

**A STUDY OF CSR PRACTICES IN MAHARATNA
COMPANIES IN INDIA**

**A DISSERTATION TO BE SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF
DEGREE OF MASTER OF LAWS**

SUBMITTED BY

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BBD UNIVERSITY

SESSION: 2020-2021

CERTIFICATE

This is to certify that this Dissertation Thesis titled “**A STUDY OF CSR PRACTICES IN MAHARATNA COMPANIES IN INDIA**” is the work done by **ANUJ SINGH** under my guidance and supervision for the partial fulfilment of the requirement for the Degree of **Master of Laws** in School of Legal Studies Babu Banarasi Das University, Lucknow, Uttar Pradesh.

I wish him success in life.

Date 20.07.2021

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DECLARATION

I, **ANUJ SINGH**, do hereby declare that this dissertation on “**A STUDY OF CSR PRACTICES IN MAHARATNA COMPANIES IN INDIA**” is the result of the research undertaken by me in the course of LL.M. Programme at BBD University, under the guidance and supervision of **MS. MUDITA TRIPATHI**.

I, Anuj Singh declare that:

- (a) This dissertation is submitted for assessment in partial fulfilment of the requirement for the award of degree of **Master of Laws**.
- (b) I declare that this **DISSERTATION** is an original work. Wherever work from other source has been used i.e., words, data, arguments and ideas have been appropriately acknowledged.
- (c) I have not permitted, and will not permit, anybody to copy my work with the purpose of passing it off as his or her own work.
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Date 20.07.2021
Place: Lucknow

Anuj Singh
L.L.M. (Corporate and Commercial law)
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With a great amount of humility and joy, I dedicate my research work to my very beloved ones. Some of them have been with me through thick and thin and have become my idols. These people are the personification of a commitment to excellence in all they pursue in life. I have always believed that these people around me give me constant reason to always have right attitude.

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CHAPTER 1

INTRODUCTION TO CORPORATE SOCIAL RESPONSIBILITY

'A good company offers excellent products and services. A great company also offers excellent products and services but also strives to make the world a better place.'

-Philip Kotler

INTRODUCTION

Overview

The theme of research depends upon the concept of Corporate Social Responsibility, the manner it enhances society and helps companies form a bond between the community and any of the industry. The two sectors chosen for the study are the oil and power sector, where the primary focus of research would be to understand how the oil companies and power companies in the public sector have been executing the statutory mandate of Corporate Social Responsibility¹.

These companies are aligning the visions and missions of their CSR initiatives to their core values. The study of the oil and power sector brings the following observation in the focus area, i.e. budget allocation, implementation, geographical variation, the role of government and overall performance. The subject matter in both sectors principally incorporates oil and gas investigation, advancement and creation and promoting organizations. Our study includes the organizations engaged with the product of unrefined petroleum and oil. The Power sector incorporates the beneath referenced organizations associated with power generation and force distribution.

MEANING OF CSR

Corporate Social Responsibility in the ordinary course of business means obligations of a company operating to enhance society and the environment instead of negatively contributing to them. CSR is a broader concept that can take many forms depending on the company and the industry. Law is a combination of art and science. An act is an art, while the actions are science. India is too concerned about the environment since the beginning, and our country has always been known for taking care

¹ Baylis, Steve Smith. 2005. The Globalization of World Politics (3rd ed). Oxford. Oxford University Press. P.454-455.

of the ambience since the beginning². However, the fine line between need and greed is making this concept grow bad. The needs of human being are steeping over nature and are causing the problem to it. Both humans and nature cannot be ignored to the face, and we need to maintain a balance between both these things.

India is a welfare state. However, because of the demand of time, it has adopted Liberalizations, Privatization, and Globalization (LPG)³. The public sector has now slowly started shifting to the private sector. Hence, it results in a decreased number of public sector units; both sectors have no differences. Therefore, it is implied that the need for social responsibilities has to be brought into the limelight. Henceforth, the concept of Corporate Social Responsibility (CSR) is brought into notice, which means the obligation of the business entity towards society⁴. If there is a society, law creeps in undoubtedly. Corporate Social Responsibility encompasses the economic, legal, ethical, and philanthropic expectations placed on the organizations by the community at a given point in time.

When we talk about the time when resources are scarce, and the population is increasing, the prominent challenge people face, governments and businesses are to find more sustainable forms of growth possible. For that time, CSR can also be looked at as a relief method or for the development of risk and compliance management.⁵ It acts as a repair system of the corporate economy and a systematic change of the market economy. What is required is a more vital integrated perspective based on the core and moral values system, closely related to the company's core strategy. It takes appropriate organized structures and employees with the utmost integrity to truly realize the importance of CSR.⁶

Therefore, it becomes a matter of individual and institutional ethics. CSR makes sure the environment around the company is also maintained correctly, and they take care of the employees. The foremost question is whether corporations should be involved in CSR; for that, we can access

² Visser, Wayne (2008), Corporate Social Responsibility in Developing Countries in Andrew Crane, Dirk Matten, Abigail McWilliams, Jeremy Moon, and Donald Siegel (eds.) The Oxford University Press

³ MCA, 2011, The National Voluntary Guidelines on Socio Economic and Environmental Responsibilities of Business, Ministry of Corporate Affairs, Government of India, New Delhi

⁴ Ahmedabad Municipal Corporation v. Nawab Khan Gulab Khan, AIR 1997 28 SC 152.

⁵ Agarwal, SK. (2008), Corporate Social Responsibility In India, Sage Publications Pvt. Ltd

⁶ Holme, L. and Watts, R. (2000), Corporate Social Responsibility: Making Good Business Sense, WBCSD, Geneva.

two views of CSR: Classical and Behavioral.⁷

The former view States that few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make money for their shareholders as they possibly can. The latter states that in addition to making profits, businesses should help to solve social problems, even if there is probably no short-run or long-run profit potential.⁸ Corporate social responsibility has attracted attention from a range of business and stakeholders. A business person may define CSR as a business strategy; an NGO activist may see it as 'greenwash' while a government official may see it as voluntary regulation⁹.

In addition, disagreement about the definition will arise from the disciplinary approach. CSR is known for impacting employee turnover. According to the research, several experts suggest that employees are the most valuable asset in any organization and that retaining them leads to organization success. Socially responsible activities promote fairness, which in turn generate lower employee turnover.¹⁰

On the contrary, if irresponsible behaviour demonstrated by a firm, employees may view this unfavourable behaviour. Proponents argue that treating employees well, with competitive pay and good benefits, is seen as socially responsible behaviour, and therefore it results in reduced employee turnover.¹¹

At the very start of the analysis, it is imperative to clear why only public sector units of the oil and power sector have been researched. As mentioned earlier, PSUs have a very prominent role in CSR as they are the heart and soul of the economy.¹² They have a significant role in making our nation grow, and their actions pave the direction for the conduct of the rest of the units. The main reasons for taking his sector as our matter of research is as follows:

⁷ Paranjape, NV. (2014).The New Company Law. Central Law Agency, PP.19-28.

⁸ <http://resource.cdn.icai.org/18798announ10264a.pdf>.

⁹ http://articles.economictimes.indiatimes.com/2015-05-17/news/62277035_1_csr-activitiescsr-expenditure-corporate-social-responsibility. L

¹⁰ Bhattacharya, CB; Sen, Sankar; Korschun, Daniel (2011). Leveraging Corporate Social Responsibility: The Stakeholder Route To Business And Social Value. Cambridge: UK: Cambridge University Press

¹¹ <https://www.unglobalcompact.org/what-is-gc/mission/principlesCompanies> (Corporate Social Responsibility Policy) Rules, 2014.

¹² DR. G.K. Kapoor & Sanjay Dhamija, Company Law And PracticE, (20TH ED., 2015), PP. 608-609

- Even before introducing Schedule 135 of the Companies Act, 2013, Directives on Corporate Governance for Public Sector Enterprises, 2010 was issued by DPE (Department Of Public Enterprises). This has provided a good base for comparison and detailed study.

- Secondly, our companies, both private and public sector and the government in all manner, hold an appreciable moral responsibility toward the betterment of society and work for their standard of living. In the rest of the research, we would study the importance of a government initiative to lay the foundation for the further road of CSR.

- Thirdly, power and oil sectors, owing to their gigantic operation size and coverage, results in pollution to a great extent. In addition, their operations lead to the displacement of livelihoods of many, and it creates an adverse impact on the environment.¹³ Hence they are indebted significantly to the community, which they can repay in CSR spending.

- The study's objective is to individually scrutinize and deeply examine the guidelines of the CSR policies of Public Sector industries. An attempt has been made to find out intra-sector similarities and dissimilarities. It aims to render the following points:

- The study tries to provide all the readers about the comparative analysis of corporate social responsibility policies and how to hold its impact on the society and hence explains about CSR is working for its growth it draws a larger picture of the condition of India

- It tries to maintain and assimilate possible suggestions and observations that various groups can use for multiple purposes.

SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has many advantages that can apply to any business, regardless of its size or sector. Benefits of corporate social investment for businesses.¹⁴ The potential services of CSR to companies include¹⁵:

¹³ http://www.un.org/esa/sustdev/csd/csd15/media/backgrounder_brundtland.pdf.

¹⁴ Kotler Philip & Lee Nancy. (2005), Corporate Social Responsibility, John Wiley & Sons, Inc., Hoboken, New Jersey

¹⁵ M.H. Hirani, HE Company Law Related To Social Responsibility Of Company Directors (1997), P. 47.

- better brand recognition
- positive business reputation
- increased sales and customer loyalty
- operational costs savings
- better financial performance
- more remarkable ability to attract talent and retain staff
- organizational growth
- easier access to capital
- Responsible business reputation

Corporate social investment can help to build a reputation as a responsible business, which can, in turn, lead to a competitive advantage. Companies often favour suppliers who have responsible policies since this can reflect on how their customers see them. Other benefits of CSR to companies while working in a sustainable, responsible way, one may find it easier to¹⁶:

- **access finance** - investors are more likely to back a reputable business
- **attract positive media attention** - ex when taking part in community activities
- **reduce regulatory burden** - good relationships with local authorities can often make doing business easier
- **identify new business opportunities** – ex for the development of new products or services

CSR AS A CONCEPT

Motherhood Issue

Thomas, Gail and Nowak, Margaret¹ describes corporate social responsibility (CSR) as a ‘motherhood issue’. Scholarly articles feel the necessity to examine all-inclusive evaluation and amalgamation of research activities in the field of Corporate Social Responsibility ‘using a paradigmatic and methodological lens.’ (Taneja 2011, et al) ‘There are many notions of CSR.’ But, there is a deficiency of clear definition. An accord is needed for a common worldwide framework¹⁷

¹⁶ 3 Holme, L. and Watts, R. (2000), Corporate Social Responsibility: Making Good Business Sense, WBCSD, Geneva

¹⁷ Wells, Celia. Corporations And Criminal Responsibility (2ND Edition), Oxford University Press, Oxford (2001). ISBN 0-19- 826793-2.

