

A STUDY OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITY INITIATIVES OF DABUR INDIA LIMITED

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ABSTRACT:

Dabur India limited is a worldwide leader in the Consumer products and Ayurvedic products. In the fiscal year 2020-21, the company spent Rs 28.71 crore on different Corporate Social Responsibility (CSR) programs. Its CSR efforts spanned as many as 149 villages in India. According to Section 135(5), the company's average net profit over the last three years was Rs 1,425.91 crore, and its 2 percent was computed at Rs 28.52 crore, which was its CSR responsibility for the year. However, the corporation spent Rs 28.71 crore on CSR. This shows that company CSR activities are progressing. In this article, the corporate social responsibility activities of Dabur India limited are highlighted and several thematic areas of CSR are studied elaborately, such as education, healthcare, and environmental sustainability. The data was collected from company's annual reports from the years 2014-15 to 2020-21. In order to understand the company's involvement in various thrust areas, comparative analysis was done to identify which are the most prominent areas of CSR in the Company.

Keywords- Dabur India limited, CSR, Strategic CSR, CSR initiatives, CSR Thrust areas, CSR spend.

INTRODUCTION

The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has from organizations at a given point in time Carroll (1979). R. Edward Freeman provided a stakeholder theory which is another paradigm of corporate social responsibility (1984). The theory advocated the firm's conventional position that only shareholders or owners matter to a corporation and that their interests must always be given priority. CSR refers to the corporation's relationship and responsibility with its stakeholders. Investment in community outreach, employee relations, job creation and retention, environmental sustainability, and financial success are all components of social responsibility (Khoury et al. 1999).

CSR is a commitment toward enhancing the welfare of the community through judicious corporate strategies and contributions of company funds. It appears to serve some societal good beyond the interests of the firm and what is required by law (McWilliams and Siegel 2001; Kotler and Lee 2005).

Dabur India Ltd was formed in 1884 by S. K. Burman as an Indian multinational consumer products & ayurvedic medicines company. It's headquarter is situated in Ghaziabad, Uttar Pradesh. It is in the business of developing Herbal remedies and Ayurvedic organic consumer products. It is one of India's major rapidly transforming consumer products. Roughly 60% of Dabur's income is come from the consumer sector, 11% from the food industry and the remaining from the overseas business group. During 2019-20, Dabur India Limited spent Rs 27.80 crore on CSR. In the year 2020-21 company spent Rs.28.71 crore rupees on CSR activities as against Rs 28.52 crore which is prescribed as per 2% of their average annual profits which is 100.66% of the prescribed amount. The corporation is focusing mainly on promoting health, cleanliness, ecological sustainability, training and skills enhancement, the endorsement of sports and empowering of women as part of the implementation of its social responsibilities projects. Sundesh is a not-for-profit organization which is involved in medical services, schooling as well as other social economic initiatives to bring about positive change in collaboration with the enterprise.

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REVIEW OF LITERATURE

Verma A., and Kumar C.V. (2014), a quantitative analysis of corporate social responsibility expenditure by Indian firms was carried out in their research to look at how firms spent their CSR budgets in the years before to 2014, when voluntary CSR spending was the norm, and evaluated the relevance of mandatory provisions. From 2001 to 2012, they gathered data on thirty BSE Sensex firms. CSR spending was low during the discretionary spending phase. The researchers used the Mann Whitney U test to analyze the difference in CSR expenditures between public and private sector businesses and found that there is no difference.

Nitin kumar (2014), In his research argued that CSR lies at the heart of sustainable development. Philanthropy has given way to obligatory social welfare. CSR became mandatory in 2013 when the new business statute gave it legal legitimacy. This paper also encapsulate the CSR activities of major corporate giants in India like BPCL, Maruti Suzuki, Hindustan Unilever limited, Reliance industries, glaxosmithkline, SAP India, IBM, HSBC India, Max new York life, Standard chartered bank, TATA steel, ONGC, Infosys, BHEL, Indian airlines etc. According to them, corporate social responsibility is more beneficial to both businesses and society as a whole.

Bala, M. and N., Singh (2014) in their research identified areas of CSR practices, analyze the major components of CSR practices, and analyze significant differences/uniqueness in the way various companies practiced CSR Employee welfare, environmental and natural resource protection as well as community development, and community affairs were identified as CSR considerations in Indian Companies.

Nadaf, Y. B. R., & Nadaf, S. M. (2014) in their research paper highlighted the key issues/challenges encountered by Indian firms regarding implementation of CSR. A CSR program should address environmental, economic and social concerns. Companies in India are required by law to comply with CSR standards, which include equitable opportunities for employment, product and worker protections as well as environmental safeguards.

