

A CASE STUDY ON CSR REPORT OF TRL KROSAKI, BELPAHAR

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ABSTRACT

Profit maximisation is the core goal of all the organisation. But for long run growth of any organisation, it has to think beyond profit and look after to all those stake holders which have a direct and indirect impact on business and these actualisation can be fulfilled by taking responsibility relating to society. In other words it is known as "Corporate Social Responsibility." The paper aims to enlarging an understanding about the Corporate Social Responsibility and its positive impact on society by taking the case study of TRL Krosaki pvt limited and its contribution towards development of Lakhanpur Block.

Keywords: Corporate social responsibility, Stakeholders, Self-sustaining society, Sustainability

1. INTRODUCTION

Corporate social responsibility is the responsibility of an organisation towards the society that survive around it. CSR is the effort of a company towards the improvement of society. The term CSR is relatively new to India but evolution of these concept was before Pre industrialisation period. Before pre industrialisation during 1850 most of the social activities are done by kings and businessman in the form of building, temple and gardens. After 1850 period, the concept of social activity changes slightly due to the dream of Mahatma Gandhi that is building of "Self-Sustaining Society". After returning from South Africa Mahatma Gandhi felt that there is more financial inequality in India which is a bad indicator for the welfare of the society. As more wealth lying in the hands of small groups, so that Mahatma Gandhi emphasized more to social welfare activities. When people of India started uniting for independence, Mahatma Gandhi brought the concept of "Trusteeship". Under these concept the wealthy man of society must contribute for socio, economic welfare of society. After British rule CSR was mainly a philanthropic activity adopted by few big industries. They generally adopted these activities for building their brand and image in the society which was not a selfless activity. After independence and 1980 period, more efforts were made to Globalisation. In India during the period 1991 LPG model developed. By taking advantages of globalisation and reduction of tariff, non- tariff barriers more companies involved in more exports by following international standards and norms which leads to the word "Sustainability." From the evolution of CSR we can clearly understand that CSR activity is not a new concept for India. Furthermore India adopted new law relating to CSR. In the name of CSR more companies were taking advantages by false disclosure of CSR activities. As more private companies were neglecting for contributing to the society, Indian government bound to make law relating to CSR. According to section 135(1) of companies Act, 2013, every company having net worth having Rs 500 crore or more or turnover having Rs 1000 crore or more or net profit having Rs 5 crore or more during any financial year are eligible for providing compulsory CSR. These organisations should provide at least 2% of average net profit of immediately preceding 3 financial year which should be spent in various activities carried out in India. Every organisation is accountable for its economic and social performance. CSR activities helps an organisation to maintain good public image which creates more demand, attract more customers and better skilled employees. It also provide more advantage as compare to rival firm and creates more investment opportunity which helps in creating more revenue. CSR activities also includes sustainability and protection of environment. Moreover all the firms should engaged itself in more CSR activities. The study focuses on various aspects of CSR of TRL Krosaki Refectories limited. As major part of its profit is contributing for society, so it's a matter of fact to study the CSR report of these company. TRL Krosaki Refectories limited, as a subsidiary of Krosaki Harima group, Japan is a refectories manufacturing in India over 66 years incorporated in the year 1958. The company reputed for its world class quality refectories product like Basic, Dolomite, High alumina, Monolithic, Silica, Flow control products, Top hole clay, RH snorkel etc. With great production it also focuses more on corporate governance by creating different policies for employees. Under policies of ethics it has created various code of conduct for employees, customers and other stakeholders also. Most important point is that it created safety rules relating to environment and prevents the wasteful use of natural resources and reducing the emission of greenhouse gases, consumption of water. The organisation conduct its operations in a responsible manner with due attention to safety, health and environment. Except these it also emphasizes whistle blower policy, conflict of interest policy and policy of environment sustainability etc. The company follows CSR activities from its inception before 2014 also. It believes in inclusive growth which have a positive impact on key communities.

2. LITERATURE REVIEW

Malick (2014) showed the impact of CSR on increasing trend of firm's value. Use of CSR as tool of growing trend of income of a company in the form of product marketing, corporate branding, improvement of corporate efficiency, employee ingenuity, better operational performance etc. It's also emphasizes the alignment of social objective with corporate objective and also maintain relationship between other stakeholders. CSR also helps in developing corporate goodwill by making itself as more socially accountable. Moravcikova et al. (2015) studied the communication system of CSR by an organisation for its stakeholders systematically. The paper showed also about the integrated reports which brings together all the material information relating to CSR at one place that is the Annual report. The paper surveyed in Slovakia and abroad to study the number of companies adopting CSR reporting which is increasing day by day.

