

Corporate Social Responsibility: A Case Study of Jayam and Bejon Desai foundation

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Abstract

1.1 Introduction:

The Companies Act of 2013, which has already been notified partially, gives this concept of CSR its due weightage. Section 135 of the Companies Act, 2013 contains provisions exclusively dealing with Corporate Social Responsibility.

Definition:

“Corporate social responsibilities is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development.”

1.3 Objectives of the study

1. To understand the concept of CSR
2. To find out the scope of CSR
3. To know how the Jayam and Bejon Desai foundation group has fulfilled its responsibility towards all stakeholders; what specific activities, programs and strategies it has set, devised and implemented for the same.

Jayam’ Foundation is a tiny organisation emerging in the fields of ‘Environment and ‘Rural Health’. ‘Jayam’ is the brainchild of Late Shri. Jaykumarji Tibrewala and executed through the passion, strenuous efforts and vision of Shri Manojji Tibrewala.

Researcher feels in some way at some level gem organization can be compared with the great Jamshedji Tata in some manner. Reason being, despite not meeting the requisite qualitative requirements for mandatorily following CSR norms. Gem is undertaking CSR in letter spirit. This can be compared with the social work undertaken by Mr.TATA in the era when even the word CSR was not coined and the social work was being carried out by virtue of conscience of Mr. TATA

KEYWORDS: The Companies Act of 2013,Corporate Social Responsibility, Commitment of business, Sustainable economic development, A Case Study of Jayam and Bejon Desai foundation

1.1 Introduction:

The Companies Act of 2013, which has already been notified partially, gives this concept of CSR its due weightage. Section 135 of the Companies Act, 2013 contains provisions exclusively dealing with Corporate Social Responsibility. In the present write up, we highlight the important provisions relating to Corporate Social Responsibility as contained in the Companies Act, 2013 and also the provisions contained in the draft rules

on the Companies Act published by the Ministry of Corporate Affairs on 9th September 2013.

Corporate Social Responsibility (CSR) is as old as civilization. It is based on the “trusteeship concept” whereby business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them back manifold. CSR is extremely important for sustainable development of all stakeholders (all the people, on whom the business has an impact, including the society at large). Proponents of CSR argue that companies make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Nevertheless, the importance of CSR cannot be undermined.

The 21st century is characterized by unprecedented challenges and opportunities, arising from globalization, the desire for inclusive development and imperatives of climate change. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of business ensure their long term success, competitiveness and sustainability. This approach also reaffirms the view that business are an integral part and have critical and active role to play in the sustenance and improvement of healthy ecosystems. This also makes business sense as companies with effective corporate social responsibility have image of socially responsible companies, achieve sustainable growth in their operation in the longrun and their products and services are preferred by the customer.

Meaning:

Corporate social responsibility generally refers to transparent business practices that are based on ethical values, compliance with legal requirements and respect for people, communities, and the environment. Thus beyond making profits companies are responsible for the totality of their impact on people and the planet.

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1.2 PROVISIONS OF COMPANIES ACT, 2013 (ALONG WITH DRAFT RULES) ON CSR

Applicability

- **Following companies to constitute CSR committee**
- Net worth of Rs. 500 crore or more, or
- Turnover of Rs. 1000 crore or more, or
- Net Profit of Rs. 5 crore of more
- Committee to consist of atleast 3 directors out of which atleast 1 to be independent director.

- Board's Report to disclose composition of CSR Committee.
- CSR rules shall come into force on the date of their publication in the official gazette and shall be applicable from the financial year 2014-15.

Functions of CSR Committee

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company.

Responsibility of the Board of Directors

- To ensure that at least 2% of average net profit of last 3 preceding years is spent on CSR activities every year.
- '*Net Profit*' shall mean, net profit *before* tax as per books of accounts and shall not include profits arising from branches outside India.
- 2% CSR spending would be computed as 2% of the average net profits made by the company during every block of three years. For the purpose of First CSR reporting the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2014.
- To approve the CSR Policy after considering recommendations of CSR Committee.
- To disclose CSR policy and initiatives in Board's report and Company's website
- To ensure that activities reflected in CSR policy are actually undertaken by company.
- The company does not spend 2% of net profits as required, then Board to report the reasons in the Board's report.

Contents of CSR Policy

- Projects and programmes that are to be undertaken
- List of CSR projects/programmes which a company plans to undertake during the implementation year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

- A statement that surplus arising out of the CSR activity will not be part of business profits of a company.
- A statement that the corpus would include the following:
 - A).2% of the average net profits,
 - B) Any income arising the refrom
 - C) Surplus arising out of CSR activities.