Germination in Philanthropy

Many multinational corporations used the term ‘Corporate Social Responsibility’ in the late 1960’s and also in early 1970’s to describe organizational activities which had a great impact towards a superior environment. CSR main seed was germinated in philanthropy. An organization’s total responsibility towards the business environment is what is known as CSR. At present CSR leads to the usual company behaviors that are not heading for profits. Naturally, such projects have a sturdy developmental move toward company capital to promote non-profit organizations and communities¹⁸. The text reveals that even though the term CSR may come into view to be moderate.

CONCEPTUAL FRAMEWORK WITH RESPECT TO ECONOMIC, LEGAL AND VOLUNTARY ACTIVITIES

Summed by Caroll (1979), SR has been defined or conceptualized in a number of different ways, by writers of statures in business and its various definitions. The term has encompassed a wide range of economic, legal and voluntary activities. Some of the views as what Social Responsibility means are the following¹⁹.

- Profit making only (Friedman)
- Going beyond profit making (Davis, Backman)
- Going beyond economic and legal requirements (Mc Guire)
- Voluntary activities (Manne)
- Economic, legal, voluntary activities (Steiner)
- Concentric circles (CED, Davis and Blomstrom)
- Concern for the broader social system (Eells and Walton)
- Responsibility in a number of social problem areas (Hay,Gray and Gates)
- Giving way to social responsiveness (Ackermann and Baumer, Sethi)”

¹⁸ Freeman, R. (1984), Strategic Management: A Stakeholder Approach, Pitman Publishing, Boston: MA

¹⁹ University of Oxford, December 2011. Oxford Poverty and Human Development Initiative Country Briefing: India.

LITERATURE REVIEW

The term literature review has combinations of two words which is review and Literature. The term review relates to research to briefly study a report or any documents to make a synopsis of the available knowledge of specific areas and literature—the information about the concepts, delimitations, and all the theories related to the field of investigations. Although several researches have been undertaken on corporate social responsibility in past, none of the researches could provide a universally accepted definition of the term. There is no consensus among experts on the definition of the term ‘Corporate Social Responsibility’ posing a major challenge in its implementation and measurement. Furthermore, there is a dearth of information pertaining to the impact of regulations and policies pertaining to CSR on the employees, community and the major Indian public sector organizations as a whole.

METHODOLOGY OF LITERATURE REVIEW

The literature review has been done by considering some of the factors which fall in the part of the objective:

- To gain some knowledge in the field of the public sector, mainly PSUs of India.
- To identify what achievements have been done in the field of CSR and evolution of CSR theory.
- To learn what is the working pattern in the Indian public sector at the institutional level

SELECTION OF JOURNALS AND ARTICLES

The literature review is prepared by following literature read and the information which is provided by that, and by using the Harpings (2011) journal quality list to select journal papers by observing its impact factors.

In today's era of blissful knowledge and information moves towards rapid change in its growing more with time, therefore, a researcher has to be conscious about the changes and developments in the area of his knowledge for this the researcher has to go through all available articles, newspapers, and journals for improving his understandings. Over the last years, corporate social responsibility has become the more visited area for research, so the part of the researcher is to review papers of

other researchers, analyst and many more who are related to social responsibility, social accounting, social reporting and other areas which are related to corporate social responsibility.

There is no consensus among various authors and researchers on the definition of the term ‘corporate social responsibility’ and this is one of the major issues related to this concept. Different people have conceptualized the term differently and there is no commonly accepted definition of corporate social responsibility. Some authors believe corporate social responsibility relates to conducting various business activities with the only objective of welfare of the society. Others relate the concept with legality and consider that corporate social responsibility restricts the organizations to conduct any illegal activity. Such authors believe that all the activities that are legally conducted come under the purview of corporate social responsibility. Some believe that responding to societal values and expectations is what is called corporate social responsibility but others find it impractical to respond to all the expectations and demands of society. **(Paul Griseri and Nina Seppala, 2010, p.8)**

Based on these differences in viewpoints of various researchers, there are several definitions of the term ‘corporate social responsibility.’ Bowen has defined ‘Corporate Social Responsibility’ as “Obligation to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.” **(H.R.Bowen, 1953, cited in C. Gopala Krishna, 1992, p.63)** This definition given by Bowen emphasizes the societal aspect of business decisions and activities and presents that corporate social responsibility is an obligation or a compulsion. Koontz and O’Donnell however mention these words about CSR. “As a working definition, social responsibility may be regarded as the personal obligation of people as they act in their own interests, to assure that the rights and legitimate interests of others are not impinged.” **(Koontz and O’Donnell, 1976, cited in C. Gopala Krishna, 1992, p.63)**

This definition reflects that CSR is not a societal obligation; rather it is personal obligation of business to also look after the interests of society in general, apart from considering personal business interests. A better view of the concept of corporate social responsibility can be gained with the help of the pyramid shown in the following figure. Lawrence J. Gitman and Carl McDaniel have presented this figure in their book and have named it as “Corporate Social Responsibility Pyramid.”The pyramid has four layers and each layer depicts a set of responsibilities. At the base lies the economic responsibilities of the corporate those are essential for the survival of the business. The profits are an essence of every business because these profits are ploughed back into business to keep it running. Thus, in order to carry any further responsibility, first the survival of the business has to be assured.

(Lawrence J. Gitman and Carl McDaniel, 2008, p.46)

LITERATURE REVIEW GAP: CORPORATE SOCIAL RESPONSIBILITY

The idea of corporate social responsibility (CSR) has so far neglected to take profound root in India given the reasonable unclear lack of definition related to the classification. CSR in India is in a nascent stage. Much should be done to realize changes in mentality towards CSR and bring mindfulness among the corporate about their social duties.²⁰ The market economy has opened the path for significant business-driven advancement. A new cultural perspective is developing in Indian business conditions with a solid bearing on social duties. In a perfect world talking, corporate citizenship has moral and philosophical measurement, especially in India. A wide hole exists between individuals as far as salary and expectations for everyday comforts just as social status.²¹

The corporate bodies need to comprehend various schools of contemplations and approaches of social improvement to discover their speciality instead of making essential, disconnected, benefit-sharing, charitable activities. Notwithstanding the current charitable undertakings, corporate houses may likewise contribute towards expanding the viability and effectiveness of different government social improvement activities.²² They ought to effectively contribute towards strategy support, strategy plan, its usage and help with improving the current administration structures, particularly those liable for the execution of improvement programs. This can be conceivable through building up the foundation offices (all the more so the IT empowered administrations) and building the limits of different on-screen characters in these administration structures toward excellent administration.²³ In any case, one should be careful in separating these exercises/jobs from the campaigning done by the corporate bodies with the government for their monetary profits/business sops. The developing positions of corporate bodies may either be taken up through their 'Foundations/Trusts or a CSR division made inside the parent association implied for a reason.

²⁰ University of Oxford, December 2011. Oxford Poverty and Human Development Initiative Country Briefing: India.

²¹ WBCSD (2005) Business for development: business solutions in support of the Millennium Development Goals, Geneva: World Business Council for Sustainable Development

²² Chambers, E., Chapple, W., Moon, J., and Sullivan, M. (2003), CSR in Asia: A Seven Country Study of CSR Website Reporting, International Centre for Corporate Social Responsibility, University of Nottingham, Nottingham: UK.

²³ Sinha, Dev and Salas, Corporate Social Responsibility and Profitability Srinivasan Padmini (2012), Status of Ethics, Corporate Governance, CSR and Environment Education in Business Schools in India: An Exploratory Study, IIMB. Research & Publications, Working Paper no.362

RESEARCH OBJECTIVE

The main objective of this study is-

1. To study the spending of the CSR in selected oil and power companies in India.
2. To study CSR after implementation of the Companies Act 2013.
3. To analyze the performance of CSR in the oil and power sector of the Indian public sector.

RESEARCH QUESTION

- Under which model of responsibility are Indian firms (Maharatna companies) dealing with the current operating?
- Whether the Maharatna companies are approaching ethical, the statist, the liberal, or the stakeholder, all four approaches and why?
- What are the major concerns of CSR across all the CPSEs
- What are the challenges for better implementation of CSR practices?
- What is the relationship between CSR and Employees?
- What is the relationship between CSR and Environment?
- What is the relationship between CSR and Community or Society?

STRUCTURE ANALYSIS

The procedures and the amendment of CSR in the Indian public sector study fit differently for carrying these initiatives in various forms for decades. Something which was seen from a Philanthropic angle has now taken the shape of a dedicated stakeholder centric approach. As pointed out in a CSR research report by KPMG-ASSOCHAM, trends in CSR (especially for PSUs) have changed.

The current focus of PSUs is on building partnership and empowerment and not mainly for the welfare of society. Therefore, the companies are aligning means placing the visions and missions of their CSR initiatives to their core. Stress is being given to get more expertise on board to execute the policies and have substantial tie-ups with bodies closer to the society (E.g. Government, NGOs, and Employees etc.). All this has clearly re-defined their approach towards CSR. (KPMG, Corporate Social Responsibility -TOWARDS SUSTAINABLE FUTURE, 2008). Hence, there is no second

thought that CSR efforts have become a more tough endeavour than previous. Regarding this, the matter of fact is willing all these CSR initiatives' efforts be enough.

RESEARCH METHODOLOGY

The following is doctrinal research that broadly talks about the status and its impact on the PSUs in the Indian business context. How CSR policies are taking their place in the Indian public sector. The research is divided into two board sectors:

- OIL SECTOR PSUs
- POWER SECTOR PSUs

The data used in this paper is secondary. It has been collected from multiple sources such as the official website of PSUs, some newspaper, articles, academic research papers, independent study report, media coverage and other relevant and reliable web sources. In addition, this paper has mentioned some of the listed PSUs which have CSR policies and operations. Finally, a comprehensive range analysis of the companies on several trademarks has been done to facilitate a more precise understanding of the subject.

