

A Project Report on the Impact of Csr Activities of Anna-Kitex on Kizhakkambalam Grama Panchayath

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Abstract

A prospective ideology and a price system are the core of Corporate Social Responsibility (CSR) and also the same is being disseminated through the welfare activities. Thinking on the far side the necessary necessities and obtaining involved the lives of the individuals within the community to alleviate the social issues and thereby making resilience is the true reflection of such a powerful philosophical foundation. Kitex Limited is a growing corporate in Kerala and it's one among the biggest personal sector employers within the state. Kitex- Twenty20 association could be a cluster fashioned by the corporate to have interaction in active politics. In 2015, the cluster entered into active politics and won seventeen out of nineteen seats in Kizhakkambalam panchayath of Ernakulam district in Kerala, India. The aim of the case study is to know the varied company Social Responsibility activities of Kitex- Twenty20 association and to visualize whether or not these activities helped them to win the native body elections in 2015. it's found that the corporate has done a series of CSR activities effectively and it made-up the approach for the success of the association within the election. The study conjointly reveals that Kitex Ltd is within the forefront in social activities instead of in economic and environmental activities.

Keywords:

1. Introduction

Corporate Social Responsibility (CSR) may be outlined as a Company's sense of responsibility towards the community and surroundings within which it operates. Socially accountable firms don't limit themselves to victimisation resources to interact in activities that increase solely their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth. The Companies Act, 2013 has developed Section 135, firms CSR Rules, 2014 and Schedule VII that prescribes necessary provisions for firms to fulfil their CSR. The 2013 Act is split into twenty-nine chapters containing 470 sections as against 658 Sections within the firms Act, 1956 and has seven schedules. The Act has replaced The Companies Act, 1956 once receiving the assent of the President of Republic of India on 29 August 2013. The Act came into force on twelve Sept 2013 with few changes like earlier personal firms most variety of members were fifty and currently it'll be two hundred. A replacement term of "one-person company" is enclosed during this act which will be a personal company and with solely ninety-eight provisions of the Act notified. A complete of another 184 sections came into force from 1 Apr 2014.

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An up-and-coming area for allocation of CSR resources is on improving the diet of those suffering from malnutrition and on environment protection.

However, since quite 1/3rd of the businesses aren't compliant with CSR rules and cathartic connected information, as mentioned on top of and this shows that larger government regulation and aid is required in fitting a radical system to assist them channelize and report their mandated CSR aid. what is more, the govt. should notice some way to utilize unused business enterprise aid from the past year. firms have conjointly been found to be but economical in allocating resources and tasks to their subsidiaries and holdings to hold out their transferred CSR tasks.

2. Literature Review

Articles revealed by varied authors were referred for the aim of this study. It includes articles regarding company Social Responsibility. they're mentioned below.

1. Cannon (1992) mentioned the event of company social responsibility via the historical development of business involvement resulting in a post-war re-examination of the character of the link between business, society and government.

2. Fredrick (1986, 1994) known company social responsibility as associate examination of corporations' responsibility to figure for social betterment and refers this to as CSR1. in keeping with Frederick (1994), the move to "corporate social responsiveness" started from 1970, that he refers to as CSR2.

3. in keeping with Porter and Kramer (2006) there's an absence of success with the company's efforts associated with CSR in rising business results. higher link of CSR with key business supply permits employers to acknowledge that it will be a supply of: opportunities, innovation and competitive advantage.

4. Baker (2006) argues that proponents of CSR claim that it's within the enlightened self-interest of business to undertake varied types of CSR. A report by the globe Business Council for property Development explicit in its introductory section on company social responsibility (World Business Council for property Development, 1999) that: business edges accrue from the adoption of a broader view, that allows business to observe shifts in social expectations and helps management risks and establish market opportunities.

5. Samuel O. Idowu (2007), with their study of twenty firms in U.K., propounded that the U.K. firms has currently become moral within the content of social responsibility as firms disclose its CSR with a read of public edges, government request and issue info to stakeholders as a result of the businesses assume that stakeholders of twenty 1st century area unit higher educated them past.

6. Vaaland, Heide (2008), paper supported a case study methodology. The paper purpose was to handle the CSR essential incidents and utilize this expertise in imposing the CSR activities.

