

## **CORPORATE SOCIAL RESPONSIBILITY – A COMPARATIVE ANALYSIS OF WHITE CONSUMER GOODS COMPANIES**

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**Abstract:**

Business is a part of society. It grows in the society through the society. A healthy and prosperous society can only provide a platform needed for the survival and growth of business. Thus business can never ignore its obligation towards society. This responsiveness of business towards the needs of society is known as corporate social responsibility. The research is based on secondary information available through various sources. The basic agenda of this paper is to evaluate and compare whether the selected white goods companies are contributing the stipulated amount on CSR activities or not. It also emphasized on the areas explored by companies to fulfill their CSR obligation.

**Key words:** CSR (Corporate Social Responsibility), White Goods Companies, Blue Star, IFB Industries, LEEL Electronics Ltd, Symphony, Whirlpool.

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**Introduction:**

Business is a unit of society which works in the society, through the society and by the resources of society. Business cannot work in isolation. So, it is the primary obligation of the business to act for its own interest and to ensure that the rights and interest of the other stakeholders are also not ignored. This responsiveness of business towards the interest and welfare of the society is known as corporate social responsibility. CSR is a recent amendment in Indian economy. Different businessmen perceive responsibility in different way. Some are of the view that if they are generating surplus in a legal way they are fulfilling their responsibilities. Others are of the opinion that responsibility moves beyond the economic and legal compulsion. Certain voluntary contribution must be made so that overall development of the society could be achieved.

In 2013, with the introduction of section 135 Government of India made it compulsory for the following companies to invest annually in CSR activities which should be at least 2 % of their average profit based on the profit of last three years immediately preceding the relevant financial year:

- Companies having net worth of Rs 500 crore or more.
- Companies having a turnover of Rs 1000 crore or more.
- Companies having a net profit of Rs 5 crore or more.

In order to evaluate whether the companies are fulfilling their CSR obligation white goods companies have been taken into consideration. White goods are large home appliances such as stoves, refrigerators, freezers, washing machines, tumble driers, dishwashers, and air conditioners. They are large electrical goods for the house which were traditionally available only in white color. Even though one can buy these goods in variety of color these days, still they are known as white goods.

**Objective:**

- To evaluate and compare the prescribed and actual CSR contribution of selected white goods companies.
- To analyse and interpret the areas explored under CSR activities.

**Research methodology:**

The study is based on the secondary information available including published research, web sites, text books, government reports, annual reports that carry related information. The study is limited to a sample of five BSE (Bombay Stock Exchange) listed white consumer goods companies based on their market capitalization.

**Statement of problem:**

Consumer goods companies are found in abundance in India. They have large consumer market in comparison to any other industry, which is helping them to earn huge profit. The central theme of this paper is to analyse whether they are inclined towards profit only or they are serving the society in return by contributing the stipulated amount on the CSR activities or not.