Primary Resources and Secondary Research

- Articles, online data collected through the official website of PSUs.
- Journals, research papers.
- Conducted survey from the google form.

RESEARCH DESIGN

The subject of matter included in the Oil Sector primarily provides oil and gas exploration, which will help in development and production and marketing companies. Our study involves the companies which are involved in the production of crude oil and petroleum. The Power sector includes the below-mentioned companies engaged in power generation and oil industries. Oil and Power sector industries distribution in India are as follows:

OIL SECTOR	POWER SECTOR
BHARAT PETROLEUM CORPORATION LTD.	NATIONAL THERMAL POWER CORPORATION
GUJARAT STATE PETROLEUM CORPORATION	POWER FINANCE CORPORATION LTD.
HINDUSTAN PETROLEUM LTD CORPORATION	POWER GRID CORPORATION OF INDIA
OIL INDIA LTD	RURAL ELECTRIFICATION CORPORATION LTD.
GAS AUTHORITY OF INDIA LTD	

RESEARCH PROBLEM

- To study what is the position of Indian MAHARATNA companies regarding the corporate social responsibility
- To study even though the government made the policies regarding corporate social responsibility, the NAVRATNA companies strictly following such criteria'

HYPOTHESIS

Null hypothesis –The distribution of actual % expenditure on the CSR regulations as per the current year profit significantly equals the standard expected expenditure (2) % as per the industry studies' norms.

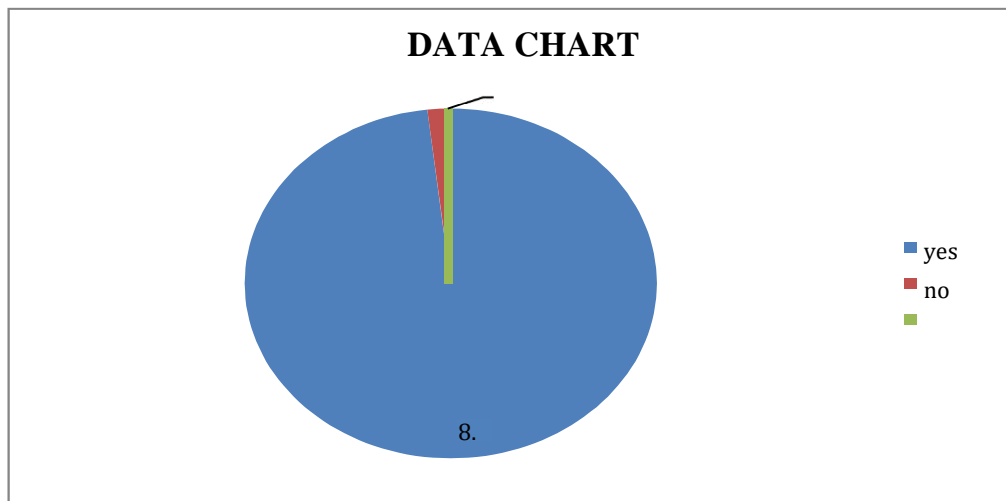
The Alternative hypothesis- The distribution of the actual percentage expenditure on the CSR as per the current year profit significantly not equal to the standard expected expenditure (2) % as per the norms of all the factories dealing with the oil and power sector.

QUESTION WISE ANALYSIS

1. Are you aware of CSR as a policy?

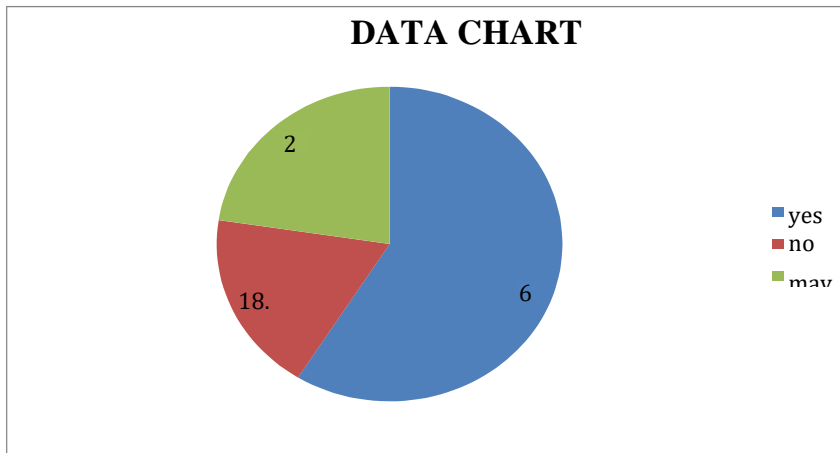
So for that, I have conducted a survey in the form of informal forms it was an online process and form that I got responses saying that 81% of the people out there know CSR as policy and, the rest 11.2 % said that they were not aware of the CSR policies operating in the companies and the remaining 4.1% well somehow knows about it.

So, the main motive behind asking this question was to gather the general question of whether they are about the CSR policy.



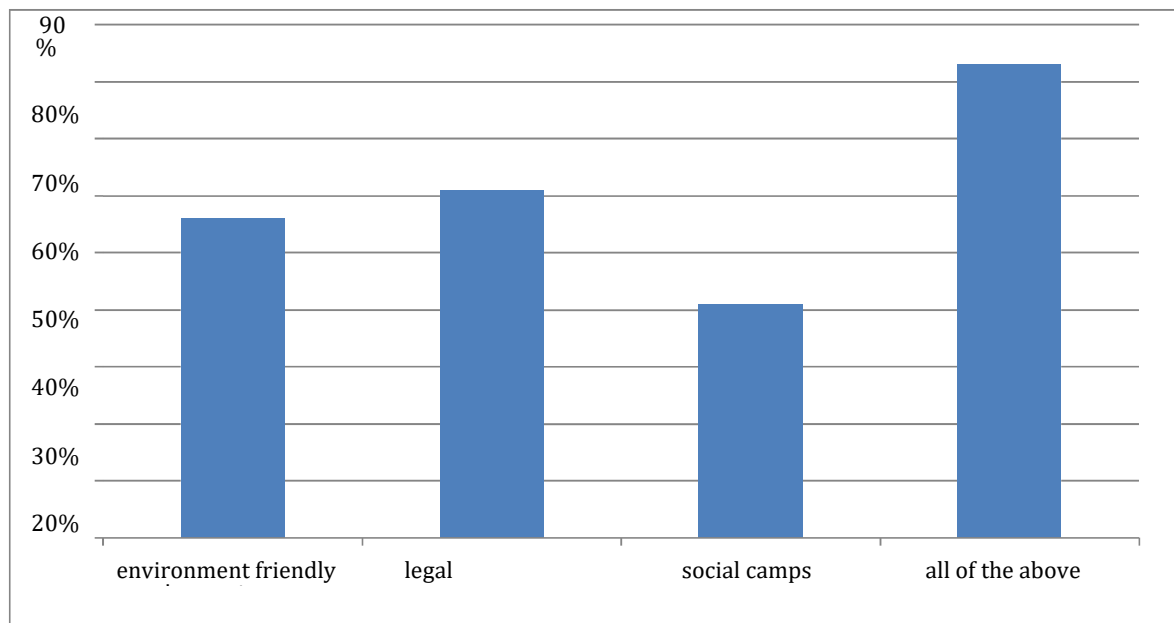
2. Is there any relation between the CSR and the profit ratio of the company?

The board purpose behind this question was to understand whether there is any link between profitability and CSR. According to the survey, 60% of the people believe that there is some relation between CSR and profitability, and 18.9% say that there is a relation between the two, and 23.1% of people believes in the relation between the two.



3. What makes the company responsible, in your opinion?

According to people, the primary purpose behind this question is to know what, according to people, makes the company more responsible and effective in their opinion, environment friendly, legal requirements, social campaigns or all of the above. According to the survey, 56% says being environmentally friendly, 63% says that legal requirements and the rest of them goes with social campaigns, 41% and the remaining of them says that all of the above 83%.



CHAPTER 2

INTRODUCTION TO INDIAN PUBLIC SECTOR

UNDERTAKING PSUS C.S.R. IN MAHARATNA COMPANIES

The public sectors are government-owned corporations in which 51% of paid-up share capital is owned by the government either by the state government or partly by Central and State government both these are termed as public sector undertakings.²⁴

At the time of post-independence, known by all India was a backward and under developed nation, the lower economy with the weak industrial base, whatever to deal with the factors like unemployment, very less-level of savings and investment manpower with training and null infrastructural facilities, there was some change required in Indian economy hence to a road map of the public sector was developed as an instrument of self-made economy and how to overcome economic and social backwardness. The country has adopted the planned economic development policies, envisaged the development of PSUs.

Title like MAHARATNA, NAVRATNA, and mini-rata provide them great autonomy to compete in global market free decision making in areas like investment and merge along with acquisitions For a company to be MAHARATNA it should have an average then- over of 20,000 core before it was 25000 crore average net worth of more than 10,000cr all the MAHARATNA Firms are also free to decide investment up to 15% and limited to an absolute ceiling of 5000 core.²⁵

OBJECTIVE

The objective of the study is to know whether CSR is actually applied in MAHARATNA companies and if yes then how it is a benefit for others. CSR is a well thought process which comes out from a well planned management strategy providing positive impact on our society and environment through sustainable development.

²⁴ White Paper (2008): CSR-Towards a Sustainable Future by KPMG IN INDIA & ASSOCHAM held at 1st International summit at New Delhi,

²⁵ International conference on CSR Brochure (2011), 6th International Conference on CSR at New Delhi: Quality World, Jul-Aug, V. VIII, Issue: 07 & 08, pp: 36-37.

The department of public enterprises, have issued comprehensive guidelines on CSR for central public sector enterprises in April 2010 CPSES through a board resolution, to create mandatorily a CSR budget as a specified percentage of net profit of the previous year. It also says that whichever companies is a loss making companies are not mandated for some specific funds for CSR activities within the framework of DPE guidelines, providing the board gives the approval.²⁶.

CSR activities are to be implemented by some specialist like NGOs, trusts, academic organization, mission etc. But these all are not conducted by CPSE employees/staff Minister, department also stated that who so ever PSUs which loses their MAHARATNA , NAVRATNA and other mini RATNA status if they fail to fulfill any CSR any guidelines given in a time bound manner.²⁷ Ministry will monitor the CSR spending by PSUs as per the issued guidelines and will motive PSUs for fulfilling their CSR activities.

