibility to generate livelihoods and environmental capital. The special focus is on the rural children to create the moderate livelihoods with high standard education. The company has provided the better living standards to the children of rural areas of Andhra Pradesh with good educational facilities like schools, books, uniforms and better teaching faculties to impart the corporate educational standards. The main idea is to inculcate the skills to capture the emerging economic opportunities by providing the skilling, vocational training, health, sanitation and solid waste management. The company has also focused on the agri-business operations and small and marginal farmers. The company has aided the small and marginal farmers by providing the technical knowhow and essential resources for their farming. The company has continuously monitoring the growth of the farmers until they achieve their goals or end products of the agriculture. They have facilitated their help whenever the farmers are facing different challenges in the gross root levels. The company has focused on the women empowerment in providing the aid for women in establishing and managing the watershed development, afforestation, sustainable agriculture and livestock development. The CSR initiatives have empowered the women with visible growth and streamlined development [27].

I.T.C LTD			
Financial Year	Annual Profit	CSR - 2%	CSR Spending
Amount in Crores			
2014-15	9607.73	192.15	214.06
2015-16	9844.71	196.84	247.5
2016-17	10200.9	204.01	275.96
2017-18	11223.25	224.46	290.98

Conclusion

CSR initiatives are mandatory for the corporate companies. CSR is mandatory for the corporate companies on the basis of their net worth, turnover and net profit. The ministry of corporate affairs is monitoring the activities and CSR initiatives implemented by the companies to the upliftment of the poor and deprived. The companies from India and the companies established from foreign countries are bound to implement CSR in India. The research paper is focusing on CSR initiatives especially implemented in Andhra Pradesh the sun rise state. In this connection four public sector companies have been taken into consideration. These are Vizag steel (Raastriya ispat nigam Limited), NTPC, ONGC and Andhra Bank. The spendings by these companies have been demonstrated in the results section. The predominant companies have played a vital role in participating the sustainable goals to uplift the rural youth, rural women and small and medium sized farmers. In this paper four corporate companies Reddy's Laboratories Andhra Pradesh, NATCO Pharmaceuticals Andhra Pradesh, Reliance industries AP, ITC Guntur AP have been taken into account and depicted their CSR initiatives effectively.

References

[1] Shital Padhiyar (2018) A Study on CSR activities in selected companies of Gujarat published by Gujarat Technological University Ahmedabad.

[2] Sumona Ghosh (2014) A Study of the Participation of the Private Sector Companies of India in Corporate Social Responsibility Activities through Conjoint Analysis First Published June 11, 2014 Research Article
<https://doi.org/10.1177/0972262914528436> by The Journal of Business Perspective.

[3] Shashank Shah and A. Sudhir Bhaskar (2010) Corporate Social Responsibility in an Indian Public Sector Organization A Case Study of Bharat Petroleum Corporation Ltd published in Journal of Human Values 16(2):143-156 • November 2010.

[4] Mehran Nejati (2017) Does ownership type cause any difference in the perception of Malaysian SME owners/managers towards corporate social responsibility? Published By International Journal of Business Governance and Ethics.

[5] Abdul Moyeen, Brian West (2016) Promoting CSR to foster sustainable development By Asia-Pacific Journal of Business Administration Uploaded on 12/16/2016

[6] Bal Ram Chapagain (2014) Corporate social responsibility: A review of managers' attitudes in Nepal By Asia-Pacific Journal of Business Administration Uploaded on 04/05/2014

[7] Paul Foley Dr Chanaka Jayawardhena (2001) Corporate Social Responsibility in IT Industry published in Recharge Gate Published by The Stationery Office.

[8] Nidhi Sharma, Babita Kundu (2014) A Comparative Study of Corporate Social Responsibility Practices of Selected Public and Private Sector Companies in India published in Periodic Research ISSN No. 2231-0045 VOL.II* ISSUE-IV*MAY-2014

[9] Neetu Sharma, Richa Chaudhary, Harsh Purohit (2018) "A Comparative Study of Corporate Social Responsibility Initiatives Taken By Select Public and Private Sector Banks" published in 8th International Business Research Conference 24 | Page IES Management College and Research Centre, Mumbai, India IOSR Journal of Business and Management (IOSR-JBM).