Agarwal, A. (2013) in his research work provided a conceptual and theoretical understanding of CSR in India. CSR has moved from Philanthropy to mandatory provisions. According to section 135 of the Indian Company Act 2013, companies are required to spend around 2 percent of their PAT on CSR. According to the author, a number of big businesses are implementing environmental and social initiatives, including codes of conduct, reporting and environmental accreditation as well as social audits and social investment programs.

Moser, R. et al. (2013) in their exploitative study reviewed the CSR comprehension of an Indian managers. The fragments were grouped in the CSR in the form of Strategic CSR, Innovative CSR, and CSR 3rd generation. Total 15 statements for the gathering of study data and 20 managers from various businesses were prepared. Finally, the ultimate outcome showed that the notion of strategic CSR does not match the Indian perspective of CSR in current situation adequately.

Mathur A., K. et.al (2012) in their research emphasized the significance of CSR and its function in the pharmaceutical industry, as well as the social activities taken up by pharmaceutical companies. The research is solely based on secondary sources. According to the findings, pharmaceutical corporations are aggressively participating in a wide range of social causes, particularly those pertaining to the environment, healthcare, and education.

Sharma, A. and R Kiran (2012) in their research work examined the CSR efforts of Business Organizations and their implementation techniques. Assessments of big businesses in India's North - West area have focused on health, education, and environmental standards. According to the study's objectives, big businesses in the northwestern area of India should identify their CSR practices based on the three factors of health, education & environment, and devise an implementation strategy based on above three parameters.

Marsden (2001) “CSR is about the core behavior of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes into account of all the positive and negative environmental, social and economic effects it has on society”.

Business for social responsibility (2000) “CSR is operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has from business.”

ISO 26000 (2010) “CSR is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that: contributes to sustainable development, including health and the welfare of society; - takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships”.

Barnett (2007) “CSR is a discretionary allocation of corporate resources to improving social welfare that serves as a means of enhancing relationships with key stakeholders”.

OBJECTIVES

The present investigation focuses on the subsequent goals:

1. To investigate the extent of CSR spending and CSR perspective of the company under study.
2. To assess the CSR projects and strategies of Dabur India limited to comprehend the working style of the company.

RESEARCH METHODOLOGY

In this study content analysis and exploratory research strategy has been used. Apart from this extensive literature was also studied and analyzed. Secondary data was obtained quantitatively from a range of sources, including publications, academic research, journals, periodicals, and websites. The quantitative data was collected from company's annual reports from the years 2014-15 to 2020-21. A case analysis technique was used to highlight the CSR profile of Dabur India limited.

CSR Projects

COVID supporting initiatives- Dabur has started working on the rehabilitation of COVID patients, Frontline policemen, Sanitary and Healthcare Staff, seasonal workers and people in the community. A “Dabur Care Fund” for COVID-19 was created by the Dabur Corporation. Financial assistance for the 10,000 bed COVID Center as well as several hygienic practices items such as Hand Sanitizer and Hand wash and cleaning solvents for multiple hospitals were included. Mobile COVID-Van Testing, and distribution of protective kits to frontline police in conjunction with the Immunity and Nutrition support were provided to migrant workers, poor and underprivileged.

Swasthya Aur Suraksha – Dabur has established an integral initiative, focusing specifically on girls in rural Areas, to improve standards on hygiene, nourishment and protection. Healthy and nutritional food, encouraging vegetable garden, self-defense education and medical services are major cornerstones of this Comprehensive Project. The Company in conjunction with the Indian Food Safety & Standards Authority (FSSAI) conducts Safe & Nutritious Food (SNF) programmes at schools to promote consciousness about a good nutrition and keep a distance from unhealthy food.

Water, Sanitary & Health (WaSH) – '700 Se 7 Kadam' is one of the landmark projects for female's healthcare and development in India. In addition to establishing appropriate cleanliness infrastructure

in schools, company has provided them with the access to clean sanitation facilities in their homes as a part of this plan. This residential cleanliness initiative encompasses three States, Uttar Pradesh, Himachal Pradesh and Uttarakhand. Under WaSH, Dabur developed over 3882 home toilets in the above States and includes most houses in the communities.

Immune India - Immune India aims to raise consciousness about improving the inner resistance of the body to maintain health amongst school children. The firm launched this program for the promotion of immune understanding and prevention and treatment in schools and orphanages across India in FY 2019-20. For awareness-raising workshops, Ayurvedic practitioners were engaged in. In 14 cities, more than 3,000 youngsters addressed.