CSR IN MAHARATNA AND NAVRATNA COMPANIES

The position of PSUs in public sector companies is facing many problems and numerous challenges and limitations while implementing CSR Programmes.²⁸ They are largely related to the organizational lend issues such as absence of dedicated CSR team, active involvement of key stakeholders, budgetary issues and identifying apt CSR projects and their beneficiaries, survey findings revealed that identifying appropriate CSR projects. 88% of the company surveyed, feel that identifying appropriate social projects and their beneficiaries is their biggest concern.²⁹

PSUs are not taking much CSR initiatives as they don't see any support from the government. Some kind of financial incentives should be given to psus so that they can feel motivated and undertake more & more CSR activities. Around 60% of the surveyed PSUs feel some kind of recognition such as receiving an award would push the level of their CSR activities, further, about 19% says that CSR

²⁶ Srinivasan Padmini (2012), Status of Ethics, Corporate Governance, CSR and Environment Education in Business Schools in India: An Exploratory Study, IIMB. Research & Publications, Working Paper no.362.

²⁷ Agarwal, R., (1992), Effective management, pp. 76-85; Corporate Social Information Disclosure- A Comparative Study

²⁸ Chambers, E., Chapple, W. Moon, J. & Sullivan, M. (n.d) (2004), CSR in Asia: A seven country study of CSR website reporting; from www.nottingham.ac.uk/business/ICCSR/09-2003.PDF

²⁹ Akshay Khandelwal, (2014), Analytical Study on the Impact of CSR Provision in Companies Act, 2013, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

expenditure should be label for a tax deduction, which would act as a major incentive for carrying out CSR projects.³⁰

CSR HOLDING INCENTIVES FOR SOCIETY

- Adoption of rural sectors
- Free health care and medical benefits
- Construction of runways roads
- School for the mentally unfit handicapped children
- No to child labor
- Disaster managements facilities
- Employment to rural youth
- Pollution free environment
- Irrigation using treated sewage
- Protection of natural resources
- Plantation of herbal plants
- Entrepreneur generation schemes
- Women's empowerment, girl child development
- Sponsorship of seminars, conference and workshop
- Promoting of sports and games
- Providing safe drinking water access
- Women literacy training centers
- Assistance to the mid-day meal in rural and slum areas

FINANCIAL COMPONENTS OF PUBLIC SECTORS IN INDIA

At the time of every financial year each CPSU shall approve along with the board of directors they shall also make a budgetary allocation for corporate social responsibility activities what all should be done for the project of the year. The budget of the company will be decided by the profit made by the company.

³⁰ Abhilasha.S.G and Medha.M.Puranik (2014), Implications of Companies Act 2013 for CSR Activities, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

It will be determined by the profit after tax of the previous year:

1. It should be less than 100 crore..... 3% -5%
2. Rs 100 core to 500 crore..... 2%-3%
3. Rs 500crore and above 1%-2%

With the allocation of new Companies Act, Each of the CPSU shall have a committee which can be headed by either chairman or managing director it can choose an independent director to make sure that the regulation made for CSR are followed or not and also to formulate the policies and all plans made for the CSR and sustainability agenda of the company.³¹ It is the CSR committee who formulate or who adopt the CSR

policies and also monitor its implementation, before CSR it comes corporate governance which is the key parameter of the memorandum of the company, as a tool to evaluate the structure and policies formed by CPSUS. Hence if CPSE fails to submit the report of compliance or the self-evolution it is evident that policies like environment protection, women empowerment and health care of the company all these and many more there activities are to be dealt by the CSR committee of the PSUs³².

³¹ Anita Kurian and Madhur Ghurka, (2014), Corporate Social Responsibility- A Marketing Strategy? , Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

³² Ananda .V. Raman.N, (2014), Corporate Social Responsibility (CSR) with Public Private Partnership (PPP) , Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

CHAPTER-3

AN OVERVIEW OF OIL SECTOR

Public Sector Enterprise plays a very important role in growth of Indian economy. Central government and state government set up public sector for improving socio-economic condition for society. Central government establishes central public sector enterprise under the department of public enterprise, ministry of heavy industries public enterprise. Some of the oil and power sectors of India

BPCL- BHARAT PETROLEUM CORPORATION LIMITED

Bharat Petroleum Corporation limited is a model entity which has some social responsibilities towards society. BPCL is leading organization fulfilling all duties towards nation and it has been working for improving the living condition of weaker section of our society it works for maximizing the positive impact with the help of stakeholder and managers of the company (according to BPCL it is said that we firmly believe for the sustainability of our business)

The main focus of the industry is on education using various technologies and maintains adequate infrastructural facilities, improving the living condition of society and provides for needful accessibility to the underprivileged population of our society, they work for improved literacy and education in its true sense.³³

Primary focus areas under CSR philosophy includes SWACCH BHARAT ABHIYAN involving creation and maintenances of toiletry facilities, associated to sanitation facilities, waste management initiatives which leads to overall health and hygiene for rest of the communities.

GSPC- GUJARAT STATE PETROLEUM CORPORATION

GSPC is also one of the oil and gas development and production company of India. It is the on the largest gas trading companies of India. Its development activities are conducted both offshore and onshore in India and overseas. Government of Gujarat and its public sector holds more than 86.89%

³³ Anju Khemani (2014) Shared Responsibility- Approaches for CSR Implementation, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

of equity of company on 31-March- 2017.³⁴ GSPC develops and produces all activities through joint ventures along with other domestic oil and gas companies with have some foreign partners to PSUS.

They with their subsidiaries and associates, operates largest gas transmission and distribution network in Gujarat (SABARMATI AND GUJARAT GAS LTD.) are engaged in the business they are even related pipeline infrastructure in Gujarat. These companies have developed pipeline to domestic customers, commercial customers, industrial customers and COMPRESSED NATURAL GAS they trade it in (LIQUEFIED NATURAL GAS) engaged in power generation, steel and city gas distribution, among others. GSPC was India's first company to participate in NELP bidding process and acquired exploration across the country.³⁵

HPCL- HINDUSTAN PETROLEUM CORPORATION LIMITED

HINDUSTAN PETROLEUM CORPORATION LIMITED is a Maharatna CPSE. It was originally incorporated under Indian Company Act 1913. It is listed in Bombay stock exchange and national stock exchange, India. HPCL operated 2 major refineries a wide variety of petroleum fuels & specialties, one in MUMBAI (west coast) of 7.5 million metric tons per annum and the other in VISAKHAPATNAM (east coast), with a capacity of 8.3 MMTPA.

HPCL has second largest product pipelines in India with a network of more than 3370 kms for transportation of petroleum products and a vast marketing network consisting of 14 zonal offices in major cities and 128 regional offices supply and distribution infrastructure comprising terminals pipelines network, aviation service stations, LPG bottling plants, inland relay depots & retail outlets. HPCL is committed to achieve the economic, ecological and social responsibility their main focus areas are in some of the following fields like: child care, education, health care, skill development & community development, touching lives of weaker section of society.³⁶ Motto of HPCL- to be a model of excellence in fulfilling all social commitment and work for employee welfare.

IOCL- INDIAN OIL CORPORATION LTD.

INDIAN OIL CORPORATION LTD. it's a Maharatna national oil company trading the entire hydrocarbon chain their work is from refining, pipeline transportation and also its marketing

³⁴ Dutta Kirti, (2009): Article On "Corporate Social Strategy: Relevance and Pertinence in the Indian Context", Haryana

³⁵ Bajaj P.S, Agarwal Raj, (2008): "Business Ethics- An Indian Perspective", Biztantra Publications, New Delhi.

³⁶ Bakshi Rajni, (2009), 'Competing Compassionately-The Freedom to Cooperate', In Bazars, Conversations & Freedom-For a Market Culture Beyond Greed and Fear, New Delhi: Penguin Books, pp. 162-170.

production of crude oil and gas, petrochemicals, gas marketing, IOC is pursuing diverse business interests with the setting up of over 15 joint ventures with some of reputed partners Indian oil vision – the corporation’s new aspirations- to broaden its horizons, to expand across new vistas, and to infuse new-age dynamism among its employees.³⁷ The main focus of IOC is to serve national interests in oil and many other related sectors in accordance with government policies. To make sure the maintenance of excellent supplies of petroleum products by way of crude oil refining, to provide consumers through transportation and marketing activities and to use it efficiently.³⁸ To give country, self-sufficiency in crude oil refining and build expertise in lying of crude oil and product pipelines. To provide good marketing infrastructure and reseller network to give good services to customers and along with the country. to create a strong research and development base in refinery processes, formulation of products, pipelines transportation and alternative fuels with a view to minimizing/eliminating all the imports from other countries and to have net generations products.³⁹

OIL AND NATURAL GAS CORPORATION LIMITED (ONGC)

Maharatna ONGC is the biggest unrefined petroleum and flammable gas organization India, which contributes 75% to Indian local creation. Raw petroleum is crude material utilized organizations like IOC, BPCL, and HPCL; they produce oil-based commodities like petroleum, diesel, lamp oil, naphtha, and cooking gas-LPG.

ONGC positions 11 among worldwide vitality majors. It is the main open segment Indian organization to highlight in fortunes most appreciated vitality organizations list. ONGC positions 18 in oil and gas activities and 220 generally in Forbes worldwide 2000. ONGC has an extraordinary contrast in being an organization with in-house administration abilities in all arrangements of investigation and creation of oil gas and related oil-field administrations.⁴⁰ Corporate social obligation in ONGC is to manage neediness, unhealthiness, and making accessible safe water for

³⁷ Balu.L, (2014), Corporate Social Responsibility approaches followed by MGA International, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

³⁸ C. Mahadeva Murthy, (2014), A Descriptive Analysis of Companies Act 2013, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93- 83302-03-1).

³⁹ Chandrika R and Pooja Nagpal (2014), A Study on India’s Top10 Corporate Spenders towards CSR Activities, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

⁴⁰ Divya Bansal (2014), An Empirical study on the Implications of Companies Act 2013 in Corporate Social Responsibility, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1)

drinking likewise advancing training, including uncommon aptitudes like work abilities particularly among kids, ladies, and old diverse capable vocation upgrade ventures. ONCG advancing sexual orientation fairness and it likewise work for ladies strengthening they set up homes and inns for ladies they are additionally working for landing's positions for female in our nation.

