

A Study on CSR Performance in India.

By Ramesh K.V ^[a]

Abstract

The impression of CSR was dignified in the middle of the previous century. The traditional approach of corporates that the business of business is to do business has changed and now business goals are inseparable from the societies and environment within which business operates. Whilst short-term economic gain can be pursued through traditional approach, the failure to align the business goals with social and environmental factors will make those businesses unsustainable in the long term. Large number of companies are undertaking these activities superficially and promoting highlighting the activities in Media. Now it is mandatory under Companies Act 2013.

In recent years, Corporate Social Responsibility has got importance from all angles. The societal marketing concept of companies is consistently progress and has give rise to a new concept of Corporate Social Responsibility.

This particular paper tries to study the CSR spending of PSUs & Private companies, Performance, transparency score and to recommend suggestions for improving CSR initiative by the companies.

Keywords: CSR, private companies, PSUs, corporates, business etc.,

^[a] **Ramesh K.V.,**

Assistant Professor & Coordinator,
Dept. of P.G. Studies in Commerce,
Govt. First Grade College,
Kunigal, Karnataka State, India.

1. Introduction

Corporate Social Responsibility (CSR) can be understood as a management concept and a process that integrates social and environmental concerns in business operations and a company's interactions with the full range of stakeholders.

Definitions of CSR: The definitions are presented below: The EC defines CSR as “the responsibility of enterprises for their impacts on society”; to completely meet their social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and co strategy in close collaboration with their stakeholders.”

The WBCSD defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”.

The World Bank Group defines CSR as “Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development.”

2. Review of Literature

According to Maon et. al. there arise the need of an integrative framework of Corporate Social Responsibility design and implementation. The research proposed integrative framework for designing and implementing Corporate Social Responsibility awareness inside the organisation, assessing corporate purpose in a societal context, establishing a working definition and vision for Corporate Social Responsibility status, developing an Corporate Social Responsibility strategic plan,

maintaining internal and external communication, evaluating Corporate Social Responsibility related strategies and communication and institutionalizing Corporate Social Responsibility policy.

The study by John Simons found that the concept of the responsible organisation and ethical business conduct is also very important. Main focus of the study is on operationalising Corporate Social Responsibility in the context of employee governance with a purpose is to evaluate critically the ethics of “mainstream” human resource management (HRM) and to propose an alternative stakeholder systems model of human resource management.

Hanke and Stark recommends a conceptual framework as a basis to develop a company’s CSR strategy and provides measures and instruments to make complex CSR processes more visible and manageable. The conceptual framework separates the two factors: legitimation and sense making / sense giving in the one dimension and the organisational environment. It also suggests that conceptual framework enables a process to understand whether the engagement is more driven by legitimation or by sense making and whether the fundamental addresses is the inner world or the organisational environment.

According to Chaudhri and Wang CSR communication undertaken by the top IT companies in India on their corporate. Websites, with an analytical focus on the dimensions of prominence of communication, extent of information and style of presentation. The findings shows that the number of companies with CSR information on their Websites is low and that these leading companies do not use the Websites to their advantage in terms of the quality and style of CSR communication. It also seems that IT companies in India are lagging behind in creative and effective CSR communication on their websites.

Banerjee et al. suggests that environmental orientation is the recognition by managers about the importance of environmental issues faced by their firms. Today CSR is emerging as a core focus area for an increasing number of organisations, which are looking at new and innovative ways to contribute to the communities they operate in .

According to Chopra, CSR: A passion of large organisations or a commitment to the society. The study focused on the importance of company’s age viz., with respect to the corporate social responsibility initiatives undertaken by the firm. Here CSR age means CSR leaders, CSR initiators and CSR newcomers. and identify the CSR practices with reference to health, education and environment for large firms of North-West region of India.

3. Objectives of the study:

The objectives of this paper are:

- 1) To study the CSR spending of PSUs and Private Companies in India.
- 2) To study CSR after implementation of Companies Act 2013.
- 3) To analyze the CSR performance of top companies in India.
- 4) To study the transparency Score of top companies in India.
- 5) To recommend suggestions for improving the CSR initiative by all the companies in India.

4. Research Methodology:

The descriptive research design is used for this study.

Sources of Data:

The sources of data are secondary data which are collected through journals, articles, and annual report.

Sampling Units:

For analyzing the Corporate spending on CSR, data from a sample of 5 Maharatna PSUs, 16 Navaratna PSUs, top 10 Private Companies is collected and 25 top companies among top 100 companies in India is chosen.

5. Data Analysis

CSR in India:

The industrial revolution Factory owners had took better care of their labourers and started building schools, hospitals, churches, housing colonies etc. for the benefit of the labourers.

CSR in India is not a new aspect. It is in India since olden days. All religious Wholly epics give its references. Academic disclosure on CSR started as late as the 1950s.