Healthcare Camps- Dabur conducts country-wide awareness campaigns. These comprehensive workshops are also providing poor and destitute medical services and medications of excellent standard. Free diagnostics, ayurvedic medications and treatment have been provided in such camps. In these camps, ladies physicians are therefore engaged to address many females in the effective intervention zones.

Environmental Sustainability Project -This project is intended to preserve species of rare herbal medicines, create a more sustainable growth of rare plants, comprehend the obstacles in creating herbal gardens and help growers in growing and maintaining herbs. This initiative is being implemented in 10 states to provide farmers, peasants and tribal communities throughout the country with customized training to educate them on eco-friendly agriculture practices. In FY 2019-20, 34 regions served by herbal farmers project and 19,32,325 herb seedlings provided freely to growers.

Ragpicker's Care - Company strive to protect ragpickers by providing them healthcare services. In order to teach ragpickers regarding safe collecting of consumer trash and ensure a sustainable life, a series of awareness campaigns are conducted. Company also operates a non-formal education course, provides primary education and connects kids of the local ragpicker with normal schools.

promotion - A specific project has been launched in Assam to discover and encourage sports potential, specifically in the sphere of football. Company is running a Football Instruction Center in Tezpur, which offers football training to boys and girls. The process was undertaken by a national instructor.

Empowerment of women — Professional training for young women in India not only fills the gap between competent workers and unqualified workers, but it also assists rural young people to gain improved employment and job creation. Dabur provides vocational training program designed to enable girls in these communities to establish small enterprises by becoming local businessmen, after comprehensive conversations with the local residents and taking account of their own additional needs and sensibilities. Centers for developing skills in Uttar Pradesh, Uttarakhand, Himachal Pradesh, Assam, Rajasthan give instruction in rural females in a variety of crafts including cutting, candle making, beauty parlor etc.

Promoting education — Dabur's educational interventions provide a vital foundation in raising awareness and motivating residents of slum areas to send their children to public school. Company's Gyan Deep Kendras are the Non Formal Education Centers offer basic education to impoverished children outside school. The organization is also providing help for disadvantaged pupils by delivering specific courses to remedial educational facilities by Gyan Arjan Kendras.

Water Management Program- Dabur runs the Rajasthan Water Management Program spanning two regions: Alwar and Newai. Effective communal engagement has led to the initiative improving the sustainable livelihoods of the most poverty-stricken and marginalized groups in the region by boosting access to clean drinking water, technology and communication.

Desert Bloom- This initiative employs cost-effective, environment conscious, communal technology, such as collecting water, rainwater harvesting, pipeline recharge and reforestation to provide access to drinking water for rural areas throughout the year with their own use and agriculture.

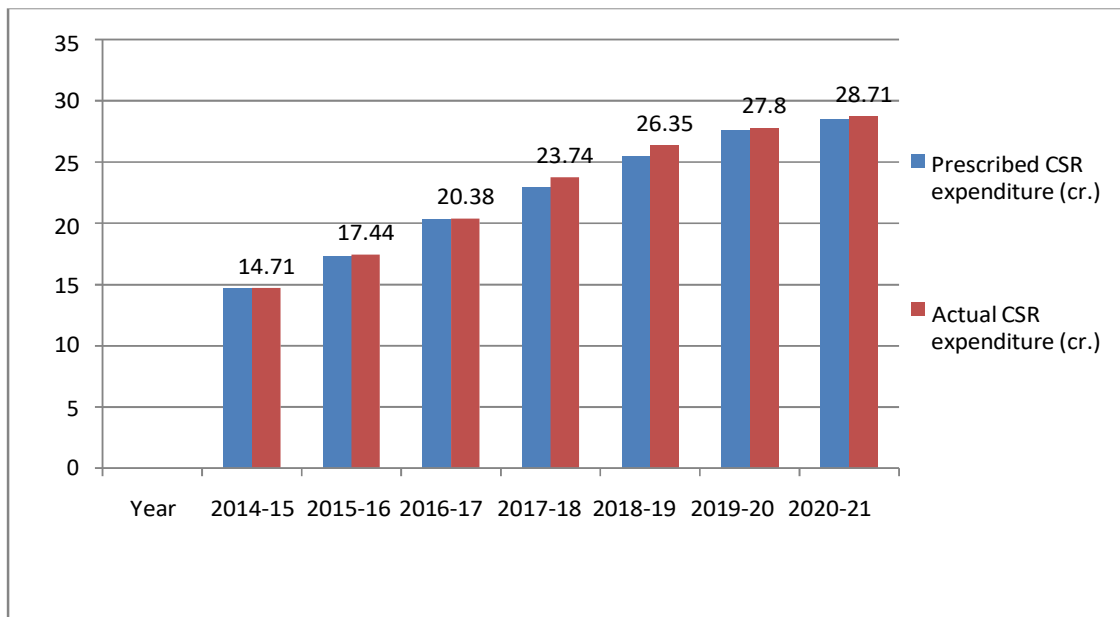
DATA ANALYSIS AND INTERPRETATION

Table 1- Prescribed and Actual CSR Spend of Dabur India Limited and Percentage of CSR spend from previous year (Rupees values - in crore)

