

Corporate Social Responsibility Reporting Practices in Cement Industry in India

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Abstract:-

Corporate Social Responsibility (CSR) is a philosophy in which companies take account of society's needs by claiming responsibility in all facets of business on their clients, workers, shareholders, societies and the environment. The commitment to promoting community welfare through the discretionary business activities and contribution of corporate capital is corporate social responsibility. This responsibility goes beyond the statutory regulations to comply with law and provides that organizations, in particular and society as a whole, take voluntary action to improve the quality of life for their staff and family. The standard practice of businesses concerning the disclosure of social responsibility is the definition of the annual reports. The majority of businesses publish only qualitative/descriptive social responsibility information in the annual report, but it will be updated under new legislation (Company Law 2013). This paper aims to examine the gender disparity that is desired by stakeholders in cement companies between current reporting practices and levels of disclosure and to identify areas in which Indian concrete companies can disclose accounting information in a sustainable manner. Under this paper I also explained the points which companies should follow for reporting of corporate social reporting.

Key words:-

CSR, Disclosure, Cement companies, Companies Act.2013

Introduction:- Corporate Social Responsibility (CSR) is a philosophy in which companies take account of society's needs by claiming responsibility in all facets of business on their clients, workers, shareholders, societies and the environment. This responsibility goes beyond the statutory regulations to comply with law and provides that organizations, in particular and society as a whole, take voluntary action to improve the quality of life for their staff and family. When globalization comes and communication technologies and the Internet are widely used, external stakeholders are increasingly involved in the company's operations. They look into the external circle about the contribution of the business, positive or poor, with regard to its goods and services, and how it manages, develops and affects the environment and local communities. Financial analysts are among the numerous stakeholders, who are mainly focused on management efficiency as a predictor of future probable results.

This model is more sustainable, because social responsibility is part of the process of creating wealth and must improve business competitiveness and optimize the value generated of wealth for society. 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”.

Corporate Social Responsibility reflects the ongoing dedication of companies to ethically and contributing to economic growth, while enhancing the quality of life of staff and families, as well as of the environment and society in general, according to the World Business Council for Sustainable Development.

According to Archie Carroll, CSR as a multilayered concept that can be differentiated into four interrelated aspects – economic, legal, ethical and philanthropic responsibilities. Carroll presents these different responsibilities as consecutive layers within a pyramid, such that the true social responsibility requires the meeting of all four levels consecutively

Review of Literature

Truscott, Bartlett, Trwoniak (2009), paper In an Australian marketing journal focused on casestudy methods, "The reputation of the Australian social responsibility industry." The word "CSR" was explained in an interview with key individuals from industry in Australia. The economist showed the value of CSR becomes continuously relevant. In the economic, legal and ethical positions of business in society, they expressed their opinions of CSR. The industrialist also regarded CSR as a credibility model for businesses. Carroll (1979) argued that, because of his early contributions to social responsibility, Bowen should be called "the founder of corporate social responsibility." He proposed to researchers as well as executives, which are the social concerns companies need to resolve, the philosophy of the organisation or the models of social response, a three-dimensional model of corporate social performance. In society at all times, the economic, legal, ethical and discretionary requirements of corporations are part of the company's social responsibility. 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 individuals with or claim ownership of, rights or interests in a corporation and its activities which are primary and secondary stakeholders. 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 practices. Pohle and Hittner (2008) proposed that business organizations use CSR as a growth opportunity, and 76 percent agreed that their CSR aspirations were not well known.

Brammer, Jcakson & Matten (2012), The Social Economic Review researchentitled "Corporate Social Responsibility and Institute Theory: New Private Governance Perspective" showed that CSR is not only a voluntary intervention, but beyond that. CSR identified institutional theory inthis study. Corporate social interaction is not only voluntary but also an interface between business and

society, theory says

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.

CSR in Cement Industry:- In the construction material sector, cement is the most important and profitable product. India cement is a market of opportunities waiting to be tapped due to the economic boom in India. At the same time, however, there is also a growing demand in the cement industry. Cement manufacturing will still release carbon dioxide and climate change, which is why the cement industry faces a range of problems, despite its profitability, with environmental concerns and sustainability issues. In order to mitigate the effect of all these problems, it is clear that a range of innovating and new approaches must be taken in order to remain competitive in the cement and construction industries. Reporting accounting areas will be examined so that financial reporting requirements can be fulfilled. This can lead to a shift in the practice of providing financial details for sustainable operation as non-financial activity under the current financial statement and displaying the cost in different expenses.