OIL INDIA LIMITED

On February 18, 1959, oil India private limited was begun and its points were to extend in addition to create oil fields of Naharkatiya and Moran in the Indian North West. It turns into a joint endeavor organization between the Indian government and Burmah oil organization restricted, UK. Subsequently on 1981, OIL turns into an entirely possessed administration of India undertaking.⁴¹ The organization primary center is improvement and creation of unrefined petroleum and gaseous petrol, alongside likewise does the transportation of raw petroleum and creation of LPG.

The share capital of the company is RS 2000 cores. The issued, subscribed and paid share capital of the company is Rs 1134.90 cores. The promoters of the company that means the government is holding 66.13% of the total issued & paid-up capital is held by public and others including corporate bodies, mutual funds banks. Hence after all this it is to be said that OIL is one of the best five major PSUs in the country⁴²

Motive- the core purpose of OIL is to provide value to the stakeholders of the company. This public sector has to build mutual trust, honesty, integrity and transparency along with to commit full safe and healthy environment in the company.⁴³

GAIL

Gail was incorporated in august 1984 as a public sector company which was held under the Ministry of petroleum and natural gas. The work given to the corporation was to construct and maintenance of the hazira- vijaypur-jagdishpur (HVJ) pipeline project.

Now it is India's largest pipeline project.

⁴¹ Gagan K., (2014), Corporate Social Responsibility under the Companies Act, 2013 A lot done, a lot to be clarified! , Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1)

⁴² Ghare, Prabhu (2008), Indian Microfinance: The Challenges of Rapid Growth, New Delhi: Sage Publications.

⁴³ Ghosh, P.K. And G.K.Kapoor, Business and Society, Sultan Chand and Sons, New Delhi, 1986.

ANALYSIS DATA SHOWING THE WORK DONE BY THE OIL SECTOR IN CSR

COMPANY	PROJECTS	THEMATIC FOCUS	CSR COMMITTEE	AREAS OF OPERATIONS	BUDGET
HPCL	RASOI GHAR (LPG in rural areas) UNNATI (computer Science trainings) MUSKAN (protection of street kids) NAVJOT (improving health and welfare) NANHI KALI- (education of girl child hygiene) BOOND (water management) DISHA (development of skills)	Child care Education Health Improvement of Environment Development of sports & community. Hygiene and Development of community.	CSR council Board members of CSR The working committee of CSR	Tamil Nadu Andhra Pradesh Across Maharashtra, Odisha, Uttar Pradesh Madhya Pradesh and more.	
GSPC	PROJECT PRAKRITI	According to the companies act 2013, Sschedule 7 the Additional funds to be spend on the SWACCH BHARAT ABHIYAAN and other related projects	CSR committee, board of directors and managing committee with their divided authority and responsibility	Gandhi Nagar and nearby areas	
OIL	Eco-tourism Projects, Arogya, Sparsh, OIRDS, OIL-awards-merit scholarships, OIL siksha ratna puraskar, and OIL super 30	Sustainable livelihood, education, capacity skill, building, health, programs for disable people	CSR committee on the growth and sustainable development	Arunachal Pradesh and Assam some part of Sikkim.	
IOC	They have invested in various projects	Healthcare and sanitation, education and Employment enhancing vocational skills protection of national heritage and promotion of art & culture development of local communities and projects for safe drinking water	CSR board committee having at least three directors out of which at least one of them shall be the independent director.	Nasik, Faridabad, Mathura, Begusarai and Kolkata etc.	

GAIL	Village devrai ka purwa, Arogya (health) Utkarsh, Padho or badho (education), Garima (livelihood)	Upliftment of beneficiaries belonging to the under privileged regions and empowerment to the disabled groups	CSR committee by the MD as chairman of the committee director (HR) secretary of the concerned areas	Delhi/NCR, interiors of Gujarat and Haryana, Auraiya (UP)	
ONGC	ONGC-GICEIT computer centre projects, Varisthjan Swasthya Sewa Abhiyaan, ONGC-EASTERN SWAMP DEER Conservation projects, Harit Moksha, ONGC Hospitals	Promoting health care education & Livelihood Environment Sustainability and rural development, Improvements of sports last settings ups homes for the needy.	Same CSR committee as OIL	Gujarat,	

OBSERVATION AND ANALYSIS

The study of the sector brings us the following set of observations:

Focus Areas

In a social context, broad contours which attract maximum attention are: Education, Health and Livelihood. Focus of CSR is no different. All these 3 factors taken for social reasons are every common area to deal with in our country hence most companies can be seen working on these areas for the ease of operations for social factor in the form of obligations for companies.⁴⁴ .Even though, in Indian context, these areas are the most Crucial areas of development; it is always a ‘safe game’ for the companies with minimum risk Factor. All the above-mentioned PSUs have tapped their initiative in these domains. PSUs Including ONGC, OIL, and IOC have altered the league by focusing on the less noticed Areas of sports, protection of national heritage, conservation of wildlife etc.

It is saddening to See that there is barely any effort made on the measures for the benefit of armed forces Veterans, war widows and their dependents and hence this important aspect of social aid goes unnoticed.⁴⁵

⁴⁴ GoI (Government of India) (2009), ‘Survey of Public Enterprises Department of Public Enterprises’ Volume 1 2008-09.

⁴⁵ Gopalakrishna, C., Corporate Social Responsibility in India, Mittal Publications, New Delhi, 1992

Budget Allocation

The second point is budget allocation in some of the cases there is a dispute between the actual amount of budget allotted for given to the respective companies and the budget spent by them. In the current status GAIL, BPCL and HPCL have been saying that the inadequate budget is been used because of the delay occurred in the launch of the project AND hence much of the time has been taken in the execution of the CSR projects of the respected companies.

Some of the companies are saying that the problem occurred in the budget allocation was due to the gestation period of the given project is very much long, owing to the funds which are been kept unitized by the company.⁴⁶

Therefore, some of the companies like ONGC, GAIL and IOC there have been reported that they have been spending on much more than the statutory requirements of the company. Hence the only enquiry left is the productivity and what is the outcome of those investments done. GSPC is in the very unsatisfactory position terms of its monetary value towards the CSR how much they spend on it.

Implementation

The implementation method and the assessing CSR related issues vary from company to company. Hence this process brings an unwanted heterogeneity study of the CSR regulations. GAIL, ONGC and HPCL have a tie-up with the CSR initiative of TISS which is responsible for the publishing and along with it conducting of the surveys and they even need assessments for the respective CSR projects. This increases the credulity and as well as the assists of the third party in gauging the impacts and all over the projecting trends of the undertaken by the companies.

Therefore, the CSR policies given under the trends they make the whole mechanism more accountable towards the public sector of the companies. These companies they have both the policies they can either carry out the projects on their own or they may even collaborate with a specialized agency or NGO for the execution of the project but they have certain issues regarding it hence it is said that they have lack of issues even they have no knowledge and very les of information regarding the policies of CSR along

⁴⁶ Gupta, Shrikant: Environmental Benefits and Costs Savings through Marketbased instruments: An application using State-level Data from India, MIT Center for Energy and Environmental Policy Research, Working Paper 2002-05

with the agencies. Form the above information it is very much cleared the we are in need of more platform like hubs, DASRA etc. which could add more towards the heft to the planning's of the components of the CSR policies⁴⁷.

Geographical Variation

Geographical variation is one of the most important factors for the set-up of any company whether it is public or private this factor is very important for the production, manufacturing and growth of the any industries. Hence it is said that most of the OIL PSUS direct their CSR operation in areas falling in the vicinity of their production units or not, this creates an imbalance of the opportunities received by one geographical area to other geographical areas.

Some of the areas studied by the companies are as followed like- Assam, GUJARAT, and Maharashtra etc. these al are rich in oil and many other gas resources according to the study and they are providing benefits to most of the initiatives. Some of the companies like GPSC, OIL, IOC, have their maximum focus on the area where they have operated their projects. Hence because of these various social difficulties have been operated in that particular area some of them by government and rest of them by the people living there⁴⁸.

This process is making the project more redundant, creating spatial imbalances and is sidelining the areas which need more consideration and attention. This has been in the economic times that ministry of affairs has not given permission to the CSR projects anywhere in India where there is need rather than doing only in plant areas. This behavior of the people would remove imbalance of the CSR funding and projects and will move towards those areas where needs are still wanted.

Role of Government

In every Indian public sector company the most important role is to be played by the government itself because government is the one who is paying role in public sector all the important decisions are to be taken by the government itself like the allotment of funds and location of the company all this will be

⁴⁷ Lewis, S (2003), 'Reputation and Corporate Responsibility', *Journal of Communication Management* 7 (4): 356-394

⁴⁸ M. K. Ramakrishna & Reshma K. P. (2010), "Corporate Social Responsibility Initiatives of Companies in Karnataka", *Prabandhan: Indian Journal of Management*, 3(7), 23-28

done by the word given by government 50% of the share in public sector is of the government itself Companies have been allocated a huge share in the funding scheme like SWACCHH BHARAT ABHIYAAN (SBA) , NRLM etc there are many other schemes suggested by the government. Many other industries are also collaborating with these companies to spend more and more money.⁴⁹ For example- Coal India LTD has spent something very huge like 235cr towards SBA which is around 50% of its total CSR budget.

Such large amount of contribution by the PSUS means the way of escaping towards the responsibilities and they are also entitled by a highly political favor to the whole issues⁵⁰. All over the funds which are donated to the government for the sponsored programs is only not the ideal solution for CSR and it has no permanence to it Giving of such a large amount for the funding of PSUS will result into delay of projects, corruption and also lays the cost escalations which all should be avoided. Today the need of hour is to re-allocate the funding given by the government and take a look towards it with more depth and provide them with a researched approach to the spending. If all this takes place then it will result into the benefits of the company by building its goodwill, customer loyalty and improving the brand image in the minds of the customers and along with the society at large.

MEDIA FOCUS AND RECOGNITION

Nowadays the role of media have become very prominent not only in the spam held in the private sector but to in very small sector to give knowledge and primary information to common public hence earlier media was having no role in the public sector of the country but now it is playing a very important role in it.⁵¹ Unlike other glamorous issues, the status of CSR in the public sector undertaking is particularly not very much sought in front of the rest of the country before the media coverage was also shattered other than the tangible requirements media use to cover nothing it also don't mention anything.