7. Gond, Crane (2008), created associate analysis on the distortion of company social performance construct. The analysis analysed that the past analyses and located some reason of rising fall within the interest of company social performance research among the students.

8. Truscott, Bartlett, Trwoniak (2009), paper "The name of company Social Responsibility business in Australia in Australian selling journal, supported case study methodology. On the premise of the interview of key persons of industries in Australia, the term CSR has been explained. The businessman disclosed that CSR more and more has become important.

3. Objectives of the Study

- To understand the economic, social and environmental aspects of Corporate Social Responsibility carried out by Kitex Limited.
- To examine whether the company cohere to the CSR specification as per the Companies Act 2013.
- To study the growth of the company after the implementation of Twenty20 organisation.
- To find out whether the CSR activities of Kitex Ltd helped them to win local body elections at Kizhakkambalam.

4. Research Methodology

For this project we have adopted secondary data collection. For secondary data we relied on Kitex group at Kizhakkambalam to gather the data regarding the CSR activities of the company to collect finance related information we used the CSR report of the company which was prepared based on annual basis.

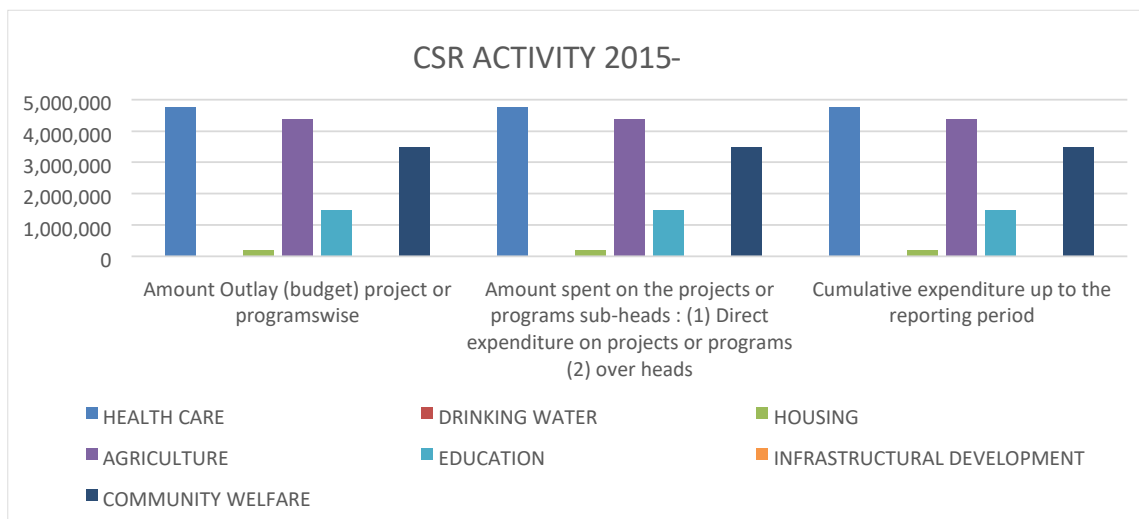
5. Data Analysis

PART I- The economic aspects of CSR carried out by Kitex Ltd.

CSR activities of Kitex during 2015

CSR ACTIVITY 2015			
CSR project activity	Amount Outlay	Amount spent on the projects	Cumulative expenditure up to the reporting period
HEALTH CARE	47,60,000	47,59,866	47,59,866
DRINKING WATER	0	0	0
HOUSING	1,97,000	1,96,477	1,96,477
AGRICULTURE	43,79,000	43,78,061	43,78,061
EDUCATION	14,80,000	14,80,958	14,80,958
INFRASTRUCTURAL DEVELOPMENT	0	0	0
COMMUNITY WELFARE	34,74,000	34,74,958	34,74,958

Graph showing the CSR activities during the year 2015



Interpretation:

From the above graph and data, we can see that among the CSR projects during 2015, the company focused on health care sector more than that of other sectors. The second position comes the agricultural sector. The company didn't pay attention to the drinking water sector and infrastructural development in this year. The total amount spend by the company for its CSR activities is 1,42,90,320 crore.