CSR in India has traditionally been seen as a philanthropic activity and thus it was an activity that was performed but not deliberated. Hence, there is limited documentation on specific activities related to this concept. It is in the way of endowing institutions actively participating in India's freedom movement and embedded in the idea of trusteeship. CSR donars and philanthropic causes are shown in the following tables:

Table : 1
Table Showing The Joy Of Giving And Top Givers

NAME	COMPANY PLACE	DONATIONS Rs. In Crores	CAUSE
Azim premji	Wipro- Bangalore	8000	Education
Shiv Nadar	HCL - New Delhi	3000	Education
GM Rao	GMR - Bangalore	740	Education
Nandan Nilakani & Rohini Nilakani	Infosys-Bangalore	530	Social Development
Ronnie Screwvala	Media and Entertainment -Mumbai	470	Rural Development
Kiran Mazumdar	Biocon-Bangalore	330	Healthcare
Ratan Tata	Tata Group Mumbai	310	Education

Table -2
Table Showing The Favoured Philanthropic Causes

Cause	No. Of Contributions	Highest Contributor	Total Contribution Rs. in Crore
Education	9	Azim premji Rs.8000Crore	12204 (65.55%)
Social Development	8	Nandan Nilekani and Rohini Nilekani Rs.530Crore	1205 (44%)
Health care	7	Kiran Mazumdar Rs.330Crore	1065 (31%)
Rural Development	4	Ronnie Screwvala Rs.470Crore	564 (83.33%)
Environment	2	Adi Godrej Rs.140Crore	170 (82.35%)
Agriculture	1	Bhavarlal Jain Rs. 40Crore	40 (100%)
		Total	15248

Globalization has brought a new set of challengers before. New markets and geographies have been conquered thus bringing along a large flow of foreign reverse, but at the same time it has also led to widening of gap between the haves and the haves-not. With this present form of market it becomes very pertinent for the business world to look beyond business and give a serious thought about how is it going to tackle the problem of hunger, illiteracy, deprivation and other such plights that our society is beset with. The market needs to re-think how to re-integrate those who have been dis-possessed and marginalized and the corporate world must double its efforts to address such issues.

The CSR approach is more holistic view wherein the private sector would go hand in hand with the public sector to re-look and resolve the socio-economic issues that societies across the globe are facing today. Today's marketing model is far from just selling products to their consumers and cloaking more profits. Societies have now become more democratic, vigilante, politically conscious and more demanding towards accountability. It is also not a denying fact that the earth's resources are depleting but the demand has grown manifold. In such a scenario, a need to balance consumer's product satisfaction with his/her socio-economic wants which need to be respected in the corporate sector. It is only then that a company or an organization can claim to be a true corporate citizen and a true practitioner of corporate sustainability and responsibility. CSR can be viewed from four facets, namely: economic, legal, ethical and philanthropic. According to Carroll, corporate profit maximization and doing good go hand in hand. It is completely possible for an organization to be successful in profiteering and also contribute to its socio-economic responsibilities. He went on to add that such good corporate ethos also instill a lot of confidence among share-holders. Such sentiment would also reflect positively on the company, which would then strive to set a higher benchmark for legal and ethical excellence. CSR is considered an important tool to execute a company's objective in a strategized manner. A company investing in CSR and desirous of bringing in positive changes can achieve multiple positive externalities such as:

- Becoming a responsible corporate citizen.
- Helping in retaining its employees due to increased employee satisfaction.
- Customers feeling more related to the organization because of its CSR practices.
- Helping in creating a good brand image.

CSR, therefore, acts as a means to achieve certain corporate goals in an effective manner. CSR affects not only a company's brand image but also helps in bringing in a grater customer/ consumer satisfaction and brand visibility across the board. Moreover, every business has its social and ethical stakes within the area it operates and, as responsible corporate citizens, it becomes doubly important to preserve, respect and nourish such societal stakes and responsibilities; CSR obligates and, to an extent, mandates such responsibilities.

CSR and Recent Corporate Developments in India:

In 2009, the ministry of Corporate Affairs (MCA) released a set of 'Voluntary Guidelines for CSR-2009' ("Guidelines") to incorporate a broader vision of CSR into Indian Corporate Law and aimed at promoting businesses contribution for well-being of stakeholders and society. The Guidelines set out six core elements for companies to address: (1) respect for all stakeholders; (2) ethical functioning; (3) respecting workers' rights and welfare; (4) respect for human rights; (5) respect for the environment and (6) activities for social and inclusive development. The Central Government has also provided guidelines for CSR and sustainability policies to be followed by central public sector enterprises. The Companies Act has been hailed as a game-changer by many as it contains, among other things, specific provisions on CSR.