Coasta & Menichini (2013) viewed the perception of various stakeholders on CSR decision of a company. The paper seems that there is a positive impact of CSR on an organisation. These study shows that stakeholders felled that through CSR activities customer gratification increased with increase in sales and goodwill of the organisation. Chang & Yoo (2023) has analysed the relationship between strategic decision of a company relating to internal and external environment and the impact of CSR on industrial growth rate and firms growth in Korea country. The study focuses CSR as an important management strategy element. The paper studied the rapid growth of Korean industry with the effect of CSR.

Krizanova and Gajanova (2016) viewed the various principles of CSR and its financial and non-financial benefits to an organisation. The paper also analysed the long term effect of CSR on an organisation. The paper also showed the importance of CSR on business. The survey conducted on 47 respondents of Slovak enterprises. He & Li (2011) examined the effect of brand identification and service quality on CSR. The author used various models and statistical tools for moderating variable to show these effect. For testing the hypothesis the author conducted survey on various customers by using mobile telecommunication services. Except service quality and brand identification the variables used are CSR and customer satisfaction, brand loyalty. The analysis used structural equation modelling with AMOS 18.0. The study justified that brand identification plays an important role for brand loyalty.

Kuldeep & Mishra (2021) analysed the relationship between CSR and European firms to show the positive impact of CSR on firm's growth rate and its increasing reputation. The paper is based on cross sectional research. The study found that CSR predicts the organisational performance on the basis of customers and community relating to particular company which providing CSR.

Yeon (2016) showed the moderating effect of corporate governance structure by emphasizing the CSR and its effect on performance of organisation. At first stage of analysis the paper focuses on positive effect of CSR on firm's growth rate. Secondly, the paper considered the moderate effect of corporate governance and CSR.

Saadaoui & Salah (2023) showed the relationship between performance of bank and CSR. The paper analysed that CSR has a negative link with bank's performance.

But financial stability and liquidity position with availability of adequate capital are the most important factors for enhancing bank performance. Athanasopoulou et al (2024) based on two approaches that is Experimental CSR and consistency oriented CSR implementation. The paper emphasized that CSR should be implemented at consistency level. Srivastava et al. (2012) studied the concept of CSR and analysing its scope by considering the CSR activities done by TATA group of industries.

3. OBJECTIVE OF THE STUDY

- To understand the concept of CSR
- To find out the impact of CSR on an organisation
- To know how TRL KROSAKI, BELPAHAR has fulfilled its responsibility towards the society of last five years after implementation of CSR law in India.

4. METHODOLOGY

The data required for these study has collected from the secondary sources. Most of the data collected from websites of TKRL limited. Except these I collected various qualitative data from books, magazines and research paper. All quantitative data relating to the company are collected from its Annual report of different years and CSR reports.

5. RESULTS AND DISCUSSION

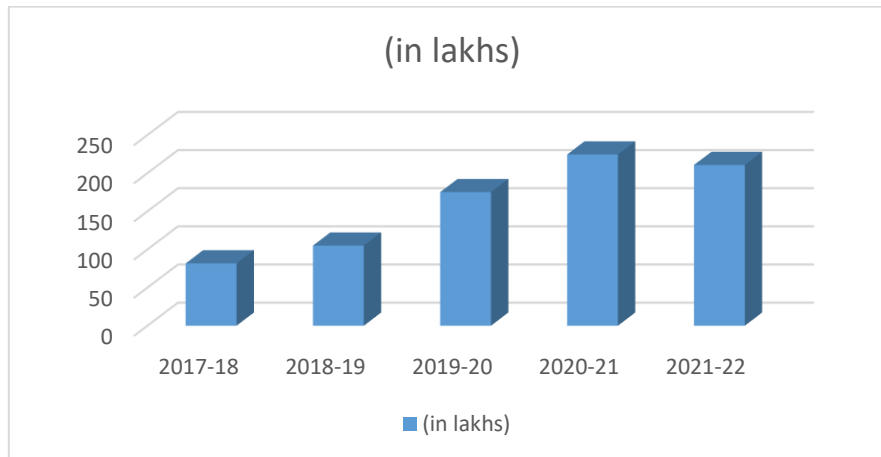


Figure 1: Year wise CSR expenditure made by TRL krosaki limited.