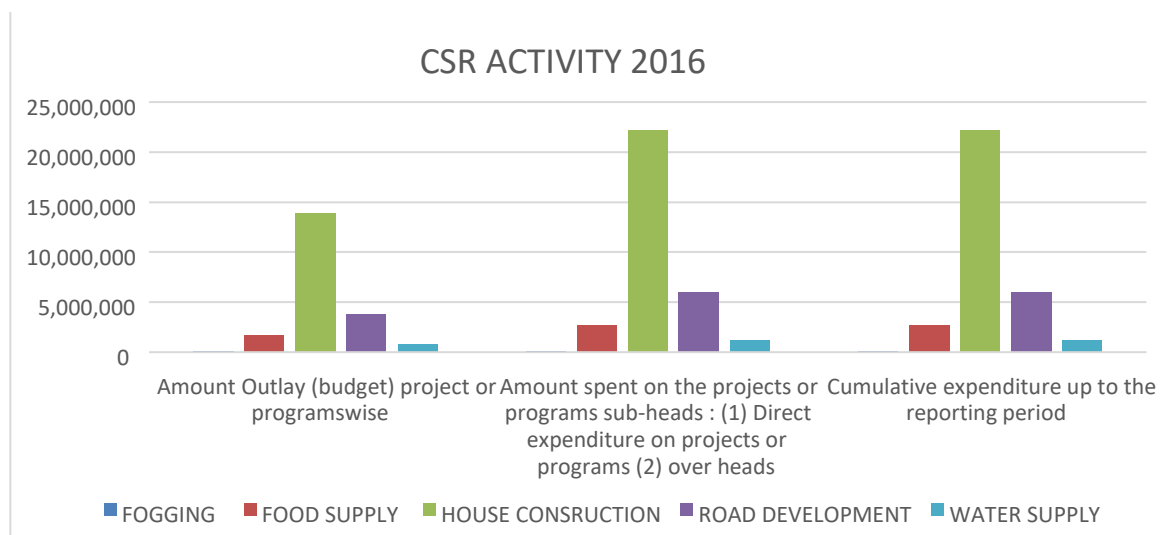
CSR activities of Kitex during 2016

CSR ACTIVITY 2016			
CSR project activity	Amount Outlay	Amount spent on the projects	Cumulative expenditure up to the reporting period
FOGGING	12,000	19,000	19,000
FOOD SUPPLY	16,63,000	26,58,000	26,58,000

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HOUSE CONSRUCTION	1,38,51,000	2,21,41,000	2,21,41,000
ROAD DEVELOPMENT	37,51,000	59,96,000	59,96,000
WATER SUPPLY	7,23,000	11,56,000	11,56,000

Graph showing the CSR activities during the year 2016



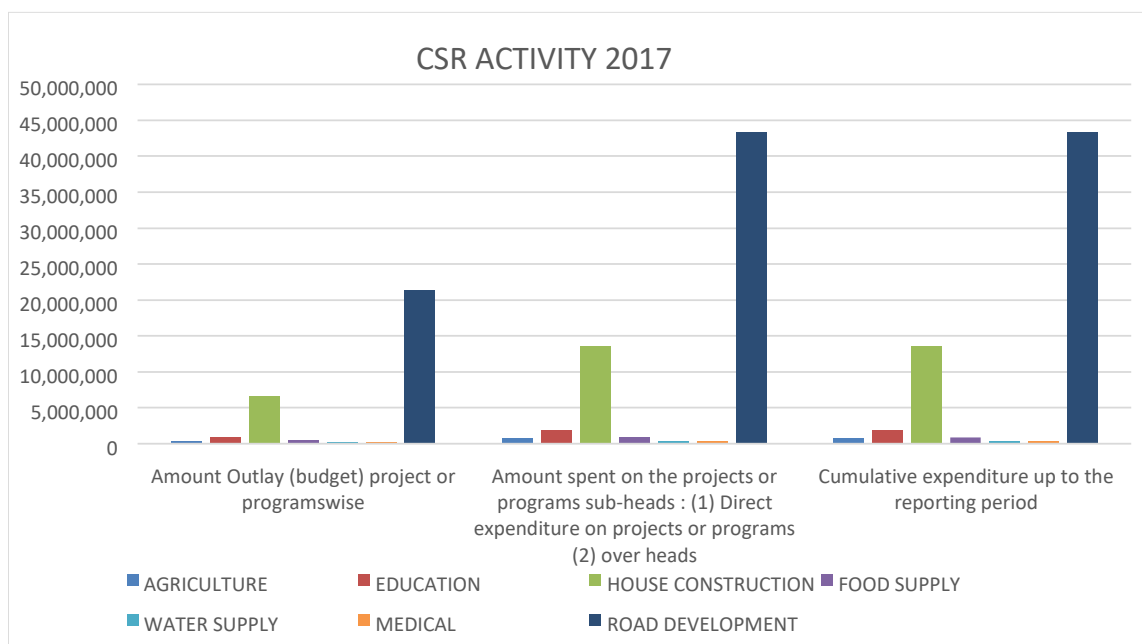
Interpretation:

From the above graph and data, we can see that among the CSR projects during 2016, the company focused on home construction sector more than that of other sectors. The second position comes the road development sector. The total amount spend by the company for its CSR activities is 3,19,70,000 crore.

CSR activities of Kitex during 2017

CSR ACTIVITY 2017			
CSR activity	Amount Outlay	Amount spent on the projects	Cumulative expenditure up to the reporting period
AGRICULTURE	3,45,038	7,00,905	7,00,905
EDUCATION	9,40,202	19,09,913	19,09,913
HOUSE CONSTRUCTION	66,34,083	1,34,76,369	1,34,76,369
FOOD SUPPLY	4,45,839	9,05,670	9,05,670
WATER SUPPLY	1,45,846	2,96,267	2,96,267
MEDICAL	1,64,329	3,33,815	3,33,815
ROAD DEVELOPMENT	2,13,24,663	4,33,18,577	4,33,18,577

Graph showing the CSR activities during the year 2017



Interpretation:

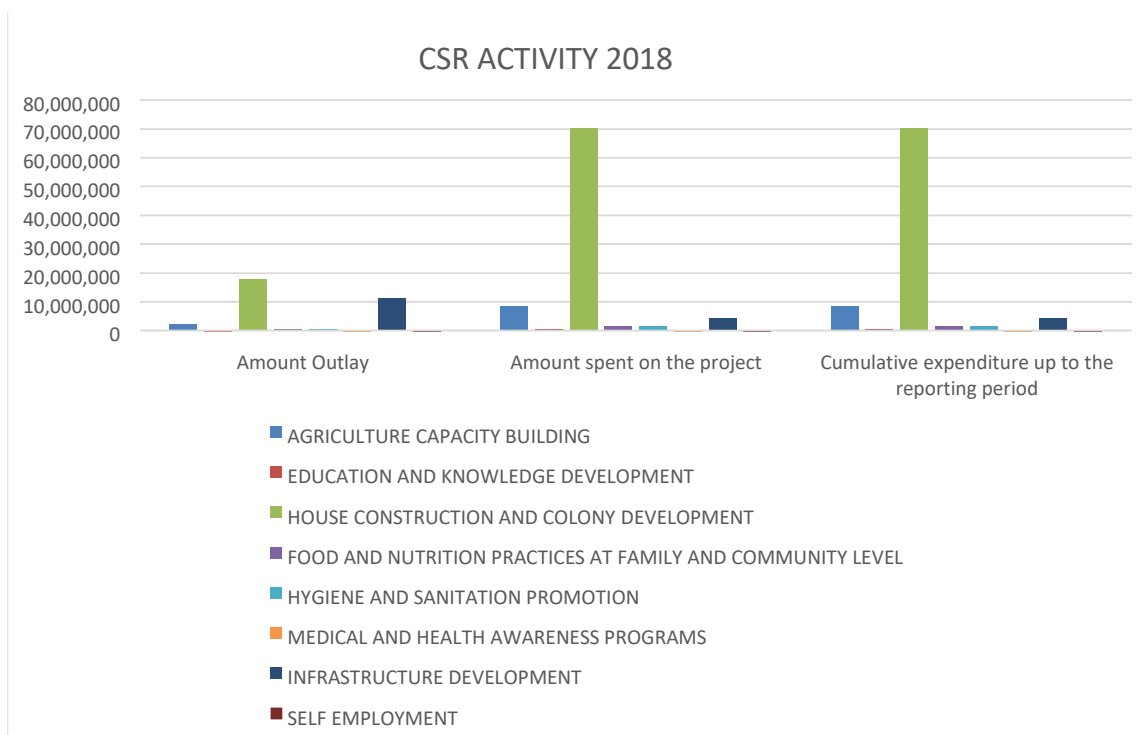
From the above graph and data, we can see that among the CSR projects during 2017, the company focused on road development more than that of other sectors. The second position comes the house construction sector. The total amount spend by the company for its CSR activities is 6,09,41,516 crore.