Guidelines on CSR and Sustainability for Central Public Sector Enterprise:

The Department of Public Enterprises (DPE) through its Circular dated 9th April 2010 [F.No. 15 (3)/ 2007-DPE (GM) made it mandatory for all Central Public Sector Enterprises (CPSEs) to perform CSR activities out of its net profit. The DPE CSR Budget 14 will be mandatorily created through a Board Resolution as a percentage of net profit in the following manner:

Net Profit v/s CSR Expenditure

Types of CPSEs	Net Profit (Previous Expenditure range for CSR in a Financial Year) (% of profit)
I. Less than INR 100 Crore / Less than 14.8 Million USD	3 – 5
II. INR 100 Crore to 500 Crore/ 14.8 Million USD to 74.4 Million USD	2 – 3 (subject to a minimum of 3 Crores)
III. INR 500 Crore and above / 74.4 Million USD and above	0.50 to 2.00

The DPE issued Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises which shall **come into effect from 1st April, 2013 onwards.**

Background of New Act

Approved by Lok Sabha given on 18th December 2012

Approved by Rajya Sabha given on 8th August 2013

Assent of Honourable President of India on August 29, 2013

Notified in the Gazette of India on August 30, 2013 at the Companies Act, 2013 (18 of 2013)

Acme Intellects

Spending Performance of PSUs on CSR:

Table - 3

Table Showing Allocation And Utilisation Of CSR Fund By Maharatna CPSES In India

Sl. No.	Name of the CPSE	Year	Total funds allocated for CSR (Rs. Crore)	% of Profit After Tax (PAT) of previous year	Funds utilized for CSR (Rs. Crore)	% age of Funds actually spend
1	Coal India Ltd.(CIL)	2009-10	43.81	2.11	40.14	91.62
		2010-11	262.28	2.73	152.33	58.07
		2011-12	553.33	5.09	77.33	13.97
2	Indian Oil Corporation Ltd. (IOCL)	2009-10	37.69	1.28	46.85	124.30
		2010-11	131.11	1.28	128.41	97.94
		2011-12	953.60	1.28	820.73	86.06
3	National Thermal Power Corporation Ltd. (NTPCL)	2009-10	16.74	0.20	20.40	121.86
		2010-11	72.37	0.83	72.21	99.77
		2011-12	45.52	0.50	49.43	108.58
4	Oil and Natural Gas Corporation Ltd.(ONGC)	2009-10	322.52	2.0	268.87	83.36
		2010-11	335.35	2.0	219.03	65.31
		2011-12	378.48	2.0	121.08	31.99
5	Steel Authority of India Ltd.(SAIL)	2009-10	80.00	1.30	78.79	98.48
		2010-11	94.00	1.39	68.95	73.35
		2011-12	64.00	1.30	61.25	95.70

Source: Press Information Bureau, Government of India, Ministry of Heavy Industries & Public Enterprises & Lok Sabha Unstarred Question No. 2881 dated 14-3-2013

The above table shows that out of five Maharatna PSUs in India, four of them – Coal India Ltd., Indian Oil Corporation, ONGC and SAIL – could not able to fully utilize the funds earmarked for CSR in the last fiscal year. During the same year CIL assigned an amount of Rs.553 Crore but hardly spent about 13.97% . at the same time ONGC was allocated with Rs.378.48 Crore and managed in spending only Rs.121.08 Crore. While Indian Oil Corporation could able to utilized about 86% of the total budgeted amount, the figures for SAIL was not more than Rs.61.25 Crore out of the total outlay of Rs.64 Crore for funding out in various CSR activities and initiatives. It is important to note that NTPC surpassed the limit of allocated sum for carrying out CSR activities in the last fiscal year. The company had allotted Rs.45.52 Crore and it spent around Rs.49.43 Crore, which is a good and welcome trend for the corporate world.

Table - 4

Table showing allocation and utilisation of CSR fund by Navaratna CPSES in India

Sl. No.	Name of the CPSE	Year	Total funds allocated for CSR (Rs. Crore)	% of Profit After Tax (PAT) of previous year	Funds utilized for CSR (Rs. Crore)	% age of Funds actually spend
1	Bharath Electronics Limited	2009-10	2.59	0.36	2.59	100.00
		2010-11	2.74	0.24	2.08	75.91
		2011-12	2.25	--	2.36	104.88
2	Bharath Heavy Electricals Limited	2009-10	3.14	0.1	6.01	191.40
		2010-11	21.55	0.5	4.30	19.95
		2011-12	30.05	0.5	4.87	16.20
3	Bharath Petroleum Corporation Limited	2009-10	14.72	2.0	14.2	96.46
		2010-11	22.00	1.43	18.23	82.86
		2011-12	7.73	0.5	7.76	100.38
4	GAIL (India) Limited	2009-10	55.91	2.0	45.78	81.88
		2010-11	69.54 (including carryforward amount of financial year 2009-10)	2.0	63.91	91.90
		2011-12	82.77	2.0	54.43	65.76
5	Hindustan Aeronautics Limited	2009-10	No specific allocation of money for CSR, as CSR policy was notified formally during November 2010	---	3.90	---
		2010-11		---	1.79	---
		2011-12		5.00	---	5.81
6	Hindustan Petroleum Corporation Limited	2009-10	15.00	2.41	13.84	92.26
		2010-11	15.00	1.54	20.10	134.00
		2011-12	30.78	2.00	26.54	86.22
7	Mahanagar Telephone Nigam Limited	2009-10	Since MTNL is in losses, no specific allotment is made under CSR Head	---	---	---
		2010-11		---	---	---
		2011-12		---	---	---

