

# Corporate Social Responsibility in Small & Medium Scale Private Company in Pimpri Chinchwad MIDC AREA

**Dr. Shubhangi Sauti**

P. D. E. A., Annasaheb Magar college,  
Pune.

**Thomson Varghese**

Indira College of Commerce and Science,  
Pune.

Received August 3, 2017

Accepted August 29, 2017

## ABSTRACT

*Corporate social responsibility has emerged as a vital part of Indian industry. With the enforcement of mandate CSR for certain companies, the implication of corporate social responsibility has gone high. The application of Corporate social responsibility is not just restricted to certain companies but should be voluntarily initiated by other small scale companies also. This study is relating to corporate social responsibilities in small scale and medium companies and the importance of these companies to participate for the same. The study has revealed that how SME in pimpri chinchwad area are not much aware about the Importance and implications of CSR.*

## Key words:

## INTRODUCTION:

Corporate Social responsibility or corporate governance or sustainable development etc. is some terms which have attracted global attention and all organizations are working towards it. Understanding the social scenario of the country and the role of corporates to initiative, the Indian companies' act of 2013 made it mandatory to introduce corporate social responsibility for companies. As with the implication of these mandatory rules and regulation by companies act the high earning or net worth companies mentioned in the act have started contributing towards corporate social responsibility. CSR or corporate citizenship as mentioned in Wikipedia" is a form of self-regulation integrated into business model". Pimpri chinchwad midc area is the home for huge number of manufacturing/engineering/pharma industries. With the growth of the auto industry the demand for spares and body part for automobiles from Pimpri-Chinchwad MIDC has seen tremendous growth. With corporate Giants like Bajaj Auto, Mahindra and Mahindra, TATA etc. the growth is high day by day seeing the growing demand of automobiles in the country. Not only automobile but also pharma & chemicals also have high demand and seen tremendous growth. The small and medium industries are the main supplier of raw materials and spares for these corporate giants.

This paper reports on a study of small and medium scale companies' social responsibility with reference to pimpri chinchwad MIDC. The significance of the study lies in the question as to

corporate social responsibility is not just for the companies whose net worth and net profit are above the mentioned limit as in companies act 2013 but also for every other organization.

**TERMS:** Corporate Social responsibility, small & medium industries, Pimpri chinchwad etc.

## Objective of the study:

Corporate social responsibility considered as an integral part of corporate now, it should be considered by all organization and not just those who are mandate to do it as per the companies act 2013. The objective of the study are:

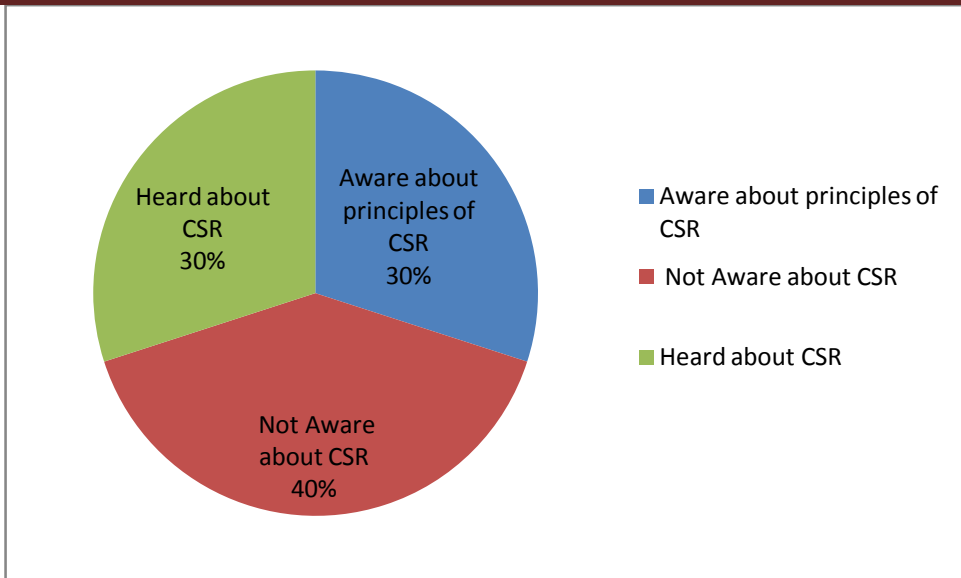
- a. To find corporate social responsibility initiatives of small scale industries in pimpri chinchwad midc area.