CSR activities of Kitex during 2018

CSR ACTIVITY 2018			
CSR project activity	Amount Outlay	Amount spent on the project	Cumulative expenditure up to the reporting period
AGRICULTURE CAPACITY BUILDING	21,80,059	86,86,992	86,86,992
EDUCATION AND KNOWLEDGE DEVELOPMENT	1,25,147	4,98,679	4,98,679
HOUSE CONSTRUCTION AND COLONY DEVELOPMENT	1,76,32,018	7,02,59,213	7,02,59,213
FOOD AND NUTRITION PRACTICES AT FAMILY AND COMMUNITY LEVEL	4,13,348	16,47,088	16,47,088
HYGIENE AND SANITATION PROMOTION	3,92,993	15,65,979	15,65,979
MEDICAL AND HEALTH AWARENESS PROGRAMS	68,568	2,73,228	2,73,228
INFRASTRUCTURE DEVELOPMENT	1,11,66,266	44,94,799	44,94,799
SELF EMPLOYMENT	21,601	86,076	86,076

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Graph showing the CSR activities during the year 2018



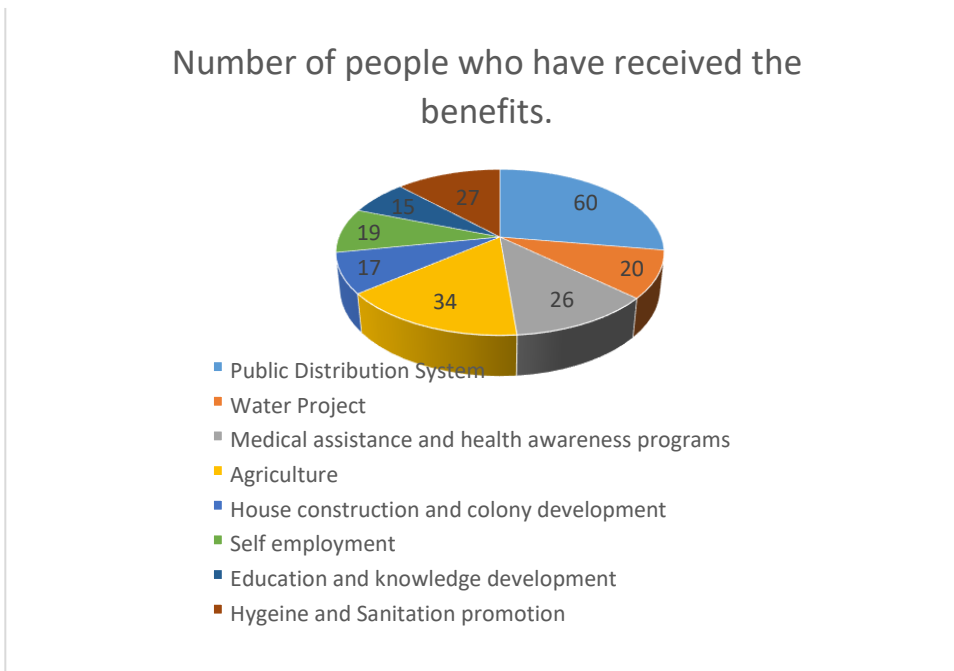
Interpretation: From the above graph and data, we can see that among the CSR projects during 2018, the company focused on health care sector more than that of other sectors. The second position comes the agricultural sector. The company didn't pay attention to the drinking water sector and infrastructural development in this year. The total amount spend by the company for its CSR activities is 8,75,12,054 crore.