⁴⁹ Mangayarkarasi .N & Devi Chandrika .S (2014): Manifesto for Changes in Corporate on CSR towards SHG, International Research Journal of Business and Management

⁵⁰ .Mares, Radu (2008), 'The Stakeholder Norm in Business Practice', In The Dynamics of Corporate Social Responsibilities, Netherland: Martinus Nijhoff Publishers, pp. 97-165.

⁵¹ Mangayarkarasi .N & Devi Chandrika .S (2014): Manifesto for Changes in Corporate on CSR towards SHG, International Research Journal of Business and Management.

HPCL and ONGC have a great media presence they have the type of appeal which keeps them active, lively and noticeable as a huge public sector informant of the nation. On the other hand public sectors like OIL and GSPC they fall weak on the media front. Hence in order to get some lime light and to motivate the CSR initiatives⁵², they planned various awards and the ranking announced by several associations. Oil sector they enjoyed a regular presence in such forums and are the winner of several associations. GAIL they have currently been awarded the position by the ECONOMIC TIMES and their latest report on the best corporate in India in the area of CSR BPCL was also a part of it.⁵³

OVERALL-PERFORMANCE

The overall performance of the oil sector PSUS of India has been evaluated on keeping in mind all the above factors which have been studied like budget allocation, geographical indications, media coverage and the role of government all these points have been studied for the brief detailing of overall performance²³ of the oil sector of India. After all the study it has been lead to a positive impact and a clean indication has been given to it.⁵⁴

Now the PSUS also appreciative public presence, HPCL, ONGC, BPCL,IOC fare better than the rest of the working PSUS However, we need to keep in mind that the CSR operations are dynamic in nature owing to their social resonance, hybrid and heterogeneous applications. We need to maintain a certain degree of caution before comparing one entity with the other. Any attempt of such kind is being avoided in this report due to the lack of broader level of data and information.⁵⁵

Remarks

Since the report which is prepared for the working of CSR in public sector companies is entirely based on secondary data which was available on the internet and other official websites of the following PSUS, hence there was a foundation by the limitations of not being able to assess the ‘on-field impacts. Hence the report is made on the bases of doctrinal research and not on empirical research. However,

⁵² McKinsey and Co. (1992) Building Successful Environmental Partnerships: A Guide for Prospective Partners for the President’s Commission on Environmental Quality, New York: McKinsey and Co

⁵³ Meehan, J, K Meehan and Richards (2006), ‘Corporate Social Responsibility: the 3C-SR Model, International Journal of Social Economics 33 (5/6): 386-398.

⁵⁴ Memoria, C.B. And Satish Memoria, Business Planning And Society, Himalaya Publishing House, Bombay, 1987

⁵⁵ Mittal, K.M., Social Responsibilities of Business Concepts, Chanakya Publications, New Delhi, 1988.

some of the reports show that even though the efforts towards social upliftment are apparent, the corresponding policies and methodology to achieve the same are falling on several grounds. For instance, in Assam, significant portions of the policy are only focusing on the present requirements emerging from the end of local representatives, government etc.⁵⁶

The methods of selecting the beneficiaries for the programmers also remain unclear and there have been some omissions and repetitions in the selection process which is decreasing the worth of the project. This is pointing out to the lack of public involvement in decision making which questions the transparency of these initiatives. However, on the affirmative side companies such as HPCL, IOCL, ONGC, and BPCL are setting great examples in terms of CSR management for the other public sector.⁵⁷ They have a visible presence in the eye of public also they have the influence of media to all there positive aspects showing that They are collaborating with renowned third party including NGOs, government bodies, academic institutes etc. to make their efforts more specialized and effective. They view CSR more as a value rather than a responsibility which is showing visible differences in the impact of their initiatives.

⁵⁶ Mohanty, Manoranjan and Anil K Singh (2001), 'Voluntarism and Government –Policy, Program and Assistance', Voluntary Action Network India, available at http://developmentfirst.org/india/planning_commission/special_study_reports/voluntarism.pdf,

⁵⁷ Mrithynjay Athreya,(2009),Corporate Social Responsibility for Inclusive Growth,Indian Journal of Industrial Relations.

CHAPTER - 4

POWER SECTOR

NHPC

It is formerly known as national hydroelectric power corporation which was formed or incorporated on 7 November 1975; therefore, it was incorporated in a form of a central government enterprise which was operated for the work of production of hydro-power in the public sector. The corporation has been itself the largest central utility of hydro power in India. Company has now been planning to promote and organize an integrated development of power in all aspects in India and abroad.

Objectives

NHPC has been carrying out the business of purchasing, selling, importing, exporting and trading of manufacture it has to deal with all the aspects of planning, research, design and preparation of preliminary, feasibility and definite project reports provide maintenance of power stations and all over the country transmission and sale of power and along with development of power. To provide whatever necessary, construction of inter-state exchange of powers.

NTPC

It is India's largest power utility with an installed capacity of 62,110 mw plans to become a 130 GW²⁵ company by 2032. It aims to become world's largest power major. CSR policies of NTPC have a core business of setting up power projects along with generating electricity.

The motive of the company was to generate reliable power at competitive and fair prices in a sustainable manner by optimizing the use of multiple energy source with innovative eco- friendly technology there by NTPC has been working for the economic development of nation and also it works for the upliftment of the society. Motive of NTPC is to provide reliable power and related solutions in an economical friendly manner.

PFC

It is power finance corporation Ltd. It is also the NAVRATNA PSUs of India. It is under the control of administrative ministry of power it gained the title of NAVRATNA CPSE in June 2007, it works for the development by measuring its energy usage. It is also said that without any access to electricity, PFC will become an increasingly important factor in years to come. PFC has a registered office which is located at New Delhi and it also has a regional office at Mumbai.

REC

Rural Electrification Corporation: - It was started in the year 1969. It is a Navratna company under ministry of power. Their work is to fund their business, like bonds and term loans excluding from foreign borrowings, while they hold the highest credit ratings from CRISIL, ICRA, and CARE. This group has a quality of leadership with highly qualified and experienced professionals, they have individual talents REC have tried their best to maintain a consistent profit margin to a net worth of over 34,303 cr profit margins of a net worth. They have their own 2 subsidiaries- RECPDC (REC power distribution companies) and RECPCL is transmission Project Company. Motive of REC is availability of electricity for growth and development and also for improving the standard of living of rural and urban population.

POWER SECTOR

This table is an extensive study of the secondary data available on the CSR initiatives and efforts of power PSUs.

COMPANY	PROJECTS	THEMATIC FOCUS	CSR COMMITTEE	AREAS OF OPERATIONS
NTPC	NTPC have various projects to share like	Health, drinking water, education, sanitation, women empowerment, capacity building, development of social infrastructure, support to the mentally challenged also physical, protection of environment	NTPC foundation board level CSR and sustainability committee envoice	Dadri, Auraiya, Noida, Rihand, Lucknow (U.P), Simhadri

NHPC		Education healthcare rural development empowerment / protection of senior citizens Swachh vidyalaya abhiyan buildings, sports, art & culture	board level CSR sustainability committee unit, regional and corporate level teams for identification, implementations and monitoring	H.P Arunachal Pradesh Assam, Sikkim, and some part of U.P.
RECL	RECL is also dealing with various projects like	main focus is as specified in the companies act 2013, schedule 7,	board level CSR committee of the director's communication strategy	Meghalaya Punjab Bihar, Madhya Pradesh, Jharkhand some interiors of Rajasthan, U.P. Odisha,
PGC		Health education, skills development, rural development, and protection of Nature	same as above	Delhi, Assam, Haryana , Sikkim, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, East Gujarat.
PFC		Health Sector Education employment, Supporting disable persons water	Member of the board	

OBSERVATIONS AND ANALYSIS

FOCUS AREA

The thematic focus of the increasing power company has been seemed to be coinciding with one another. The main focus areas which they have taken are like health, education, and development of rural India. One of the main power sectors like NTPC it has his main focus on the development of local communities all across their assigned project areas.

S.K. JAIN who is the head of the CSR committee have said that the main focus should be on that project which the government cannot engage directly into this should the main focus area of their company that is NTPC. Activities like development of infrastructure should be left at their end of

all this government can take care of it. Therefore, in the committee meeting²⁸ it was said that the CSR should have their main focus on the development and involvement of local communities.

In the power sectors of India there is no part of substantial efforts for the preserving of national heritage, sports measures done for the benefits of armed forces. All the detailed study done by the researcher given in the report shows all the major contribution of the CSR committee done the funds provided to them for the government schemes. They also are working for the upliftment of workers in other factories nearby.⁵⁸

BUDGET ALLOCATION

In the power sector of India NTPC is the one who has the major contributors of expenditure towards the CSR in the year 2015 to 2018. There expenditure has been divided on looking at all the major factors coming in the contribution of business like the geographical location the climatic conditions etc. by looking at the report it has been clear that NTPC is allocating more money than the statutory requirements and PFC has been spending less the sanctioned amount given for the group to spend in the funding of the CSR policies the reason is the gestation period of the projects shown in the annual report 2015 to 2018⁵⁹.

The PFC has contributed or they have allocated half of their budget towards the SWACCH BHARAT ABHIYAAN. The PGC group seems to be allocating a very small sum of amount towards the CSR funding as compared to the rest of the counterpart of their monetary budget. Hence as the report the amount given for the power sector PSUS to spend or to given to their respected CSR committee they have been failed in giving so some of them are spending too much of amount in the CSR regulation and some of them are not even spending that much of amount²⁹ which have been allocated.⁶⁰

⁵⁸ Navdeep Kumar,(2012): CSR and organisational Competitiveness's – perspective and imperatives, Asia Specific Journal of Marketing and Management Review(ISSN No 2319-2836)

⁵⁹ Navjeet Sidhu Kundal,(2016), Social Security in India through Corporate Social Responsibility, Abhinav Publication

⁶⁰ Nikita Hora and Pulkit Mogra, (2014), Evolution of Corporate Social Responsibility in India, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

IMPLEMENTATION

The next point is implementation done by the power sector PSUs, the most interesting factor about the power sector is that most of the included PSUs have opted for the method of direct implementation of the CSR projects rather than collaborating permanently with any third party the main reason of it is that it involves less of pressure for them. NHPC have clearly mentions in its official document about not having any impact on the assessment of the annual reports relating to CSR. There are few Impacts assessment reports available publicly relating to the baseline surveys and Impact studies of the PSUs in Power sector. The tie ups or even the collaboration with NGO are very limited in the power sector as compared to the oil sectors of India.⁶¹ NTPC has had tie-ups with just 4-5 NGOs in the past 1 year and has employed contractors on temporary basis for some projects. Most of the operations had been carried in- house only with a major participation by the employees of the company (Manku, 2015). On analyzing the CSR initiatives of PFC in the FY 2015 to 2018 it shows that in most of the cases the implementing agency had been government and State department bodies, institutes etc but not any non- governmental organizations thus it has been concluded that.⁶² They had been minimum NGO interaction in this case. RECL is in collaboration with Teach for India initiatives in Mumbai and Delhi. Therefore, the power sectors should more focus for the benefit of society.