Source: Website of TRL Krosaki

Figure 1 shows the CSR activities done by TRL Krosaki in last five years from financial year 2017-18 to 2021-22. During 2017-18 it was 81.68 lakhs. After that it has increased gradually. In 2019-20 it was 175.13 lakhs and in 2020-21 it was further increased to 224.37 lakh. During 2021-22 it was slightly decreased that is 210.71. It has seen that the company always contribute huge amount to CSR which is more than 2% of net profit.

YEAR WISE CSR REPORT OF TRL KROSAKI

1. FINANCIAL YEAR 2017-18

Under these period 2% of the average net profit of the last three financial year was 54.54 lakhs. But the total amount spend was more than it which was 81.68 lakhs. Various activities were done relating to Education, Health care, Drinking water and sanitisation, Agriculture, Sustainable livelihood, Ethnicity, Environment, Rural infrastructure and Sports.

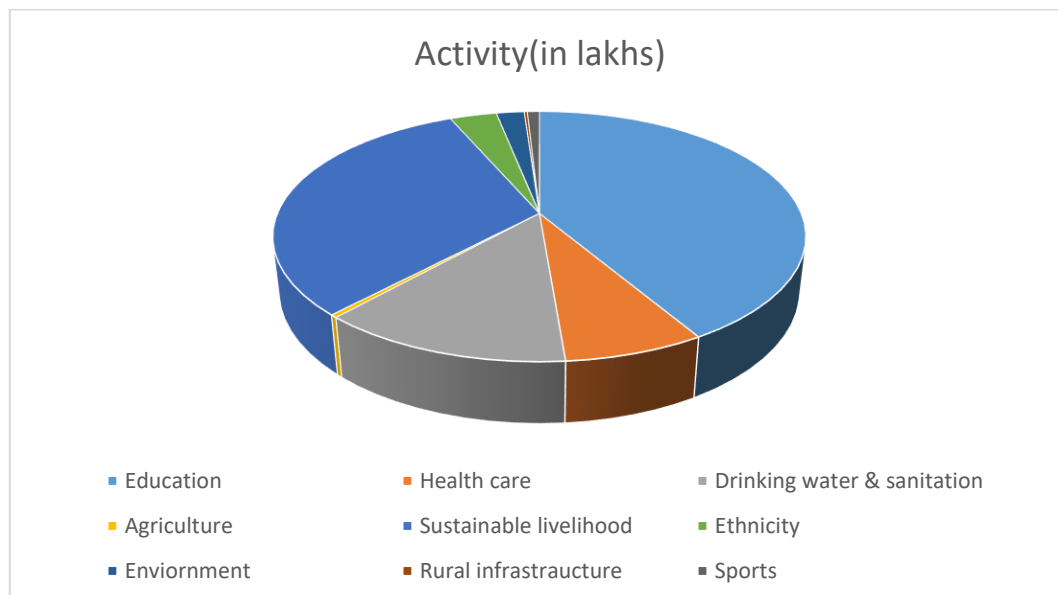


Figure 2: Source wise investment of CSR during FY 2017-18

Source: Annexure to the CSR Annual Report 2017-18

From figure 2 we can identify that more investment were under Education sector that is 33.88 lakhs. Under education various types of education were provided to meritorious students under “Ekalavya” scheme. Health care includes 5.90 lakhs relating to organising health camps, family planning camps and immunisation & pulses polio programmes etc. 10.59 lakhs were invested in supply of drinking water and construction of bathrooms in rural area. Contribution to the farmers were .71 lakhs by promoting lift irrigation and supply of pumps. The company also provided 25.71 lakhs for skill development training to unemployed youth. It also made investment in supplying sports items to rural areas and schools. Except that it also helped by providing financial support to cultural or social events and in building orphanage etc.

2. FINANCIAL YEAR 2018-19

Under figure 3 key community area were indicated where the company serve to the people that is belpahar and nearby villages of Lakhanpur block.