Year	Prescribed CSR expenditure (cr.)	Actual CSR expenditure (cr.)	% of Actual CSR from prescribed CSR
2014-15	14.66	14.71	100.34%
2015-16	17.25	17.44	101.10%
2016-17	20.34	20.38	100.20%
2017-18	22.94	23.74	103.49%
2018-19	25.43	26.35	103.62%
2019-20	27.6	27.8	100.72%
2020-21	28.52	28.71	100.66%

(Source-Author compilation from Collected data from Annual reports of Dabur India limited from 2014-15 to 2020-21)

Chart 1- Prescribed and Actual CSR Spend of Dabur India Limited (Rupees values - in crore)



(Source-Author compilation from Collected data from Annual reports of Dabur India limited from 2014-15 to 2020-21)

In the above table 1 and chart 1, The CSR actual and prescribed spend of Dabur India limited has been presented and Percentage increase is also calculated, comparing from the prescribed spend. It is clearly visible that Company’s CSR spend is increasing on year on year basis and every year company is spending more than the prescribed amount of CSR spend. In year 2020-21 company’s CSR spend was highest i.e 28.71 crore. In other years also CSR spend was quite good.

Table- 2 CSR Initiatives of Dabur India limited in various Development Sector Yearwise**(Rupees values - in crore)**

Focus Areas/ Years	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
HSPE	10.95	74.44	13.87	79.53	14.78	72.52	17.6	74.14	18.38	69.75	17.12	61.58
ETLE	0.73	4.96	0.7	4.01	0.68	3.34	1.31	5.52	2.55	9.68	2.48	8.92
ES	2.28	15.50	2.04	11.70	3.42	16.78	3.7	15.59	3.29	12.49	4.79	17.23
DUS	0.07	0.48	0.11	0.63	0.13	0.64	0	0.00	0.89	3.38	0.76	2.73
PMCFD	0.68	4.62	0.72	4.13	1.37	6.72	1.13	4.76	1.23	4.67	2.59	9.32
SP	0	0.00	0	0.00	0	0.00	0	0.00	0.01	0.04	0.06	0.22
NHAC	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
RDCD	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
RD	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
AFVWW	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	14.71	100.00	17.44	100.00	20.38	100.00	23.74	100.00	26.35	100.00	27.8	100.00

(Source-Author compilation from data Collected from Annual reports of Company concerned and National CSR portal from 2014-15 to 2019-20)

It is depicted in the Table no-2 that Dabur India Ltd is spending extremely on Health, Sanitation & Poverty Eradication projects where company disburse 61.58% of total CSR spend of the year. Next thrust area of company CSR was for Environment Sustainability projects and some other projects where company spent 17.23% of the total CSR spending. And very slighter amount was spent for Education, Training & Livelihood Enhancement projects, PM Care fund and for Development of Underprivileged Section and for the Promotion of Sports where company spent 8.92 %, 9.32%, 2.73% and 0.22 % of total CSR spend respectively. This way company contributed 27.8 crore rupees as CSR in the year 2019-20. In the year 2018-19 the main focus of company's CSR activities was on Health, Sanitation & Poverty Eradication projects where company distributed 69.75 % of total CSR spend of the year. Next thrust area of company CSR was for Environment Sustainability projects and Education, Training & Livelihood Enhancement projects, where company spent 12.49 % and 9.68 % of the total CSR spending. And very slighter amount was spent for PM Cares fund and Development of Underprivileged Section and for the Promotion of Sports where company spent 4.67 %, 3.38 % and 0.04 % of total CSR spend respectively. This way company contributed 26.35 crore rupees as CSR in the year 2018-19. In previous years company CSR was concentrated toward Health, education, environment, PM cares fund and for Underprivileged section.

CONCLUSION

CSR is a prominent concept in industrial world. Every company wants to maximize their profits and market share but this could not be possible without giving back to society. India is the only country in the world that has mandatory CSR legislation. In this study CSR strategies and initiatives of Dabur India limited were explored. This study illustrated the case study of Dabur India limited in the retrospective way. At the end, it can be inferred that social corporate responsibility may go hand-in-hand with profit making, ecological and sustainability advantages and hence generate a winning position.

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