GEOGRAPHICAL VARIATION

Same as the Oil sector, the power sector have some concentration of activities in few geographical locations. Owing to the availability and abundance of natural resources the power should have a very important requirement of geographical location for the particularly project in Presence of these power PSUs, majority of CSR initiatives are bestowed in the North- Eastern³¹ Region of India including Assam, GANGTOK, Sikkim, Meghalaya, some parts of Arunachal Pradesh etc.⁶³ NTPC has a more diversified presence resulting in a more scattered pattern geographically. It has invested greatly in some areas which have been studied according to the research done of West Bengal, west

⁶¹ P V Padmaja (2014), A Comparative Study on the Impact of CSR on Revenue and Profitability through Green Accounting for Inclusive Growth, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1)

⁶² Panjwani, Ashok, Vijay Aggarwal and Nand Dhameja (2008), 'Family Business: Yesterday, Today, Tomorrow', IJIR 44(2).

⁶³ Paramasivan. C & Savarimuthu. S (2014): Corporate Social Responsibility of Public Sector undertakings: A Case of BHEL, Tiruchirappalli, International Research Journal of Business and Management.

side of Uttar Pradesh, Chhattisgarh, Telangana, Jharkhand, Odisha and central Bihar. Other PSUs have a fairly decent coverage in central India including areas of Delhi, Uttar Pradesh, Maharashtra, Madhya Pradesh, and Chhattisgarh etc therefore as the report of the location this sector have their coverage all across the nation as the demand of the natural resources.

ROLE OF GOVERNMENT

Government has a massive control over the dominance which has a more prominent presence in the Power sector. Not only in power sector but government has a huge role to play in all sectors of the PSUS of India. The Major fraction of the CSR budget of these enterprises is being directed towards government.

STATUS OF CSR AMONG PSUS IN INDIA

Schemes like Swacchh Bharat Abhiyaan, Swacchh Vidalia Abhiyaan etc. This is indicating a misuse of the funds. Because according to the given budget it is told to them to make use of these funds which are given to them for the welfare of the public and for improving the condition of society but all funds are instead being misuse hence government have to make sure how is the work process being going on. Therefore, the above it is been cleared that government has a significant role to play in every public sector industry not only in power sector or oil sector⁶⁴.

MEDIA FOCUS AND RECOGNITION

The presence of media and the public appeal of the power sector are not that much active and also weaker as compared to that of the Oil Sector. In the above study of the oil sector it was shown that PSUS like NTPC, and PCU they have somewhere a maximum range of media attention they also have various media portal. For many oil sector which were involved in various CSR activities the media makes them visible on the accounts of public recognition The next one is RECL which according to the research is somewhat better in terms of media focus it has a decent existence in media as compared to others⁶⁵.

⁶⁴ Nisha Vikas Pillai , Corporate Social Responsibility: A Case Study Of CSR Initiatives In The Banking Industry, Online International Interdisciplinary Research Journal, ISSN2249-9598, Volume-II, Issue-III, May-June 2012.

⁶⁵ Pradeep .N. E and Shaikh Juned (2014), “Learning on Contemporary CSR Initiatives in Developing Rural Economies”, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

Its tie-up with the TFI and the center social responsibility and approach are the covered issues in media. NHPCs media presence is feeble. Indian express has published the CSR initiatives of NHPC is the only want to please the community and make its way easier towards the disputed area of Subsidies of projects hence the rest of the power sector like PFC and PGC they both hold a very poor media presence which can hardly be traced for their CSR activities.⁶⁶ Therefore from the above studied matter it is been very clear that not every power sector industry has a good media recognition they still have to work for it. Media should give same importance to the public sector as they are giving to the private sector as that it all should be known to the common public⁶⁷.

OVERALL PERFORMANCE

Both the performances have been evaluated in the report on a general level all the factors has been kept in mind related to the governance of the working of public sector the generosity and efficiency for the approval³² of budget how is geographical location keeping an important value for the performance of power sector. What all are the main focus area in the power sector CSR activities how are they helping in the field of health, education and also in the development of rural areas also how media is helping to the acknowledgement of the CSR activities in power sector therefore according to the study done and by looking at the overall performance of the power sector of India it is been cleared that NTPC, RECL and NHPC have a stronger hold on the CSR committee as the other two companies.⁶⁸

REMARKS

After doing the overall study of the power sector of INDIA of the pointers have been given a remark of the greyer, white and black side of the power industries. Hence NTPC is of the main industries in terms of the regulation of the CSR activities but the main part is that the power is the one which is scattered and ill-planned along with its lacks in the specialization and focus. The composition is

⁶⁶ Pradeep N E and Sathyakeerthy K (2014), "Learning on Social Responsiveness from Basava Philosophy for managing CSR in business organizations", Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

⁶⁷ Pruthi, R K (2008), 'Mechanism for NGO Accountability', NGOs, Civil Society and Global Future, Delhi: Saujanya Books, pp.88-114

⁶⁸ R. Geetha (2014): Role of CSR in Social Development, International Research Journal of Business and Management

denser towards the health, environment issues and the development of community initiatives. All these areas are very crucial and undoubtedly, they require a serious approach in dealing.

Model of responsibility are Indian firms dealing with the current operating

Studies on CSR in developing markets are basic for various reasons. Initially, we accept there are extra components to be investigated when concentrating on non-contemporary western ideal models of monetary administration. As for the board practices and CSR, Asian markets like India can offer new experiences with regards to how rising economies are guaranteeing a more noteworthy job in characterizing worldwide financial administration. An attention on CSR in India and the acts of its driving firms can furnish researchers and specialists with another model – one that has had the option to succeed monetarily while succeeding socially.

Second, an attention on the quickest developing economy could educate senior supervisors just as CSR directors about the characteristics of the Indian way to deal with maintainability, particularly for a country that has the most reduced degree of GNP per capita and the most elevated level of CSR among other Asian economies.

CSR practices of its business segment and the job of its driving organizations as new ground-breaking specialists of progress in a post-emergency worldwide economy. For India, CSR is certainly not new concept and it has affected business, government, and society connections (Balasubramanian et al., 2005). Organizations like Tata Steel (the most seasoned and most popular Indian steel organization, whose organizer was more a country developer than a representative looking for benefits) were associated with attempting to handle numerous social issues even before the term CSR officially entered the jargon of the executives messages (Singh, 2008). Truth be told, "so profound and broad was the dedication that it earned the sobriquet of being the organization 'that additionally made steel' – proposing that it regularly gave the impression of being principally a social, instead of a business, association" (Singh, 2008, p. 124).

The starting points of CSR in India could be followed back to the times of Kings. As per Kautilya's Arthashastra, "In the government assistance of the individuals lies the lord's government assistance and in their bliss his satisfaction" (referred to in Jose et al., 2003). In the nineteenth century, shippers and strict/ethnic gatherings met up to accomplish something basically for the

network with certain advantages additionally streaming outside the network (Jose et al., 2003). Religion and noble cause have consistently been connected with individuals in India raised in a situation established on the conviction that giving is acceptable (Jose et al., 2003). Indeed, even before India's autonomy in 1947, organizations made critical commitments to schools, medical clinics, and rustic turn of events (Mohan, 2001). After autonomy, enormous open segment organizations did state-supported CSR exercises (Mohan, 2001). All the more as of late, Indian CSR is turning into a significant piece of longer-term business advancement activities (Balasubramanian et al., 2005).

Corporate social responsibility is dominantly considered as a western wonder because of solid establishments, gauges, and request frameworks that are feeble in creating nations of Asia (Chapple and Moon, 2005). This study intends to fill that gap by replicating and extending the past findings on CSR approaches, while examining the drivers and barriers of social responsibility in India.

One is to explain it in terms of four models:

- Ethical (Gandhian) Model
- Statist (Nehruvian) Model
- Liberal (Friedman) Model
- Stakeholder (Freeman) Model

These models are also associated with four different persons, mentioned in the brackets, who championed those causes.

Ethical Model

The ethical model is traced to the philanthropic work of the Tatas, Birlas and others industrialists in the 19th century and later to Mahatma Gandhi's concept of "trusteeship". This is voluntary and individual driven as against the rest of the models which are institutional and driven by political, legal and economic reasons.

Gandhi explained the concept of trusteeship in these words: *Supposing I have come by a fair amount of wealth—either by way of legacy, or by means of trade and industry—I must know that all that*

wealth does not belong to me; what belongs to me is the right to an honorable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community. ⁶⁹

His thoughts were influenced by English social scientist John Ruskin's *Unto This Last and Other Essays*, which he translated into Gujarati and titled it "Sarvodaya", meaning welfare of all. The word "sarvodaya" now lives on in the form of "antyodaya", meaning welfare of the weakest, largely in the government files. The idea of trusteeship as a measure to reform capitalism and get rid of excess wealth was gleaned from Ruskin's book. Big businesses were inspired by Gandhi to play an important role in nation building and socio-economic development during the independent movement and also later. Many family run businesses continue to support philanthropic activities even today.⁷⁰

Statist Model

Second model emerged after 1947 when India led by Nehru adopted a socialist and mixed economy model in which state and large public sector and state-owned companies played pivotal roles in driving development which included social aspects of it. Equity and redistribution of income became the driving force of all government initiatives. State-ownership and corporate regulation and administration, especially in the areas of community development and worker relationships, marked this model.⁷¹ It still continues today in public sector companies which have survived the privatization drive in the past few decades.

Liberal Model

This model is designed on the free market and free society concepts in which the business of business is to make money while staying within the rules of the game – unencumbered by government interference – as Friedman advocated. Many in the business world believe it to be good enough for the business to engage in generating wealth while the taxes it pays can be utilized for

⁶⁹ Novak M (1996), *Business at a Calling: Work and the Examined Life*, New York: The Free Press.

⁷⁰ Murphy, Patrick E (1978), 'An evolution: Corporate Social Responsiveness', *University of Michigan Business Review*.