Activities which may be included by companies in their Corporate Social Responsibility Policies (SCHEDULE VII)

Activities relating to:—

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv)Reducing child mortality and improving maternal health;
- (v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi)Ensuring environmental sustainability;
- (vii)Employment enhancing vocational skills;
- (viii) Social business projects;
- (ix) contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) Such other matters as may be prescribed.

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1.4 Research Methodology:

Primary Data: To collect the Primary data Researcher use the interview Method. And Observation Method. Researcher arrange the interview with one of the Director of the organization and visit some sites where the work is going on or completed.

Secondary data: Secondary data inclusive of quantitative and qualitative data as well collected from various sources including books, research papers, newspapers, magazines, and websites is used for the purpose of study.

1.5 Classification of Social Responsibility

I. Responsibilities towards the shareholders

- Safety of investment
- Payment of dividend
- Direct participation in the Management
- Information to the shareholder
- Innovation and Growth
- Public image
- Shareholder's obligation

II. Responsibilities towards the workers/Employees

- Fair wages
- Security to the Workers
- Opportunities to the Worker
- Proper Working Conditions
- Worker Welfare
- Trade Union rights
- Proper Recognition
- Proper Training and Promotion
- Grievance Handling System

III. Responsibilities towards the customer

- Production According to Requirement
- Prompt and Adequate Service
- Attention towards Complaint and Objectives
- Replies to the Enquiries
- Co-operation
- Consumer and Product Research
- Steps to correct imperfection in the Distribution System
- Improve Efficiency of the functioning of Business

IV. Responsibilities towards Community

- Spread of Education
- Meeting
- Help to the Local Government
- Other Responsibilities
- Fair Competition

V. Responsibilities towards government

- Abide by Laws
- Co-operation
- Payment of Taxes and Dues
- Other Responsibilities

1.6 JAYAM and BEJON DESAI FOUNDATION AND CSR

➤ Activities Under JAYAM Foundation:

Jayam' Foundation is a tiny organisation emerging in the fields of 'Environment and 'Rural Health'. 'Jayam' is the brainchild of Late Shri. Jaykumarji Tibrewala and executed through the passion, strenuous efforts and vision of Shri Manojji Tibrewala.

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Within the shorter span of just over two years of its inception, 'Jayam' has done a pioneering work in the field of sustainable environment and rural health, and confined itself to these committed goals.

Jayam has incorporated a novel concept of Water ATM to make Gram Panchayats self-sustaining which was the dream of Mahatma Gandhi and has been incorporated in the Indian Constitution through the 73rd Constitutional Amendment. With its varied novel concepts, Jayam has come to be identified with so many different organisations that have been working in this field for years together.

This will ultimately lead Gram Panchayats actually towards Self – Sustenance and build a strong nation!

Vision of Self-Sustainable Gram Panchayats:

Water is the life of the human being. It is right of every one to get pure water. On this line the novel concept of 'Subscription of Water Withdrawal Card' (on the lines of bank ATM).is implemented by Jayam foundation. The procedure of installation of the R.O. Plant is as per following.

Firstly the available water is tested on the basis of impurity, minerals and hardness. Secondly, when it is confirmed that the water is impure then there is meeting with grampachayat member and villagers. A novel concept of 'Subscription of Water Withdrawal Card' (on the lines of bank ATM).is told to them. When the guarantee is given by the villagers that 50% villagers will be the card holder of this plant then the R.O.plant is installed. The rate of the pure water is Rs.5 per 20 litre. It will be the income of grampanchayat which should be spend for the social activities of the village..For one year the maintenance is free from Jayam foundation and then the plant is handover to the village.

There is Successful installation of 19 R. O. plants in various villages across Nasik district i.e.Chandgiri, Jokhori, Sayyandpimpri.,and one even in the campus of the Dr Babasaheb Ambedkar Marathwada University, Aurangabad by the foundation. Installation of the R.O.Projects make Core changes in the health and attitudes of approximately 10000 households comprising around 80000 individuals.