**Limitation of study:**

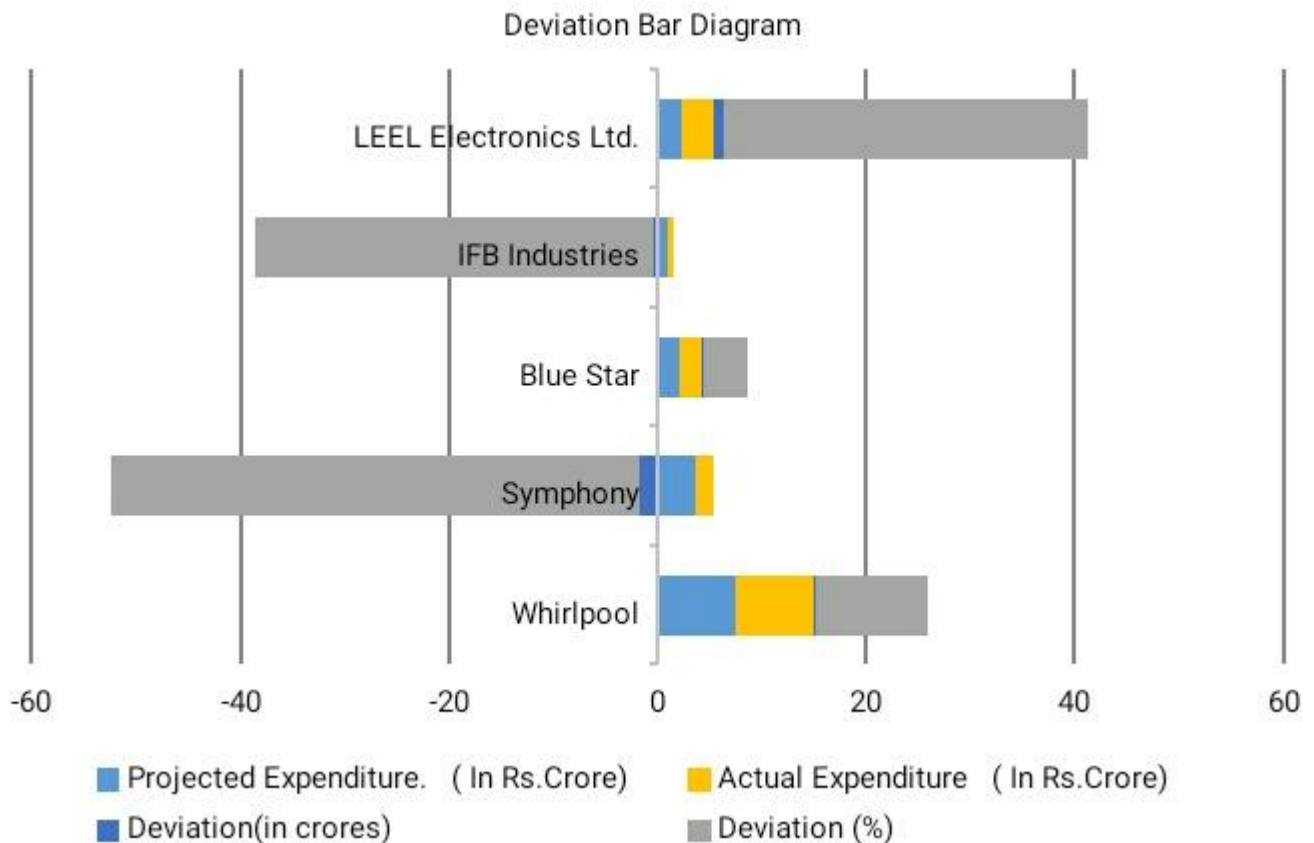
There is further scope of study as only white consumer goods companies have been analysed. And data of only 2017-18 have been taken into consideration.

**Literature review:**

- Nidhi Sharma and Babita Kundu (2014) analysed 20 companies, 10 each from public and private sector in the basis of their CSR spending and observed that only few companies are spending as per the stipulated norms, rest are lagging behind.
- Akhil Krishnan (2018) have analysed various sectors on the basis of their CSR contribution and revealed that manufacturing sector contribute more than service sector, that too with a major amount.
- Smriti, Shivani and Sahil Kapor (2018) in their study of 10 banks, 5 each from public and private sector have analysed that the private sector bank are contributing more towards CSR than the public sector banks. But the expenditure is restricted to limited areas.

**Analysis and interpretation:****Comparison of prescribed and actual CSR expenditure**

S. No.	Name of Company	Projected Expenditure. ( In Rs.Crore)	Actual Expenditure ( In Rs.Crore)	Deviation (In Crore)	Deviation (%)
1	Whirlpool	7.5	7.58	.08	10.667
2	Symphony	3.5955	1.778	(1.8175)	50.55
3	Blue Star	2.11	2.20	.09	4.2654
4	IFB Industries	1.0043	.6204	(.3839)	38.2256
5	LEEL Electronics Ltd.	2.32	3.13	.81	34.91



- From the above table it can be seen that out of five companies, three companies (Whirlpool, Blue Star, LEEL Electronics Ltd.) have fulfilled their CSR obligations whereas two companies (Symphony, IFB Industries) out of the lot are unable to achieve their stipulated target.

- LEEL Electronics Ltd. contributed the highest amount of Rs 3.13 crore which is 34.91% above the projected expenditure.
- Symphony contributed Rs 1.778 crore which is 50.55% below the projected expenditure.

So from the above information it is clear that companies are contributing towards CSR activities but some of them failed to achieve their stipulated target.

