

Corporate Social Responsibility Practices of Selected Telecom Companies in India

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Abstract

Corporate social responsibility is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. The main purpose of this study is to find out the Total Expenditure and corporate social Responsibility activities performed by selected telecom companies. The sample is taken from the annual reports, Sustainability Reports and CSR reports of two leading companies Bharti Airtel Limited and Vodafone idea Limited.

Introduction

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the public. By practicing corporate social responsibility, companies can be conscious of the kind of impact they are having on all aspects of society including economic, social, and environmental.

Corporate Social Responsibility (CSR) is a continuing commitment of business towards society for economic development & improving the quality of life of the workforce & their families as well as of local community. CSR no longer represents a burden, but instead it is seen as a means of enhancing reputation and trustworthiness among stakeholders. CSR is treated as a vehicle through which companies give something back to the society. Every business firm has to work within the society by using its resources like material, money, man and skills. Society also provides market to the business to sell its goods. Business depends on society for survival, sustenance & reassurance. Society & environment benefits the business firm so it is the responsibility of the firm to use its resources in a sustainable manner, so that future generation can avail the benefits of the natural resources. Corporate social responsibility is a broad concept

that can take many forms depending on the company and industry. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their own brands. As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employee and corporation; they can boost morale and can help both employees and employers feel more connected with the world around them.

In order for a company to be socially responsible, it first needs to be responsible to itself and its shareholders. Often, companies that adopt CSR programs have grown their business to the point where they can give back to society. Thus, CSR is primarily a strategy of large corporations. Also, the more visible and successful a corporation is, the more responsibility it has to set standards of ethical behavior for its peers, competition, and industry.

Corporate social responsibility is a type of international private business self-regulation. While once it was possible to describe CSR as an internal organizational policy that time has passed as various international laws have been developed and various organisations have used their authority to push it beyond individual or even industry-wide initiatives. While it has been considered a form of corporate self-regulation for some time, over the last decade or so it has moved considerably from voluntary decisions at the level of individual organisations, to mandatory schemes at regional, national and even transnational levels.

Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders.

Over the past few years, as a result of rising globalization and environmental issues, the perception of the role of corporates in the broader social context within which it operates, has been altered. Corporates consider themselves as an integral part of society and accordingly act in a social responsible manner that goes beyond economic performance. In India, many firms (whether public or private) are doing CSR practices to meet various needs of society and contributing for socioeconomic development of the society. In this paper, companies are taken from different sectors. Different sectors have different level of impact on environment as their requirements and business activities are different. All these industries contribute significantly to

the economic stability and development of the nation. Everyone has expectation towards these industries whether it is government, society, NGOs and community etc. so these companies are taking various CSR initiatives towards society and environment. The present paper is an attempt to disclose the CSR & Sustainable development practices of selected public & private companies in the Indian context.

According to sec 135 of Company Act 2013, every company:-

- Having net worth of 500 Cr. Or more
- Having turnover of 1000 Cr, or more
- Having net profit of 5 Cr. Or more

During any financial year shall constitute a CSR committee of the Board Sec 135(5) of company act 2013 set mandatory spending by the company in every financial year, at least 2% of its Average net profits made during the three immediately preceding financial year.

2. Literature Review

Corporate Social Responsibility secretariat Loksabha (2013) provides National voluntary guidelines 2009 for corporate social responsibility, core elements of CSR policy of a company, Implementation guidance, Provision for CSR in Company Bill, 2012, activities according to schedule 7th of Companies Bill, 2012 and guidelines on CSR for public enterprises.

Sharma (2014) in his research paper “**A Comparative Study of Corporate Social Responsibility Practices of Selected Public and Private Sector Companies in India**”. This paper is an attempt to explore CSR initiative of selected public & private sector companies in India. For this purpose 20 companies (10 from public sector & 10 from private sector) are selected from different sectors i.e. Oil & gas, power & electricity, chemicals & fertilizers, heavy electrical & engineering, metals & mining. Data has been collected from websites, annual reports, sustainability reports & Business Responsibility Reports of selected companies. Appropriate statistical tools (Mean, S.D, Rank, T-test etc.) have been used. The findings of this study provide an insight about the CSR practices and fund utilization by selected companies on the basis of parameters given by Ministry of Corporate Affairs India. All these companies are focusing well in relation to CSR initiatives but a few companies are spending as per norms. Research Limitations: Main limitation of this study is that it is based only on the one year data

i.e. 2012-13 given in annual reports, sustainability reports and Business Responsibility Reports of selected companies.