8	National Aluminium Company Limited	2009-10	12.72	1.00	12.72	100.00
		2010-11	26.77	1.00	26.77	100.00
		2011-12	34.22	1.00	34.22	100.00
9	NDMD Limited	2009-10	80.00	1.90	83.07	103.83
		2010-11	81.56	1.80	62.23	76.29
		2011-12	80.13	0.57	86.72	108.22
10	Neyveli Lignite Corporation Limited	2009-10	5.90	0.72	8.19	138.81
		2010-11	12.47	1.00	13.23	106.09
		2011-12	13.00	1.00	16.14	124.15
11	Oil India Limited	2009-10	20.00	0.95	24.12	120.60
		2010-11	25.00	0.95	29.42	117.68
		2011-12	50.00	2.00	50.19	100.38
12	Power Finance Corporation Limited	2009-10	Nil	---	---	----
		2010-11	11.89	---	8.91	74.93
		2011-12	13.24	---	13.27	100.22
13	Power Grid Corporation Limited	2009-10	12.67	0.75	4.31	34.01
		2010-11	20.41	1.00	16.58	81.23
		2011-12	13.48	1.00	24.93	184.94
14	Rashtriya Ispat Nigam Limited	2009-10	12.75	0.95	9.37	73.49
		2010-11	15.40	2.00	11.73	76.16
		2011-12	12.00	1.82	10.62	88.50
15	Rural Electrification Corporation Limited	2009-10	3.18	0.25	0.31	09.74
		2010-11	5.10	0.25	1.38	27.05
		2011-12	12.85	0.50	12.99	101.08
16	Shipping Corporation of India Limited	2009-10	9.41	1.00	2.03	21.57
		2010-11	3.77	1.00	5.84 – including the balance carry forwarded from the previous year	154.90
		2011-12	5.67	1.00	5.84	102.99

Source: Press Information Bureau, Government of India, Ministry of Heavy Industries & Public Enterprises & Lok Sabha Unstarred Question No. 2881 dated 14-3-2013

The above table shows that how 16 Navaratna PSUs accommodates the CSR activities in India. Out of 16 Navaratna PSUs in India, four of them BHEL, GAIL, Hindustan Petroleum and RINL – are found to lag behind in utilizing the CSR fund earmarked for them. However, the other five Navaratna PSUs - Bharath Petroleum, National Aluminium Company, Oil India, PFC and Rural Electrification Corporation – have been able to fully utilize those funds during the year 2011 – 12. The other six Navaratna Companies - Bharat Electronics Ltd., Hindustan Aeronautics, NMDC, Neyveli Lignite Corp, Power Grid and Shipping Corporation have done exceptionally well and have even surpassed the allocated amount during the same financial year. However, MTNL which is a loss making unit was completely away from the CSR activities.

Table – 5

Table showing CSR rank in allocation and utilisation of CSR fund by top Private Sector Corporates In India

Name of the Company	PAT 2011-12	CSR Spend 2011-12	2% of PAT 2011-12	% age over 2% of PAT Actually spent	CSR Rank
Tata Steel	53,898	1,460	1,078	135.43	1
Larsen & Toubro	44,565	700	891	78.56	2
Reliance Industries	197,240	2,880	3,945	73.00	3
Hindalco Industries	33,970	280	679	41.23	4
Bharati Airtel	42,954	330	859	38.41	5
Mahindra & Mahindra Ltd.	28,790	220	576	38.19	6
Maruti Suzuki Ltd.	16,352	120	327	36.69	7
TCS	104,135	510	2,083	24.48	8
ICICI Bank	76,429	240	1,529	15.69	9
Tata Motors	135,165	150	2,703	05.54	10
Total	733,498	6,890	14,670	46.96	--

Source: CSR 10 India Index 2012, Anup Tiwari & ShwetaShukla, www.fundraising india.org: May 2013,p-2.