### Area explored under CSR contribution

Government in 2013 introduced Schedule VII to specify the areas where the companies can make a contribution to fulfill their CSR obligation. It includes the following areas:

- Eradicating hunger.
- Promotion of education.
- Promoting gender equality and empowering women.
- Reducing child mortality and improving maternal health.
- Combating human immune deficiency virus, acquired immune deficiency syndrome, malaria and other diseases.
- Ensuring environmental sustainability.
- Employment enhancing vocational skills.
- Social business projects.
- Contribution to the various approved funds.
- Such other matter as may be prescribed.

Now a company wise analysis is to be done to find out the areas explored by selected companies.

Company	Program	Areas Covered	Location
Whirlpool	1) Skill Development Program.	Education, Employment & Livelihood Enhancement.	Kolkata, Hyderabad, Delhi, Bangalore, Mumbai.

	2) Community Help Program.	Rural Development.	Faridabad, Mumbai, Delhi, Pondicherry.
	3) Library Intervention Program	Education, Employment & Livelihood Enhancement.	Faridabad
	4) Integrated Community Development Program	Preventive Health Care, Water & Sanitation.	Pondicherry.
	5) Integrated Child Development Program	Preventive Health Care, Water & Sanitation.	Pune.
<b>Symphony</b>	1) Health Care And Sanitation Activities	Preventive Health Care, Water & Sanitation	Ahmedabad, Nadiad - Gujarat
<b>Blue Star</b>	1) Vocational Training Programme	Education, Employment & Livelihood Enhancement.	Arogonda, Visakhapatnam, Mumbai, Pune, Chennai.
	2) Promoting Education & Health Care.	Preventive Health Care, Water & Sanitation.	Mumbai, Palghar, Tamil Nadu, Bhubaneswar.
	3) Promoting Health Care.	Preventive Health Care, Water & Sanitation.	Wada- Maharashtra
	4) Educational Scholarship	Education, Employment & Livelihood Enhancement	Mumbai, New Delhi.

<b>IFB Industries</b>	1) Education And Skill Development Initiative  2) Donation To School Towards Education	Education, Employment & Livelihood Enhancement  Education, Employment & Livelihood Enhancement	Kolkata  West Bengal, Goa, Udupi- Karnataka.
<b>LEEL Electronics Ltd.</b>	1) Promoting Education  2) Women Empowerment And Skill Development  3) Environment Conservation	Quality Education To Under Privileged Children In Rural Areas. Preventive Health Care And Basic Nutrition  Education, Employment & Livelihood Enhancement  Organic Farming.	Tauru,- Haryana, Maneri- Madhya Pardesh  Tauru,- Haryana, Maneri- Madhya Pardesh  Tauru,- Haryana, Maneri- Madhya Pardesh

It has been analysed from the above table that all the companies are working in almost same areas for the betterment of society i.e. promoting education, skill development, and health care and sanitation activities etc. But there are certain areas which have been completely ignored by the selected companies such as contribution to specific funds, social business projects etc. Secondly, as far as location is concerned, all the companies are concentrating on the specific cities or towns such as Symphony is working in Ahmedabad & Nadiad cities of Gujarat only. In nutshell it can be said that companies need to adopt holistic approach in terms of areas and location they choose to fulfill their CSR obligation.

**Suggestions:**

From the above analysis it is clear that some the companies are not able to achieve what is desired from them in terms of social contribution. To resolve the current situations following steps can be taken:

- Penalty provisions should be introduced by government for non fulfillment of CSR obligation.
- Industrial categorization should be done, so that there is no overlapping in the areas explored and there are better possibilities for holistic development.
- Audit of CSR activities can bring transparency in the working of companies.
- Monetary and non monetary benefits should be provided by government to motivate more companies to serve the society.

**Conclusion:**

Development of society is not the sole responsibility of government. People of society should lend a helping hand to uplift the society. Business is unit run by people for the people. So it is the responsibility of business to work for the society. In this paper we studied that although the government has made clear provision for CSR contribution for the companies by introducing section 135 but, the companies are not able to achieve their stipulated target under CSR obligation. Secondly companies are concentrating on certain selected areas such as education, skill development etc. But there are certain other areas that have been completely ignored such as contribution to specific funds, social business projects, gender equality etc.

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