**Methodology:** Surveys of 10 small scale companies were made where Primary data was collected. Primary data was collected from owners, managers in form of questionnaire and interview of employees. While secondary data was collected from companies' websites, financial statements.

## Outcomes:

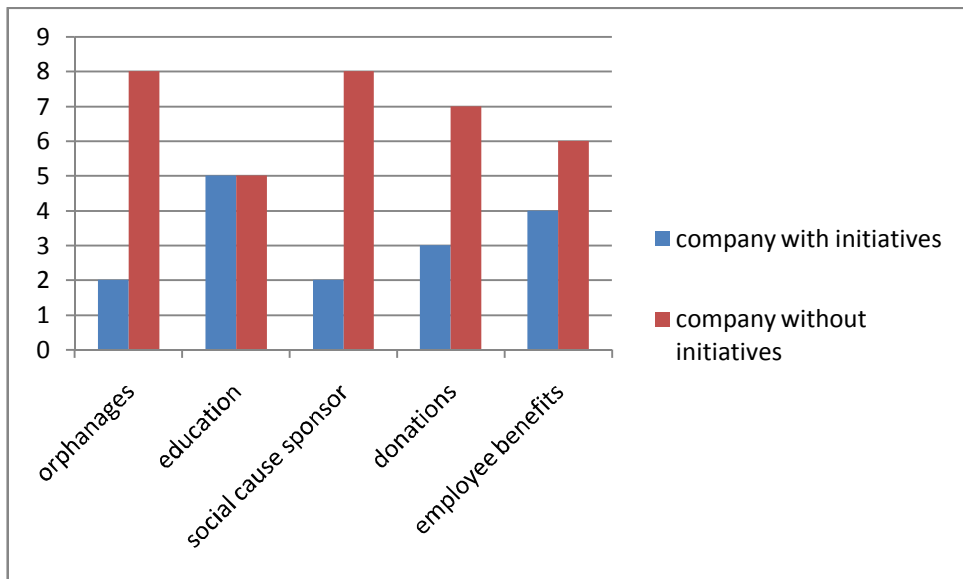
The outcome of the study shows that small and medium scale companies in pimpri chinchwad midc areas are not much focused on CSR and need proper awareness to be created.

- I. Corporate social responsibility awareness among owners:



When the owners were interviewed about the awareness of corporate social responsibility it could be made out from their responses that there was a lack or less awareness about social responsibility among the owners about corporate social responsibility principles and application. They were only aware about religious philanthropy and certain donations. Some depended on their accountants or external auditors to suggest about spending on corporate social responsibility just to avoid the tax. Since its benefits are not much to the organization so it does not seem so important was the thought of certain owners.

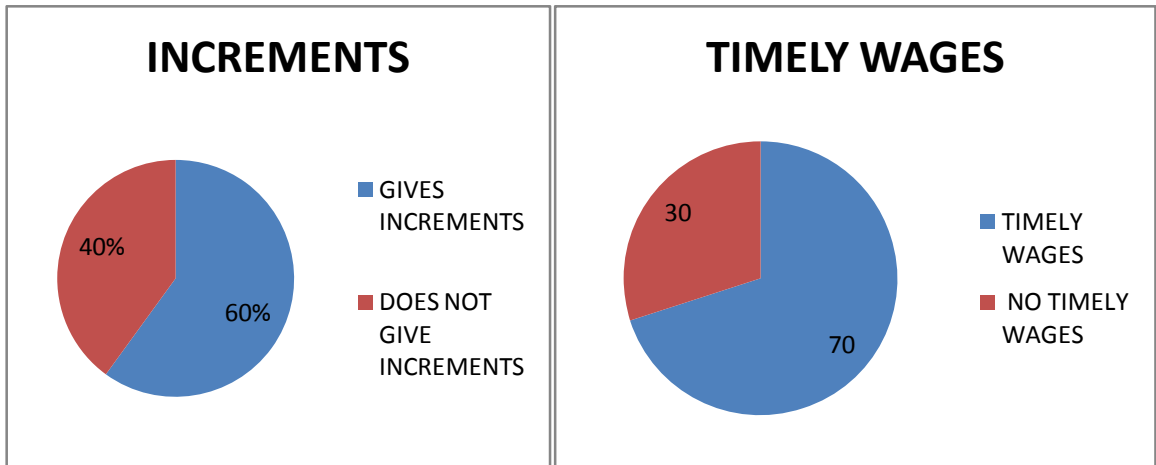
II. Corporate social responsibility practices followed:



There were very few practices followed generally by these organizations. It was found that there two company which had few tie-ups made by orphanages, two companies which gave sponsorship towards Social cause events. Few company sponsored educational kits to students. it was found that even the responsibility towards employees were also not met.

III. Contribution towards Environment sustainability initiated by Companies: it was found that these companies followed treatment and proper waste management system. The company had all initiatives taken towards energy saving and utilization of renewable resources. Though all these were followed there was unawareness about these activities being a part of corporate social responsibility.

- IV. Responsibility towards employees: The Data collected from these small companies reveal that employees are not paid timely pay in some organizations. Timely increments were not a part of the wages given to employees. This being a factor for lack of motivation for employees .indirectly this results in less implementation of CSR practices.



- V. Corporate social responsibility as competitive tool: discussion with the employees and the owners revealed that these organizations are unaware how CSR could be used as a competitive advantage for better goodwill and growth. These organizations need to be made aware how CSR could be utilized for growth and market capturing.
- VI. Other unethical practices: Apart from the above mentioned some organizations also manipulate their accounts and finances so as to reduce the profitability as pay less tax. Manipulations are made in stock ledgers and cash books to reduce cash and profit. Organizations need to be made aware how contributions to national income and tax will ultimately result in the organizational development itself.

### Conclusion:

Corporate social responsibility is not just the responsibility of corporate giants but every organization. It should not be mandatory but voluntarily small organization should understand the importance and should be involved in the same. Every organization every employee should be made aware about the importance of corporate social responsibility and should be a part for the same.

### Reference

1. International Journal of Latest Trends in Engineering and Technology (IJLTET):Corporate Social Responsibility and the Role of SME's in India by Dr. Manish Sood (Assistant Professor,Department of Humanities and Management,National Institute of Technology (NIT), Jalandhar)
2. [http://www.business-standard.com/content/b2b-chemicals/csr-an-equal-responsibility-of-smes-114032700292\\_1.html](http://www.business-standard.com/content/b2b-chemicals/csr-an-equal-responsibility-of-smes-114032700292_1.html)
3. <https://www.givainc.com/blog/index.cfm/2015/3/9/Business-Benefits-of-CSR-for-SMEs-SmallMedium-Enterprises>
4. <https://link.springer.com/article/10.1007/s11135-012-9713-4>
5. International Journal of Humanities and Management Sciences (IJHMS) Volume 1, Issue 1 (2013) ISSN 2320-4044 (Online): Corporate Social Responsibility in Small and Medium Sized Accountancy Firms :DrSujanaAdapa and Dr Jennifer Rindfleish M I
6. International Journal of Business and Management; Vol. 8, No. 14; 2013 ISSN 1833-3850 E-ISSN 1833-8119 Published by Canadian Center of Science and Education:Corporate Social Responsibility in Small and Medium Scale Enterprises in Nigeria:Eme Joel Efiog1 , Obal U. E. Usang2 , Inyang O. Inyang2 & Charles Efiog2 1 Faculty of Business and Law, Leicester Business School, De Montfort University, Leicester, United Kingdom 2 Department of Accounting, University of Calabar, Calabar Nigeria Correspondence: Eme Joel Efiog, Faculty of Business and Law, Leicester Business School, De Montfort University, Leicester, United Kingdom