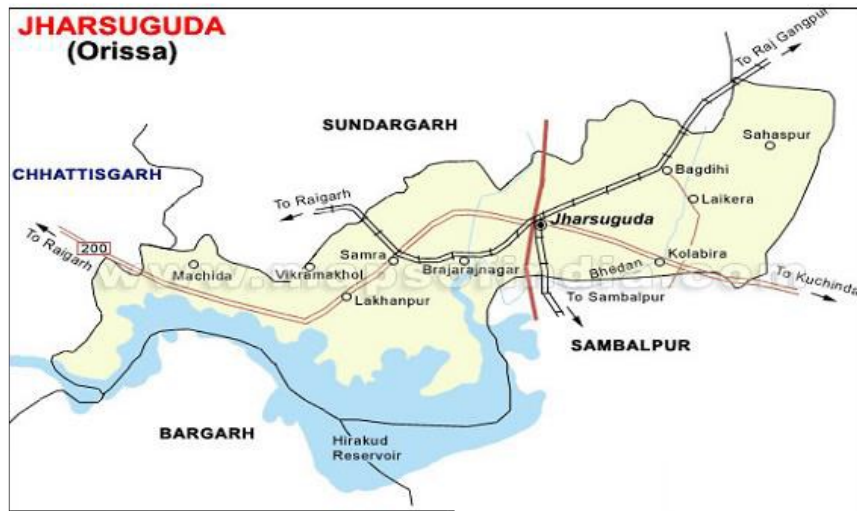


Figure 3: Key community area.

Source: CSR REPORT OF FY 2018-19

Various developmental activities organised during 2018-19 FY were as follows.

1. Under Ekalavya scheme free residential education were provided.
2. Financial support for education of differently abled Children in a special school “ Prerana ”
3. Organising health camps in villages and promotion of healthy child programme.
4. Under operation “khushi” correction of cleft lips and platelets were done and a partnership is also made with “Smile train foundation for improve health care facility etc.
5. Various awareness programme had conducted relating to health and hygiene and Tata Nest modular public toilet installed during these period.
6. Except that various self-employment training were provided to unemployed people and SHG group.
7. By planting trees and distributing of saplings, maintaining nursery it has developed a green revolution in the society.

3. FINANCIAL YEAR 2019-20



Figure 4: CSR expenditure under different sector

Source: CSR report FY 2019-20

Figure 4 shows that total expenditure during the period is 175.13 lakh. From these 37.44 lakhs were spent education sector which is the second highest figure. During these period more amount were spent for developing rural infrastructure which is 46.75 lakhs. Except that 31.1 lakhs were invested in skilled development programme known as RESTI. Other that other developmental activities were also done.