The cement industry faces several challenges due to environmental concerns and sustainability issues, despite its popularity and profitability. It is essentially a high energy and not by its very nature eco-friendly activity. It also consumes large quantities and produces significant amounts of carbon dioxide and environmental particulate matter in the process in addition to the use of non-renewable raw materials.

To mitigate the impact of all the above issues, it is obvious that a certain number of creative and new practices are needed in the cement industry and building industries to remain competitive and in the process. It should be quite obvious for the cement industry to have a holistic approach to ensure survival in the future. Over the course of the century, cement producers have acknowledged their sustainable practices, but the financial information related to these activities is scarce. Only a few concerns recognised this amount as green belt development or horticultural expenditures in their profit and loss account separately. Many few companies have reported in their Annual Report "any significant accountability or reporting policies" or "special items." This indicates that in India there is still an early childhood quantitative / financial reporting on environmental issues. The annual reports indicate that most polluting businesses disclose more detail on the environment than companies in the least polluting sectors. The cement industry faces many challenges due to environmental concerns and sustainability problems, despite its popularity and profitability. It is essentially a high energy and not by its very nature eco-friendly activity. It also absorbs vast quantities and creates significant amounts of carbon dioxide and environmental particulate matter in the process in addition to the use of non-renewable raw materials.

Corporate Social Reporting Practices by Cement Industry:-

The standard practice of businesses concerning the disclosure of social responsibility is the definition of the annual reports. Over time, this pattern is rising. However, companies which disclose financial details about issues of social responsibility do not include a wise item-time breakdown of expenditure or accounting in these reports. However several businesses have provided detailed information on social responsibility through charts and tables. Most businesses reveal in the annual report only qualitative/descriptive data on social responsibility. Though a few companies have begun reporting on the issue quantitative / financial statistics, the information presented is typically brief and lacks detailed information. In addition, this form of reporting is inconsistent.

Cement Corporation of India, Ltd (CCI) was set up on 18th January, 1965 with the goal of autonomy and the completion of the regional imbalances in cement production and is committing to the establishment of a central public sector under the administrative competence of the Departments of Heavy Industries, Minister of Heavy Industries and Public Enterprises, the government of India. However, CSR practices will be driven by the following:

1. Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water / activities under Swachh Bharat Abhiyan.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga; & many other social development activities.

CSR reporting practice as per Companies act 2013:-

Indeed in April 2014, after an amendment to the Society Act, India became the world's first country to make corporate social responsibility (CSR), compulsory. Companies should invest in areas like education, poverty, equality between women and men and hunger as part of compliance with CSR.

1. The effects of activities undertaken by CSR & Sustainability should be quantified in so far as possible by the baseline data to be produced before any project starts. Therefore, Base-line surveys would be an integral part of CSR & Sustainability programme so that progress can be measured. Photographic record may be maintained wherever possible.

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2. For proper and periodic monitoring of CSR & Sustainability activities, if considered necessary, the programmes undertaken under CSR & Sustainability may be reported in the prescribed format to the level 1 committee on monthly basis. In addition, unit will submit status report on need basis as and when required.
3. After completion of the project aligned unit shall ensure that a detailed project completion report (covering all aspects of project implementation from its inception up to its completion) is prepared and submitted by the implementing agency in consultation with the unit.
4. CSR activities for the year will be published in the annual report
5. The policy of CSR & Sustainability will be uploaded on the CCI's website

These above all are compulsory for cement companies to follow in corporate social responsibility activities and in accordance with the company law of 2013. The CSR details can be found in annual reports for all stakeholders using provisions of the company act 2013 and its amendments.

Conclusion:-The above new provisions of company act 2013 make it important that corporate social activities make a good impression on all stakeholders involved in any business organization. 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. The CSR is compulsory for some forms of businesses as per company law 2013. 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. With the outbreak of the COVID-19 (Corona Virus), Corporate Ministry informed companies of the validity of pandemic expenditure under CSR. Funds may be spent on different COVID-19 related programmes, including promotion of wellness, preventive and sanitary health, and disaster management. As per the new provisions the stakeholder are more capable to find the all related information of company related to CSR activities and authorities also feel strengthen to monitoring the activities of companies.

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