The above table shows that out of the top 10 top private sector corporate, Tata Steel is the only one that has a CSR spend of more than 2% of its profit-after tax, all others have to still ramp-up their act. It is also interesting to see a Tata company leading the ranking and another languishing at the bottom. Larsen and Toubro seem to be quite close to the mark in terms of percentage and even the amount of increase it needs to make in the coming years is not very high. Reliance Industries has a relatively high percentage, however in coming years it may need to increase its CSR spending by around INR 1 billion. The last three in the table also include the two Tata companies; figures for who mandate an increase in spend of whopping INR 4 billion as a combine. ICICI Bank also needs to make serious plans for ramping up its CSR spends by more than a billion Indian rupees.

CSR in Companies Act, 2013:

Recently, with the promulgation of the Companies Act made an attempt on part of the Indian Government to foster corporate participation in growth, community participation and institutional philanthropy. The new Companies Act has introduced statutory provisions for responsible corporate governance in India Inc. in the form of CSR provisions.

CSR Provisions:

The Companies Act makes provision regarding CSR a mandatory legal requirement for India Inc. which is to be determined by a financial threshold. A company in this provision refers to an entity incorporated under the Companies Act or under the other previous company law.

A. Applicability:

As prescribed under the Companies Act, the company satisfying any of the following criteria has to comply with the CSR provisions as stipulated under the Companies Act:

- i. Net worth of INR 500 Crore or more (USD 83.33 Million); or
- ii. Turnover of INR 100 Crore or more (USD 166.67 Million); or
- iii. Net profit of INR 5 Crore (USD 0.83 Million) or more

B. Constitution of a CSR Committee:

The company which falls within the above criteria shall be required to constitute a Corporate Social Responsibility Committee (“Committee”) of the **Board consisting of a minimum of three directors, out of which at least one director shall be an independent director.**

C. Formulation of CSR Policy:

The Committee shall **formulate and recommend to the Board a CSR Policy** which shall indicate the activities to be undertaken, recommend the amount of expenditure to be incurred on the activities referred, and monitor the CSR Policy of the company from time to time. The Board, after taking into account the recommendations made by the Committee, shall approve the CSR policy for the company.

C. CSR Activities:

CSR Activities which may be included by companies in their CSR Policies may relate to (i) eradicating extreme hunger and poverty; (ii) promotion of education; (iii) promoting gender equality and empowering women; (iv) reducing child mortality and improving maternal health; (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; (vi) ensuring environmental sustainability; (vii) employment enhancing vocational skills; (viii) social business projects; (ix) contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and (x) such other matters as may be prescribed.

D. Allocation Towards CSR:

The Board is required to ensure that the company spends, **in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years**, in pursuance of its CSR Policy.

E. Disclosure and Reporting:

The Board is required to provide in the General Meeting a report disclosing the composition of the Committee along with the details about the CSR policy developed. **The contents of the policy shall also be placed on the company’s website.** Further, the statement of **profit and loss** shall record the amount of expenditure incurred on CSR activities.

F. Reasons for Non-Spending:

The CSR provision follows a “**comply or explain**” approach, which requires the company to formulate a CSR policy and **furnish details of spending of such amount.** If the company does not have adequate profit or is not in a position to spend the prescribed amount on CSR, the Board is required to disclose **and report the specific reasons for not spending the amount.**

G. Penalty for Non-Disclosure:

Failure to report CSR spending or the reasons for its non-expenditure shall amount to contravention of Section 134 of the Companies Act, and the company shall be punishable with fine which **shall not be less than INR fifty thousand rupees** (USD seven hundred seventy-six) but which **may extend to INR 2.5 Million** (USD 38780 approximately) and **every officer of the company** who is in default shall be **punishable with imprisonment** for a term which may extend to three years **or with**

fine which shall not be less than INR fifty thousand rupees (USD 775 approximately) but which may extend to INR five lakh rupees (USD 7750 approximately), or both.

CSR Variance Score and CSR Variance Rank:

As a first step towards calculating CSR Variance Score and CSR Variance Rank the Profit – After-Tax figure for each company is taken from its Annual Report for 2011-12. From these figures, mandated 2% amount is arrived at, which is then compared with the current CSR spends. For 2011-12 the top 10 companies spent less than half of what is mandated in the proposed law i.e., instead of INR 14.67 billion the overall spend was only INR 6.9 billion. As a combine the top 10 companies returned a poor Variance Score of 53. This score is a representative of the market and in coming years would indicate the relative movement in CSR spends. The individual CSR Variance Scores of the companies and CSR Variance Ranks are in the table below. The Profit – After- Tax (PAT) and CSR spend amounts are in INR Millions.