4. FINANCIAL YEAR 2020-21

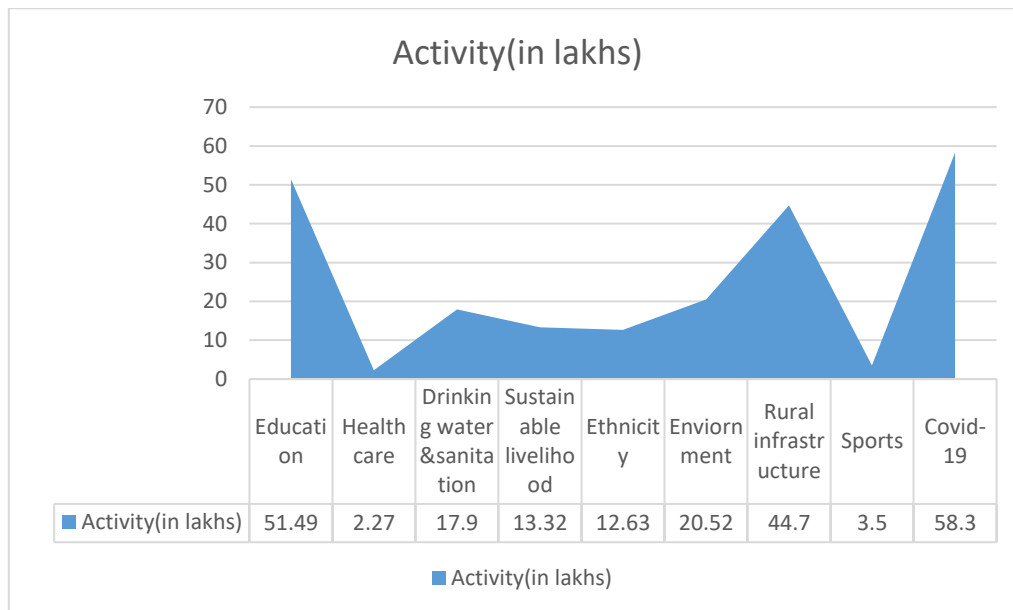


Figure 5: Bifurcation of CSR expenditure according to different source

Source: CSR report of FY 2020-21

From the figure 5 we can see that more CSR activities were done as compare to last four to five years which is 224.37 lakhs. During these period more expenditure were relating to COVID-19 that is 58.3 lakhs. For education sector it is 51.49 lakhs and in rural infrastructure it was 44.7 lakhs.

5. FINANCIAL YEAR 2021-22

In FY 2021-22, total amount of CSR spent were 210.71 lakh. The programmes were relating to education, health care, drinking water and sanitation, sustainable livelihood, ethnicity, environment, infrastructure and sports, covid-19.

CSR Action Plan for 2021-22			
Programme	Sl.No.	Activities	Timeline for Execution
Education	1	Merit cum Means Scholarship to the meritorious students from the community studying in BR High School and BEM School (not applicable to Employee Wards)	Q1-Q4
	2	Support meritorious but poor SC/ST students in continuing their education from Class VI to Class X in BR High School (with free lodging & boarding) (Ekalavya Scheme)	Q1-Q4
	3	Meeting the running expenditure of "Prerana" - a school for differently abled children	Q1
	4	Meeting the running expenditure of Belpahar Education Society (BEST), an institute registered under Societies Act	Q1
	5	Improvement of quality of education through development of education infrastructure - Overall development of GL High School	Q3
Health Care	1	Organizing Health Camps/ family planning camps	Q3 - Q4

		Focused programme on Healthy Child	Q3 - Q4
	2	Organizing partnership programme with Govt. Health Care Programme.	Q3 - Q4
Drinking Water & Sanitation	1	Supply of drinking water through tankers (regular and during summer season) in local area.	Q1 - Q4
	2	Renovation of Public Toilet at Jamkani	Q3
Sustainable Livelihood	1	Running Rural Self Employment Training Institute (RSETI)	Q1 - Q4
Ethnicity	1	Extending support to Cultural/Social events to promote culture, promoting local artifacts/handicraft	Q1 - Q4
Environment	1	Maint. Of nursery, Distribution of saplings & seeds to schools, villages, govt. offices, nearby Industries. Roadside plantation in Belpahar Municipality Area. Watering and Maintenance of Suncity Chowk Garden	Q1 - Q4
	2	Maintenance of Plantation at Chuinpali Village	Q1 - Q4
	3	Plantation at Kadupada (2000 saplings)	Q2 - Q4
	4	Solar pump with pump house for irrigation Facility	Q3-Q4s
Infrastructure	1	Construction of Bitumen Road from TRL Fatak to Bombay Dying Chowk	Q1 - Q3
Sports	1	Supply of Sports items i.e. Volley Ball, Football, Volley Ball Net, Cricket Kit to village sports clubs and schools	Q1 - Q4
	2	Organising football/ cricket, etc. training camp	Q3 - Q4
COVID-19	1	COVID Prevention Activities	Q1 onwards

FIGURE 6: CSR report 2021-22

Source: CSR report 2021-22

6. CONCLUSION

Every organisation in the world is liable to take some responsibility towards the society. Companies generally involved in production of various products and services and which effect to our society and environment. So it is a key responsibility of every organisation to do some impactful activities for the society which can help them in their development. As far as TRL KROSAKI organisation concerned, it has gone a better way in fulfilling its responsibility towards the society. It has emphasized to its society by the way of helping in different sectors. From that most important is Education and eradication of unemployment through skill development. These needs are actually a current problem in our country. For development of farmers also it has provided more agricultural facility. With the help of TRL KROSAKI people from Lakhanpur block are more benefited. Socio- economic and infrastructural, environmental aspect of the society are increasing day by day. At the time of COVID-19 also it has helped to the society. Moreover, these company has unselfish and philanthropic attitude towards the society which may provide more customer loyalty.

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