[10] Nabasmita Bordoloi, Dr. Kalyan Mukherjee (2017) A Comparative Study on the CSR Activities of Public and Private Sector Commercial Banks published by International Journal of Interdisciplinary Research in Science Society and Culture(IJIRSSC) Vol: 3, Issue:1, (June Issue), 2017 ISSN: (P) 2395-4345, (O) 2455-2909.

[11] P K, Manoj. (2015). CORPORATE SOCIAL RESPONSIBILITY IN CENTRAL PUBLIC SECTOR ENTERPRISES IN INDIA IN THE REFORMS ERA. International Journal of Management and Social Science Research Review (IJMSRR) (ISSN-E: 2349-6746 & ISSN-P: 2349-6738). 1. 151-156.

[12] PARTHIBAN R, AISWARYA S SAJEEV, DINESH KUMAR R (2018) CSR Practices: Public and Private sector banks in India published in International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online) Vol. 6, Issue 4, pp: (566-573), Month: October - December 2018

[13] Babita Kundu (2015) Corporate Social Performance and Sustainability Reporting - A Comparative Analysis of selected Indian Companies published in International Journal of Research in Economics and Social Sciences IMPACT FACTOR – 4.992 Volume 5, Issue 4 (April, 2015) (ISSN 2249-7382).

[14] Vijay .P, Divya .N (2014) Impact of Corporate Social Responsibility Initiatives of Indian Banking Sector published in IRJBM – (www.irjbm.org) Volume No – VII, December – 2014, Issue – 12 Page 29 © Global Wisdom Research Publications – All Rights Reserved.

[15] Mr. Sanjeev K. Sharma (2016) Comparative study of Corporate Social Responsibility in Selected Public and Private Sector Banks published by BRDU International Journal of Multidisciplinary Research. Volume - 1 Issue 3 February 2016

[16] Liliana Hawrysz and Joachim Foltys (2016) Environmental Aspects of Social Responsibility of Public Sector Organizations published in Sustainability 2016, 8, 19; doi:10.3390/su8010019
www.mdpi.com/journal/sustainability

[17] Handbook on Corporate Social Responsibility in India published by PWC - CII (2013) pdfs-publications.

[18] Ms. Ankita Patel (2016) Corporate Social Responsibility: A Comparative Study of SBI and ICICI in India International Journal for Innovative Research in Multidisciplinary Field ISSN – 2455-0620 Volume - 2, Issue - 10, Oct – 2016

[19] Ranjana S. Upashi (2018) Effect of Corporate Social Responsibility on Financial Performance of Selected Indian Commercial Banks- An Analysis published by ELK ASIA PACIFIC JOURNAL OF SOCIAL SCIENCE ISSN 2394-9392 (Online); DOI: 10.16962/EAPJSS/issn. 2394-9392/2015; Volume 5 Issue 1 (2018).

[20] M Jothi (2016) Driving Factors of Corporate Social Responsibility Practices in India: An Empirical Study based on the Perceptions of Selected Executives from Public and Private Firms in India published by Amity Journal of Corporate Governance 1(1), (39–53) ©2016 ADMAA

[21] CSR report from ONGC AP accessed from <https://www.ongcindia.com/wps/wcm/connect/en/csr/csr-approach/>

[22] CSR Financial Details published in CSR Box Dr.Reddy Labs Ltd and accessed from https://csrbox.org/India_Company_Dr-Reddys-Labs-Ltd-Andhra-Pradesh_68

[23] Corporate Social Responsibility Policy at NATCO Pharma Limited white paper on CSR Policy.



accessed from <https://natcopharma.co.in/wp-content/uploads/2015/08/NATCO-CSR-POLICY1.pdf>

[24] Corporate Social Responsibility of NTPC Andhra Pradesh. Accessed from <https://www.ntpc.co.in/en/corporate-citizenship/corporate-social-responsibility>

[25] Michal and Mateusz Zubik (2018) Modification of Strength Training Programs in Handball Players and its Influence on Power During the Competitive Period
Volume/Issue: Volume 63: Issue 1 published in SCIENDO

[26] CSR initiatives from Reliance Industries Limited, AP accessed from <http://www.ril.com/ar2017-18/report-on-csr.htmlc>

[27] CSR initiatives from ICT Guntur, accessed from <https://www.itcportal.com/sustainability/sustainability-report-2017/sustainability-report-2017.pdf>.