Table- 6
The table showing the CSR Variance Score and CSR Variance Rank:

Name of the Company	PAT 2011-12	CSR Spend 2011-12	2% of PAT 2011-12	Variance	Variance %	CSR Variance Rank
Tata Steel	53,898	1,460	1,078	382	+35.4	1
Larsen & Toubro	44,565	700	891	-191	-21.5	2
Reliance Industries	197,240	2,880	3,945	-1065	-27.0	3
Hindalco Industries	33,970	280	679	-399	-58.8	4
Bharati Airtel	42,954	330	859	-529	-61.6	5
Mahindra & Mahindra Ltd.	28,790	220	576	-356	-61.8	6
Maruti Suzuki Ltd.	16,352	120	327	-207	-63.3	7
TCS	104,135	510	2,083	-1,573	75.5	8
ICICI Bank	76,429	240	1,529	-1,289	84.3	9
Tata Motors	135,165	150	2,703	-2,553	-94.5	10
Total	733,498	6,890	14,670	-7,780	53.0	

Source: CSR Variance Score and CSR Variance Rank

In the top 10, Tata Steel is the only one that has a CSR spend of more than 2% of its profit-after-tax (PAT). All others have to still ramp-up their act. It is also interesting to see a Tata Company leading the ranking and another languishing at the bottom. Larsen and Toubro seem to be quite close to the mark in terms of percentage and even the amount of increase it needs to make in the coming years is not very high. Reliance Industries has a relatively high percentage, however in coming years it may need to increase its CSR spending by around INR 1 billion. The last three in the table also include the two Tata companies; figures for who mandate an increase in spend of whopping INR 4 billion as a combine. ICICI Bank also needs to make serious plans for ramping up its CSR spends by more than a billion Indian rupees.

Table – 7

Table showing the performance of top 25 companies in CSR activities in India during 2011-12

(Rs. In Cr.)

Sl. No.	Company	Revenue	Avg. PAT	2% of PAT	Actual Spend	%age over 2% of PAT Actually spent
1	Indian Oil Corporation	442,459	7,783	156	83	53.20
2	Reliance Industries	368,571	21,138	423	288	68.08
3	Bharath Petroleum Corporation	223,315	1,438	29	8	27.58
4	Hindusthan Petroleum Corporation	195,891	1,118	22	27	122.72
5	TATA Motors	170,678	8,437	169	15	08.87
6	Oil & Natural Gas Corporation	151,121	23,660	473	121	25.58
7	State Bank of India	147,197	13,056	261	71	27.20
8	TATA Steel Ltd.	135,976	3,895	78	146	187.17
9	PNB Gilts	104,628	29	1	NA	--
10	Hindalco Industries	82,549	3,597	72	28	38.88
11	Coal India Ltd.	78,410	11,759	235	119	50.63
12	Bharathi Airtel Ltd.	71,506	6,511	130	33	25.38
13	NMTC	67,023	129	3	3	100.00
14	NTPC Ltd.	66,366	9,334	187	49	26.20
15	Larson & Toubro Ltd.	64,960	4,818	96	70	72.91
16	Essar Oil	63,428	-201	NA	NA	---
17	Mahindra & Mahindra Ltd.	63,030	2,948	59	22	37.28
18	Mangalore Refinery & Petrochemicals Ltd.	57,214	1,066	21	NA	---
19	Tata Consultancy Services Ltd.	48,894	8,935	179	51	28.49
20	Bharath Heavy Electricals Ltd.	50,654	5,823	116	37	31.89
21	Steel Authority of India	51,428	5,153	103	61	59.22
22	GAIL (India) Ltd.	44,861	3,891	78	54	69.23
23	Sterlite Industries (India)	43,116	6,831	137	7	05.10
24	Adani Enterprises	45,397	392	8	3	37.50
25	ICICI Bank Ltd.	39,416	1,940	39	14	35.89

Source: ET 100 Top Companies

The above table shows that during 2011-12, Hindustan Petroleum Corpn., TATA Steel spent more than 2% of Average PAT. All the rest companies spent less than 2% of Average PAT.

Table – 8

Table showing the performance of top 25 companies in CSR activities in India during 2012-13
 (Rs. In Cr.)