PART II-Social aspects of CSR carried out by Kitex Ltd

Table showing the number of people who have acquired the services of Kitex Ltd

Kinds of Benefits	Number of people who have received these benefits.
Public Distribution System	60
Water Project	20
Medical assistance and health awareness programs	26
Agriculture	34
House construction and colony development	17
Self employment	19
Education and knowledge development	15
Hygeine and Sanitation promotion	27

Graph showing the number of people who have acquired the services of Kitex Ltd



INTERPRETATION: From the above graph and table, the CSR activities carried out by Kitex in relation to social aspects is more focused on Public Distribution System(PDS) where out of 60 people,60 of them got this service from Kitex Ltd company as a part of their CSR activities. The graph also shows that only 15 people out of 60 got the Education and Knowledge development service from their CSR activities.

PART III-Environmental aspects of CSR carried out by Kitex Ltd

The company promotes various environmental activities for the sustainable development of the society. The activities under CSR includes:

1. Electrification in all houses with support of solar and bio gas facilities also where basic electricity availability is scarce due to infrastructural problems.
2. Waste to be treated through bio gas plants and other modern techniques and ensure no pollution.
3. In Sustainable Livelihood their programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through Formation of Self Help through collective faming of multi-crop harvesting, Groups for women empowerment, Vocational training through Kitex Group Technology Parks, Agriculture development and better farming abilities through rain water harvesting.
4. In Infrastructure Development they endeavour to set up essential services that form the foundation of sustainable development through renewable sources of energy for example wind energy, fully-automated boiler, Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP).

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COMPANIES CSR AS PER THE COMPANY'S ACT 2013.

The table shows the company's CSR specification as per companies act 2013.

Company's Act, 2013	YEAR	Net worth of Kitex(in crores)	Net profit of Kitex(in crores)	2% of average net profit(in crores) during the 3 preceding financial years	Amount spent for CSR activities(in crores)
If: Net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 crore or more, or Net Profit of Rs. 5 crore or more. Then: Amount spend for CSR Should be 2% of the average net profits of the company made during the 3 preceding financial years.	2015	263.88	98.52	75,91,333(lakhs)	1.43
	2016	364.99	112.09	1.24	3.12
	2017	444.59	92.22	1.78	6.094
	2018	498.70	70.02	2.018	8.75

Interpretation: The table shows that after the implementation of CSR in 2015, the amount spent by the company for CSR activities amounts to 1.43 crore which is above 2% of the average net profits of the company made during the 3 preceding financial years. The company also adheres to the specifications as per The Company's Act 2013 followed by the financial year 2016,2017 and 2018 where the 2% of the average net profits of the company made during the 3 preceding financial years are 1.24, 1.78 and 2.018(in crores) respectively.

Growth of the company after the implementation of Twenty20 organisation.

The table showing the Growth of the company after the implementation of Twenty20 organisation.

NETPROFIT BEFORE IMPLEMENTATION OF CSR		NETPROFIT AFTER IMPLEMENTATION OF CSR	
YEAR	AMOUNT(IN CRORES)	YEAR	AMOUNT(IN CRORES)
2014	57.37	2015	98.52
2013	29.38	2016	112.09
2012	27.12	2017	92.22
2011	20.63	2018	70.02
TOTAL	<u>134.5</u>	TOTAL	<u>372.85</u>

Interpretation: The table shows that the net profits after implementation of the CSR in Kitex company is more by 238.35 crore when comparing with the net profits before implementing CSR by the company. The net profit before implementing CSR of 4 years is 134.5 crores and the net profit of the company after implementing CSR of 4 years is 372.85 crores.

6. Conclusion

The CSR implementation in the companies pays more attention in the society which helps them in increasing the profit and also helps in building their image. The CSR agendas are locally owned and make a significant contribution to local development priorities by doing those activities by creating a space to explore their relationship between the business and the society at a regional, national and local level. The implementation of CSR by Kitex Company was one of the reason for their increase in their profits. The CSR has a great impact on the company as it lead the Kizhakkambalam Grama Panchayat in gaining more services which created a development in the society in terms of economic, social and environmental aspects.

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