3. Objectives:-

- (i) To list various Corporate Social Responsibility activities of selected telecom companies.
- (ii) To know about the total expenditure spend on CSR activities by selected companies.
- (iii) To make comparison of different CSR activities of selected companies.

4. Research Methodology:-

Sample is taken from two leading telecom companies selected through convenient sampling. These companies are having a huge market share in the Indian Economy and are taking CSR and Sustainability development initiatives. Bharti Airtel Ltd and Vodafone idea Ltd Companies are selected for my Research study.

Source of Data: The study is totally based on Secondary data. Data is collected from Annual reports, Sustainability reports and Business responsibility reports of the selected companies and websites.

Period of Study: The data has been examined for one financial year 2017-18

Analysis of Data: - 11 parameters given by Ministry of Corporate Affairs and schedule VII of companies' Act 2013 are used. These parameters are follows:

1. Eradicating extreme hunger & poverty
2. Promotion of education
3. Promote gender equality & empower women
4. Reduce child mortality& improving maternal health
5. Combating HIV/AIDS, Malaria & other diseases
6. Ensure environment sustainability
7. Empowerment of communities
8. Up lift meant of the Marginalized & underprivileged sections of the society
9. Social business projects/ Infrastructure development
10. Contribution to PM Relief Fund or any other fund of central & state govt.
11. Relief & assistance in the event of a natural disaster

In this study, analysis has been done on the basis of (1) CSR expenditure (2) CSR activities in 2017-18 of selected telecom companies. These initiatives are based on the parameters given by Ministry of Corporate Affairs and schedule VII of companies Act 2013.

Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 16 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks among the top three mobile service providers globally in terms of subscribers.

In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G, 4G wireless services and mobile commerce. Bharti Airtel had over 413 million customers across its operations at the end of March 2018.

Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years (%) 0.26.

List of activities in which expenditure in point has been incurred:-

1. Education promotion.
2. Higher and technical education.
3. Community development.
4. Employability and entrepreneurship.
5. Sanitation.
6. Restoration and establishment of building of historical importance.

Average net profit before tax of the Company for last three financial years	107,313.00
Prescribed CSR Expenditure (2% of the amount as above)	2,146.26

Details of CSR spent during the year

a) Total amount to be spent for the financial year	2,146.26
i) Amount spent towards CSR activities	245.37
ii) Amount spent towards other charitable activities	32.59
b) Amount Unspent 1,900.89*	

c) Manner in which the amount spend during the financial year is detailed below:

The Company has contributed 245.37 M as CSR contribution under Section 135 of Companies Act, 2013. In addition the Company has also contributed 32.59 M to various other charitable activities. The consolidated contribution of the Company towards various CSR programs during the financial year 2017-18 is **277.96 M.** (H Millions)

S.no	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Satya Bharti School Program	Promotion of education	Specified Below(1)	448.80	179.79	1390.90	Bharti Foundation
2	Satya Bharti Abhiyan	Sanitation	Ludhiana and Amritsar	120.5	10.81	119.51	Bharti Foundation
3	Educate a Child	Promotion of Education	Specified Below(2)	70.00	00	242.60	Bharti Foundation
4	Nyaya Bharti initiative	Promoting measures for reducing inequalities faced by economically backward groups	Delhi and NCR region	14.10	5.00	16.55	Bharti Foundation
5	Crop science research and development program	Livelihood enhancement Program	Punjab	20.60	11.72	24.97	Bharti foundation
6	Magic Bus	Promotion of	Delhi and	2.50	2.00	4.30	Direct

	Foundation	education	Mumbai				
7	Anubandh - Old Age Home	Setting up and supporting old age homes	Jodhpur, Rajasthan	3.00	3.00	8.00	Direct
8	Partition Museum	Restoration and establishment of building of historical importance	Amritsar, Punjab	5.00	5.00	10.00	Direct
9	Ramadhan Old Age home	Setting up and supporting old age homes	Raigad District, Maharashtra	2.50	2.50	2.50	Direct
10	Skill development program for youth and vocational skills for women	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	13.95	13.95	30.00	Centum Foundation
11	Vocational training program for hearing impaired young adults	Employment enhancing vocation skills to differently abled	Delhi	23.20	11.60	23.20	Centum Foundation
	Total			722.15	245.37	1872.53	
	Other Contribution			32.59	32.59	93.23	Direct
	Grand Total			754.74	277.96	1965.76	