Sl. No.	Company	Revenue	Avg. PAT	2% PAT	Actual Spend	%age over 2% of PAT Actually spent
1	Indian Oil Corporation	470352.29	4449.01	88.98	1.60	01.79
2	Reliance Industries	404929.00	20879.00	417.58	1.70	00.40
3	Bharath Petroleum Corporation	243709.97	1880.83	37.62	-	--
4	Hindusthan Petroleum Corporation	217605.90	501.30	10.03	-	--
5	State Bank of India	200559.84	17916.16	358.32	0.87	00.24
6	TATA Motors	189629.16	9892.61	197.85	-	--
7	Oil & Natural Gas Corporation	167165.66	24219.64	484.39	-	--
8	TATA Steel Ltd.	136156.72	-7057.62	-	--	--
9	Coal India Ltd.	93012.18	17356.36	347.13	0.87	00.25
10	Essar Oil	92710.62	-1180.44	-	--	--
11	Hindalco Industries	81205.03	3026.89	60.54	--	--
12	Bharathi Airtel Ltd.	80922.30	2258.10	45.16	-	--
13	Larson & Toubro Ltd.	76047.14	5218.10	104.37	-	--
14	ICICI Bank Ltd.	74204.40	9603.61	192.07	1.40	00.72
15	NTPC Ltd.	74198.63	12590.78	251.82	-	--
16	Mahindra & Mahindra Ltd.	69577.10	4099.20	81.98	-	--
17	Mangalore Refinery & Petrochemicals Ltd.	65852.01	-756.91	-	-	--
18	Tata Consultancy Services Ltd.	64167.71	13917.31	278.35	-0.51	--
19	GAIL (India) Ltd.	51991.99	4373.00	87.46	-	--
20	Bharath Heavy Electricals Ltd.	50035.52	6693.37	133.87	-	--
21	Punjab National Bank	47380.14	4954.21	99.08	0.07	0.00
22	Steel Authority of India	46073.31	2329.40	46.59	-	--
23	Maruthi Suzuki India Ltd.	45134.50	2469.20	49.38	-	--
24	HDFC Bank Ltd.	42993.98	6869.64	138.39	0.58	0.00
25	Chennai Petroleum Corporation Ltd.	42977.32	-1766.84		-	--

Source: India CSR Report – Social Research and Reform Foundation

The above table shows that all the companies spent less than 2% of Average PAT during 2012-13.

Table – 9

Table showing the CSR Transparency Score of top 25 companies in India

Sl. No	Company	CSR Strategy disclosed	CSR Amount / % disclosed	CSR Information available on Website	Activities for the year disclosed	BRR Released	Transparency Score
1	Indian Oil Corporation	√	√	√	√	√	√ 10
2	Reliance Industries	√	×	√	×	×	√ 10
3	Bharath Petroleum Corporation	√	×	√	√	×	05
4	Hindusthan Petroleum Corporation	√	×	√	√	×	05
5	State Bank of India	√	√	√	√	√	√ 10
6	TATA Motors	√	×	√	×	×	×
7	Oil & Natural Gas Corporation	√	√	√	√	×	√ 08
8	TATA Steel Ltd.	√	×	√	√	×	05
9	Coal India Ltd.	√	√	√	√	√	√ 10
10	Essar Oil	√	√	√	√	×	√ 08
11	Hindalco Industries	√	√	√	√	×	√ 08
12	Bharathi Airtel Ltd.	√	×	√	√	×	05
13	Larson & Toubro Ltd.	√	×	√	√	×	05
14	ICICI Bank Ltd.	√	√	√	√	√	√ 10
15	NTPC Ltd.	√	√	√	√	×	√ 08
16	Mahindra & Mahindra Ltd.	√	×	√	√	×	05
17	Mangalore Refinery & Petrochemicals Ltd.	√	√	√	×	×	05
18	Tata Consultancy Services Ltd.	√	√	√	√	√	√ 10
19	GAIL (India) Ltd.	√	×	√	×	×	×
20	Bharath Heavy Electricals Ltd.	√	√	√	×	×	05
21	Punjab National Bank	√	√	√	√	√	√ 10
22	Steel Authority of India	√	√	√	√	×	√ 08
23	Maruthi Suzuki India Ltd.	√	√	√	√	×	√ 08
24	HDFC Bank Ltd.	√	√	√	×	√	07
25	Chennai Petroleum Corporation Ltd.	√	√	√	√	×	√ 08

Source: India CSR Report – Social Research and Reform Foundation

The above table shows that TATA Motors and GAIL (India) Ltd. Scores very less Transparency score i.e., 02. Bharath Petroleum Corporation, Hindusthan Petroleum Corporation, TATA Steel Ltd., Bharathi Airtel Ltd., Larson & Toubro Ltd., Mahindra & Mahindra Ltd., Mangalore Refinery & Petrochemicals Ltd. and Bharath Heavy Electricals Ltd. scored 05 Transparency score; Oil & Natural Gas Corporation, Essar Oil, Hindalco Industries, NTPC Ltd., Steel Authority of India, Maruthi Suzuki India Ltd., and Chennai Petroleum Corporation Ltd. scored 08 Transparency score and the rest scored 10 Transparency score.

Table – 10

Table showing the performance of top 25 Companies in CSR activities in India during 2013-14
 (Rs. In Cr.)