Environment

Sustainable Environment and pollution free India is the need of the hour. Organisation becomes the largest plantation by any single entity till date in Maharashtra. One lakh plus plantations to the sole credit of the foundation. Eighty-one thousand (81000) saplings on

the area of a hundred and seventy-five (175) acres of forest land. The dream is to plant the man-made forest in rohile.nashik district. In this man made jungle 52 types of saplings are planted .More than ten thousand (10000) saplings planted in various 'Ashram – Shala.15000saplings planted in Chandgiri village, Trymbakeshwar, Yevala, Mahila Mahavidyalaya in Nasik district and in Buldhana district also. 15000 saplings planted in Kashyapi dam and Darana dam Igatpuri.Region One new concept "Bandhavarachi Sheti" is given by this organization. For this purpose Mango, Tamarind(chinch) trees are provided. So farmer can get additional income by selling the fruits. One slogan is also given by the organization "you demand and we will give you the free the sapling at your place". The organization feel proud to say that 90% of the planted sampling are in alive status.

Social

The organisation provides extended help by arranging for the hospitality of the entire team of Swaranand Orchestra of instrumentalists, singers and dancers who are blind, deaf, dumb and even lepers for its charity show in Nasik To Strengthen the pioneering work of Shri Baba Amate financial aid is provides to the ' Maharogi Seva Samiti' Anandwan, Warora. Organisation helps for the Erection of five temples and handle them over to the concerned authorities.

Activities Under Bejon Desai Foundation

'Bejon Desai Foundation' works in the field of education and anything that accounts for as 'radical positive change' in education, may it be imparting 'Teacher Training' under Integrated education following the philosophy of Sir Aurobindo and Mother or be it facilitating vocational training to rural youth.

One of the noteworthy accomplishments of the 'Bejon Desai Foundation' is the establishment of a 'Teacher Training Academy'. It envisions the teacher as the 'Catalyst' to bring about a change in education in particular. The other remarkable activities include vocational training to the rural youth at Pathare village, providing nursing education to seven girls and providing meals to the university hostel students in Aurangabad.

Teacher Training Academy

- Training partner for training the trainers – Sri Aurobindo Society, Puducherry.
- A team of twenty professional trainers having gone through rigorous training.
- Vision of training teachers under the philosophy of Integral Education (IE)

Extending a Helping Hand to the Drought Affected

- Babasaheb Ambedkar Marathwada University's (Aurangabad) drought affected students' situation of losing precious year of education.
- All the hundred and sixty two (162) students were pursuing Post Graduation.
- The foundation arranged for their daily meals during 15th Dec 2015 to 1st May 2016.

Women Empowerment

Girls seeking nursing education were short of funds.

The girls belong to 'Anulakshan Gruh', Dept. of Women and Children's Welfare. The foundation provided financial aids to these seven girls for completion of the course RGNM in The Maratha Vidya Prasarak Samaj's College of Nursing Adgaon and now 5 of them get employment in hospitals

Skill development.

- Empowering socially and financially deprived girls Vocational Training (and Skill Development) Need of the Hour
- Sponsoring training in Electrical Wiring to twenty one students of borsta (jail for minor) house in Nasik\
- Financial aid to thirty one females for a course in Basic Tailoring and to twenty one males for a basic course in Electrical Wiring through our training partner The Kohinoor Technical Institute, Nasik.
- A hundred and eighty (180) students from Std 8th & 9th were trained in three different vocational skills, i.e. Tailoring, Electric Wiring and Mobile Repairing at the Dhnlakshmi High School, Pathardi, Nasik.

Others

Arranging education facility at the construction site for the children of the construction labours.

- Construction of two spacious classrooms of 500 sq. ft. each for the underprivileged children of the school named 'Parivartan'.
- Financial assistance to people suffering from chronic physical disorders like cancer, heart surgery, kidney etc.

1.7 Conclusion:

Society's expectations are increasing towards the social development by the companies. So, it has become necessary for the companies to practice social responsibilities to enhance their image in the society. Even though companies are taking serious efforts for the sustained development, some critics still are questioning the concept of CSR. There are people who claim that Corporate Social Responsibility underlies some ulterior motives while others consider it as a myth. The reality is that CSR is not a tactic for brand building; however, it creates an internal brand among its employees. Indulging into activities that help society in one way or the other only adds to the goodwill of a company. Corporate Social Responsibility is the duty of everyone i.e. business corporations, governments, individuals because of the reasons: the income is earned only from the society and therefore it should be given back; thus wealth is meant for use by self and the public..

For bringing back and maintaining the general balance in the economic and social arena it is evident to think deeply and act wisely about CSR. Every business house owe some responsibility towards the society, nation and world in general which provide it with all human material and natural resources.

As far as the Jayam and Bejon Desai Organisation is concerned, they have to go a long way in fulfilling its duty and responsibility towards the society and the nation. To nurture their dreams and to enhance their skills justifying the statement of the founder, they are working hard and they still have to work hard.

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