District / State wise details of Satya Bharti School Program – Jodhpur, Amer and Neemrana in Rajasthan, Amritsar, Ludhiana and Sangrur in Punjab, Kaithal, Kurukshetra, Rewari, Mahendergarh and Jhajjar in Haryana, Farrukhabad, Shahjahanpur, Sitapur and Bulandhahar in Uttar Pradesh, Murshidabad in West Bengal, Sivaganga in Tamil Nadu. District / State wise details of Satya Bharti Learning Centres Kurukshetra, Rewari, Mahendergarh, Gurgaon and Karnal in Haryana, Bhatinda and Fazikla in Punjab, Barmer, Sawaimadhopur and Udaipur in Rajasthan, Godda, Pakur, Sahibganj, Dhumka and Deoghar in Jharkhand. District /State wise details of Quality Support Program Jodhpur, Barmer Tonk and Ajmer in Rajasthan, Ghazipur in Uttar Pradesh, Rajanna Sircilla in Telangana, Leh, Jammu, Kashmir and Nagrota in Jammu and Kashmir, Kurnool in Andhra Pradesh, Dhumka and Deoghar in Jharkhand, Barwani and Jhabua in Madhya Pradesh, Delhi and Goa.

Haryana, Delhi and NCR Region, Bihar, Gujarat, Uttar Pradesh, Rajasthan and Madhya Pradesh.

Vodafone Idea Limited

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is India's leading telecom service provider. The Company provides pan India Voice and Data services across 2G, 3G and 4G platform. With the large spectrum portfolio to support the growing demand for data and voice, the company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The Company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence. The Company is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)

For the Financial Year 2017-18, Idea's CSR spent was around **199.43 M** (Millions)

The projects implemented during FY 2017-18 are:

1. Solar Urja Lamps with IIT Bombay
2. Mid-Day Meal Program with Akshaya Patra Foundation
3. Girl Child Education – Vidya Har Beti Ka Adhikar.
4. KHEL with IIT Bombay and IIT Kanpur.
5. MPOWER with Aditya Birla Education Trust.
6. Health Care Support to Deaf-Mute Children through Cochlear Implant.
7. Village Social Entrepreneurs in Healthcare with Public Health Technologies Trust.
8. School-based Educational Intervention Program for Reduction of Future Risks of Cardio Vascular Diseases with Mission Arogya Health and Information Technology Research Foundation.
9. Roshini: Digital & Economic Empowerment of Women.
10. Village Social Transformation Mission with Village Social Transformation Foundation.
11. Greening India.
12. Swacchh Iconic Place, Somnath Temple under Swacchh Bharat Mission Program

Average Net Profits of the Company for last three financial years	23,525.11 Mn
Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	470.50 Mn

Details of CSR Spent during the financial year: -

I Total Amount spent for the financial year –199.43 Millian

Amount unspent, if any- 271.07

Manner in which the amount spent during the financial year Details specified as under:

During the year 2017-18 the company's CSR initiatives made impact on the lives of around 11 lakh people (3.5 lakh students including parents through educational support programs; 5.5 lakh children including their parents through health support programs, 1.01 lakh through sustainable livelihood and 1 lakh through Swacchh Iconic Place-Somnath Temple.

S.N O	CSR Project / Activity Identified	Sector in which the project is covered	Project Programs(1) Local Area / others (2) Specify the State /District where the Project Undertaken	Amount Outlay (budget) Project / Program wise (in Mn)	Amount spent on the project / programs Subheads: (1) Direct expenditure on project / programs (2) Overheads (in M)	Cumulative expenditure upto to the reporting period (in Mn)	Amount spent: Direct / through implementation agency
1	Solar Urja Lamps	Education & Skill Development	i)Chhattisgarh ii)Meghalaya iii) Madhya Pradesh iv)Maharashtra v) Rajasthan	38	38	38	IIT Bombay
2	Mid-Day Meal Program for School Children	Education	i)Gujarat (Ahmedabad, Vadodara, Surat) ii) Odisha (Cuttack, Puri) iii) Rajasthan (Jaipur) iv) Uttar Pradesh (Lucknow) v) Karnataka (Bengaluru, Mysore)	20	20	20	Akshaya Patra Foundation
3	KHEL – Knowledge	Education and	i)Chhattisgarh ii) Uttar Pradesh	30	30	30	IIT Bombay and IIT Kanpur