Sl. No.	Company	Revenue (Rs. In Cr.)	Avg. PAT (Rs. In Cr.)	2% PAT (Rs. In Cr.)	Actual Spend
1	Indian Oil Corporation	499720.45	7085.59	141.71	
2	Reliance Industries	443461.00	22493.00	449.86	
3	Bharath Petroleum Corporation	265806.38	3910.68	78.21	
4	Hindusthan Petroleum Corporation	235518.42	1080.37	21.61	
5	TATA Motors	533662.25	13991.02	279.82	
6	State Bank of India	226944.57	14173.78	283.48	
7	Oil & Natural Gas Corporation	181408.75	26506.53	530.13	
8	TATA Steel Ltd.	149148.56	3594.89	71.90	
9	Essar Oil	99473.00	126.00	2.52	
10	Hindalco Industries	88712.69	2175.01	43.50	
11	Bharathi Airtel Ltd.	87151.70	3266.10	65.32	
12	Larson & Toubro Ltd.	86471.81	4922.81	98.46	
13	Tata Consultancy Services Ltd.	83446.10	19163.87	383.28	
14	NTPC Ltd.	81818.29	11403.61	228.07	
15	ICICI Bank Ltd.	79563.86	11041.37	220.83	
16	Coal India Ltd.	77890.62	15111.59	302.23	
17	Mahindra & Mahindra Ltd.	74874.20	4666.93	93.34	
18	Mangalore Refinery & Petrochemicals Ltd.	72246.85	601.18	12.02	
19	Sesa Sterlite Ltd.	68225.88	6298.51	125.97	
20	GAIL (India) Ltd.	63168.72	4786.22	95.72	
21	Adani Enterprises	56225.86	2220.77	44.42	
22	Infosys Ltd.	52797.00	10656.00	213.12	
23	JSW Steel Ltd.	51305.43	451.95	9.04	
24	HDFC Bank Ltd.	50852.52	8743.49	174.87	
25	Punjab National Bank	49668.43	3617.07	72.34	

Source: ET 100 Top Companies

In the above table **shows the performance of top 25 companies in csr activities in india during 2013-14.** Average Profit After Tax (PAT) is available. Based on that 2% PAT is calculated but Actual spending is still to be obtained.

6. Findings:

- 1) It is found that there is a need for creation of awareness about CSR among the private sector corporate as to follow the guidelines.
- 2) As the public sector corporate are allocated fund for CSR as per the policy but it is the measure question that they could not spend the entire fund for the Triple Bottom Line (TBL – viz., People, planet and profit).
- 3) Business solutions are often revealed with the smooth functioning of the philanthropic means. The correlation between social performance and financial performance often originates CSR.
- 4) Corporate Philanthropy a result that creates charitable efforts to improve their competitive context along with the quality of the business environment.
- 5) Most of the companies spend below 2% of Average PAT towards CSR activities.
- 6) Most of the companies scored less than 10 Transparency Score.
- 7) All the companies are to be motivated to spend at least 2% of Average PAT towards CSR activities.
- 8) All the companies are motivated to disclose their spending on CSR activities.
- 9) The essence of the CSR lays on the investing part of the profit beyond business for the larger good of the society.

The above table shows that during 2011-12, Hindustan Petroleum Corpn., TATA Steel spent more than 2% of Average PAT. All the rest companies spent less than 2% of Average PAT.

7. Suggestions:

- 1) It is necessary that companies involved in CSR activities urgently consider pooling their efforts into building a national alliance for corporate social responsibility.
- 2) All the companies are to be motivated to spend at least 2% of Average PAT towards CSR activities.
- 3) All the companies are motivated to disclose their spending on CSR activities.
- 4) It is noted that CSR as a subject or discipline should be made compulsory at business schools and in colleges and universities to sensitize students about social and development issues.
- 5) CSR is to enhance corporate social objective under areas of net income contribution, Human Resource Contribution, Public Contribution, Environmental Contribution Product or Service Contribution.
- 6) Where transparency of Social Accounting, it has become at much ease to express social cost and benefits in money terms. Moreover, it is necessary in order to improve the heads of reporting in the context of dynamic socio- economic environment. All the companies are motivated to score 10 Transparency Score.
- 7) The challenges are now the flexible modules for the CSR to be implemented, directive to its arrangement with the corporate world.

8. Conclusion:

The CSR is not a new concept. Companies have always to some extent tried to acknowledge the responsibility towards the community. CSR today, is seen as something more far-reaching, engaging at a much wider level with business operations and relations with communities. It embraces the 'triple bottom line' and requires attention to be paid not only to economic performance, but to environmental and social impacts as well. It is essentially about business contribution to sustainable development and how best to maximize that contribution. "Putting CSR into operation, bringing it to the heart of corporate culture without losing sight of core business objectives, while also avoiding the traps of paternalism and philanthropy, is a complex task, requiring clear – sighted analysis and detailed implementation. CSR has become increasingly important to companies/ businesses over the last few years, with more and more companies responding to stakeholder's calls for increased accountability by incorporating and integrating CSR into their organization / business policies. In order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time as well as it is necessary to append properly the allocated fund.

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