	e hub for E-learning	Nutrition					
4	Girl Child Education – VidyaHar BetikaAdhikar	Education	i)Telangana ii) Rajasthan iii) Gujarat iv) Uttar Pradesh v) Kerala vi) Karnataka vii) Haryana viii) Jammu & Kashmir ix) Himachal Pradesh x) Bihar xi) West Bengal xii) Tamil Nadu xiii) Madhya Pradesh xiv) Assam xv)Maharsashtra xvi) Odisha xvii)Uttaranchal xviii) Punjab xix) Delhi xx)Chhattisgarh	25	17.28	17.28	Direct
5	School Based Educational Intervention Program for Reduction of Future Risks of Cardio-vascular Diseases	Preventive Healthcare	West Bengal i) West Medinipur ii) East Medinipur	20	20	20	Mission ArogyaHealth and Information Technology Research Foundation
6	Healthcare Support to Deaf Mute Children through Cochlear Implants	Preventive healthcare	i) Gujarat ii) Karnataka iii)Maharashtra iv) West Bengal	15.10	9.85	9.85	Direct
7	M Power	Education and Health	Maharashtra	10	10	10	Aditya Birla Education trust
8	Village Social Entrepreneurs in Healthcare	Health	i) Andhra Pradesh ii) Telangana iii) Haryana iv) Kerala v) Uttar Pradesh vi)Chhattisgarh	10	10	10	Public Health Technologies Trust



9	Roshini: Digital & Economic Empowerment of women	Skill Development and Livelihood	i) Bihar (Samastipur) ii) Madhya Pradesh (Dhar) iii) Rajasthan (Newai, Jhilay and Jhalawar)	30	0.60	0.60	Direct
10	Village Social Transformation Mission	Skill Development & Livelihood	Maharashtra	30	30	30	Village Social Transformation Foundation
11	Greening India	Ecology & Skill Development	Karnataka	12	4.18	4.18	Direct
12	Swachh Iconic Place, Somnath Temple under Swachh Bharat Mission	Water and Sanitation	Gujarat	50	4.08	4.08	Direct
	Total			245.10	175.99	175.99	
Projects carried forward from previous Financial Year 2016-17							
1.	Million Solar Urja Lamp	Education	i) Rajasthan ii) Bihar iii) Uttar Pradesh	11.40	11.40	11.40	IIT Bombay
2.	KHEL - Knowledge Hub for E-Learning	Education	i) Maharashtra ii) Madhya Pradesh iii) Uttar Pradesh	1.00	1.00	1.00	IIT Bombay, IIT Kanpur
3	School Based Educational Intervention Program for Reduction of Future Risks of Cardio-vascular	Health	i) West Bengal i) Kolkata ii) Burdwan iii) Howrah iv) Hooghly	2.02	2.02	2.02	Mission Arogya Health and Information Technology Research Foundation

	Diseases						
4	Healthcare Support to Deaf Mute Children through Cochlear Implants	Health	Maharashtra	1.01	1.01	1.01	Direct
5	Village Social Entrepreneurs in Healthcare	Health	i) Andhra Pradesh ii) Haryana iii) Kerala iv) Uttar Pradesh	6.30	6.30	6.30	Public Health Technologies Trust
6	Roshini: Digital & Economic Empowerment of women	Skill Development & Livelihood	i) Bihar (Samastipur) ii) Madhya Pradesh (Dhar) iii) Rajasthan (Newai)	1.71	1.71	1.71	Direct
	Total			23.44	23.44	23.44	
	Grand Total			268.54	199.43	199.43	

Comparison

Year 2017-18	Bharti Airtel Limited Company	Vodafone Idea Limited
Average net profit before tax of the Company for last three financial years	107,313.00 (Mn)	23525.11 (Mn)
Prescribed CSR Expenditure (2% of the amount)	2146.26 (Mn)	470.50 (Mn)
Amount spent towards CSR Activities	245.37 (Mn)	199.43 (Mn)
Amount spent towards other charitable activities	32.59 (Mn)	-----
Amount Unspent	1900.89 (Mn)	271.07 (Mn)
% of Expenditure on prescribed limit and Amount spent on CSR	0.26%	0.85%

Activities	Bharti Airtel Limited Company	Vodafone Idea Limited
Eradicating extreme hunger & poverty	0	0
Promotion of education	1+1+1	1+1+1+1+1+1

Promote gender equality & empower women	1+1	1+1
Reduce child mortality& improving maternal health	0	0
Combating HIV/AIDS, Malaria & other diseases	0	1+1+1+1+1+1+1
Ensure environment sustainability	1	1+1
Empowerment of communities	1+1	1
Upliftment of the Marginalised & underprivileged sections of the society	1+1+1	0
Social business projects/ Infrastructure development	0	0
Contribution to PM Relief Fund or any other fund of central & state govt.	0	0
Relief & assistance in the event of a natural disaster	0	0
Total	11	18

Limitations of the study: Main limitation of this study is that it is based only on the one year data i.e. 2017-18 given in annual reports and sustainability reports of selected companies.

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