⁷¹ Nelson, J. And S. Zadek (2000). *Partnership Alchemy: New Social Partnerships In Europe*. Copenhagen, the Copenhagen Centre.

social ends.⁷² Now that CSR and sustainable development have become integral to corporate governance this model has lost its attraction.

Stakeholder Model

The basic premise of this model is Freeman's Stakeholder Theory of 1984 which broadened the corporate responsibilities of a business to all those who can affect or is affected by the organization's objectives or activities, and not just the shareholders and made stakeholder approach a good management strategy.⁷³

There is a worldwide acceptance of such wider corporate responsibilities to stakeholders, expectations and pressures of national and international organizations for adopting labour and environmental practices conducive to sustainable development.⁷⁴

India had its own "stakeholder" theory developed by JN Tata (died in 1904), the founder of the Tata Group, much before the world knew it. He said, *"In a free enterprise, the community is not just another stakeholder, but is, in fact, the very purpose of its existence."*⁷⁵

In, 1960s, a seminar on CSR organised under the leadership Lokanayak Jayaprakash Narayan in New Delhi defined CSR as a *"responsibility to itself, to its customers, workers, shareholders and the community..."*

All the four models are present in India in some form or the other.

There is another approach to understanding the evolution of CSR in India – through 4 phases of historical developments stated below, as narrated by Pushpa Sundar, who is considered as an authority on the subject:

⁷² . Nikita Hora and Pulkit Mogra, (2014), Evolution of Corporate Social Responsibility in India, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

⁷³ Motion J and Weaver C K. (2005), 'The epistemic struggle for credibility: Rethinking Media Relations', Journal of Communication Management, 9 (3): 246

⁷⁴ Mili, Tara Beteille and Puneet Gupta (2003), 'Universalizing Elementary Education in Inaia', Working Paper series, ICICI social Initiative.org.

⁷⁵ Rajeswari S.and Y Poornima (2014), Social Responsibility and Ethics in Marketing, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1)

- Merchant Charity (1850-1941)
- Corporate Philanthropy (1941-60)
- Towards CSR (1960-90)
- Globalisation and Beyond (1990 onwards)

Merchant Charity (1850-1941)

India's industrialization began in mid-twentieth century and this period between 1850 to 1941, marked a shift from merchant charity of the pre-capitalist era towards western style industrial philanthropy, which was liberal, secular and institutional. It was influenced by the rising cultural and political nationalism and intelligentsia. JN Tata launched Endowment Scheme in 1892, much ahead of the foundations set up by Rockefeller or Carnegie to give scholarships for higher studies⁷⁶. Labour welfare, pension fund, accident compensation, eight-hour working day, free medical aid, schooling for workers' children, maternity benefits and provident fund etc., were certain practices the Tata Group started when these were virtually unknown in India.

Later Gandhi's idea of trusteeship and appeal for contributing to social regeneration and nation building also played an important role in influencing participation of business communities during and beyond this period. Many business communities, such as Parsis, Gujaratis, Chettiars and others, actively participated in areas of education, medical facilities, civic facilities and cultural promotion and also contributed to freedom fighting. Colonial government promoted social causes by giving tax concessions and encouraged the wealthy to donate for public causes and in 1922⁷⁷, the colonial government granted 50% tax exemptions to individuals for charitable purposes.

Corporate Philanthropy (1941-60)

Sundar describes this period as the golden years of business philanthropy. In addition to making political donations to freedom struggle, business contributed to many social and cultural causes on a scale not witnessed before and perhaps even since. Leading business of the time, JRD Tata, GD

⁷⁶ .Ranjita Sahu (2014), Corporate Social Responsibility: Implication of Companies Act-2013, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

⁷⁷ .Ravi Sankar .R (2014): Impact of Corporate Social Responsibility Initiatives on Financial Performance of Firms, International Research Journal of Business and Management.

Birla, Jamnalal Bajaj, Lala Shri Ram and others were social reform-minded and contributed a great deal to education, women's emancipation and child welfare⁷⁸.

After independence, Nehru introduced planning for development such as five-year plans, and created a mixed economy in which state-owned enterprises played a major role. The industrial policy incorporated goals such as reduction in income disparities, prevention of monopoly and improvement in living conditions of workers.⁷⁹ The Bombay Plan of 1944 worked out by JRD, GD Birla and Lala Shri Ram had recognized the need for state control to ensure equitable growth and hence, this didn't produce anxieties among private businesses. The government also encouraged businesses to contribute to social causes with earlier tax concessions and extended it, through *Finance Act* of 1948, to companies.

Towards CSR (1960-90)

The next shift came in the 1960s which was marked by economic troubles, political instability and high tax regime. It was also a period when business lost people's faith due to widespread hoardings, black marketing, price manipulation and other undesirable traits such as interlocking of funds, diversion of profits and defrauding of shareholders.⁸⁰ Trusts set up by business became a device to avoid tax, misappropriate trust funds for own business etc., as the Wanchoo Committee report of 1971 pointed out. Tax concessions for rural development in 1977, were utilized for tax benefits and once it was withdrawn in 1980s, such programs stopped.

One significant fall-out of such business practices was a political and social campaign to bring in the stakeholders' concept into business dealings. India witnessed several seminars on the topic of "social responsibility of business".. The first one was organised in 1965 by Loknayak Jayaprakash Narayan in New Delhi, which led to the "Declaration of the Social Responsibility of Business", which included:

- *Justice and fair play in all dealings;*

⁷⁸ Rao Mohan, P., *Corporate Social Accounting and Reporting*, Deep and Deep Publications, New Delhi, 2001.

⁷⁹ Ritty Francis (2014): *A Study to Scrutinize the Role of CSR in the Education Sector in India*, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

⁸⁰ Roopa Dayananda (2014), *A Study of CSR Strategies in select companies in Bangalore*, Conference on Corporate Social Responsibility, SDMIMD, (ISBN 978-93-83302-03-1).

- *Making serious attempts at growth and development of all the factors or constituents of business from owners to consumers;*
- *Utilisation of surplus primarily for the above two purposes and*
- *Utilisation of surplus, if at all left over, for any other social purpose deemed fit for assistance such as education, health and research.*

Another account of this seminar said the deliberations continued for 5 days which was chaired by the then Prime Minister, Lal Bahadur Shastri and that the “proceedings of the seminar record that the *stakeholder* approach was intrinsic to these deliberations. The social responsibility of enterprise was described as:

“...responsibility to itself, to its customers, workers, shareholders and the community... every enterprise, no matter how large or small, must if it is to enjoy confidence and respect seek actively to discharge its responsibilities in all directions . . . and not to one or two groups, such as shareholders or workers, at the expense of community and consumer.

Business must be just and humane, as well as efficient and dynamic.”

Note the concept of stakeholder in the concept which Johnson in 1971 and later Freeman in 1984, developed into a management concept. This account also notes that, “The seminar emphasized *corporate citizenship*:

“An enterprise is a corporate citizen. Like a citizen it is esteemed and judged by its actions in relation to the community of which it is a member, as well as by its economic performance”.

JP was inspired by Vinoba Bhave’s *gramdaan, bhoodaan and sampatidaan* movements – which were an extension of Gandhi’s trusteeship and aimed at creating an equitable society through voluntary and peaceful action, like land and asset donations for poor.⁸¹

Soon such seminars spread to other parts of the country. The business took notice and launched Fair Trade Practices Association in Bombay in 1966 to codify and implement fair business practices.

⁸¹ Saravanakumar.S and Sakthi Aishwariya.K (2014): “Impact Of CSR Initiatives On Consumer Behaviour”, International Research Journal Of Business And Management

The interest of business in social development, which had waned in 1960s, picked up. Multinational companies (MNCs), which had kept out of such activities, too joined the ranks.

Another development of this period was the emergence of activists in the voluntary sector to try and solve the problem of poverty and exploitation directly. The focus shifted from charity to promoting self-reliance, empowerment of the disadvantaged and rural reconstruction through modern management methods and techniques⁸².

Globalization and Beyond (1990-2012)

Sundar describes 1990s as the beginning of the contemporary concept of CSR which accompanied an upswing in business fortunes because of liberalization and globalization of economy. Corporate philanthropy switched to direct engagement in mainstream development concerns with more disadvantaged groups in society as well as more responsible behavior towards environment and other stakeholders in the process of creating economic value. Sustainable development, good corporate governance, creating shared value etc., entered the lexicon, largely influenced by global developments.⁸³

New concept like CK Prahlad's "*Fortune at the bottom of the pyramid*" which argued that rather than charity it made more sense to target the poor as consumers in a huge market base at the bottom of the pyramid which saw business targeting poor rural consumers. Millennium Development Goals (MGDs), UNGC inviting corporates to promote 10 principles and initiatives to promote ethical investment etc., were some of the global developments that influenced Indian CSR. Civil society activism reached new heights.⁸⁴

The other influence was that of trust deficit in business because of growing corporate scandals. The Bhopal disaster of 1984, which saw about 20,000 perish and several lakhs of people grievously injured due to the leak of poisonous gas from the Union Carbide factory marked a new low. The MNC showed gross and criminal disrespect for safety and human rights and used its money power

⁸² Rosen, B N, D M Sandler and D Shani (1991), 'Social issues and socially responsible investment behaviour-a preliminary empirical investigation', *Journal of Consumer Affairs*, 25 (2).

⁸³ Sekhar, R.C., *Ethical Choices in Business*, Response Books (A Division Of Sage Publications), New Delhi, 1997.

⁸⁴ .Seth, Padma (2008), 'An Overview of Non-Governmental Agencies and their Functions', In *Non-Governmental Organizations in Development-Theory and Practice*, edited by Noorjahan Bawa, New Delhi: Kanishka Publications, pp. 77- 86

to escape responsibility, pay adequate compensation or even clean the factory of toxic materials. Enron, Satyam and many others used devious business practices and/or violated human rights.

Gandhi, Nehru, Friedman, and Freeman respectively were champions of these four models. In the ethical model the focus is on “voluntary commitment by companies to public welfare”, in the Statist model, “state ownership and legal requirements determine corporate responsibilities”, in the liberal model “corporate responsibilities are limited to private owners”, and in the stakeholder model “companies respond to the needs of stakeholders – customers, employees, communities, etc.” (Kumar et al., 2001, p. 2).

Since the progression of the Indian economy in 1991, western-style moral positions are being advanced subsequently despite the fact that the moral, statist, and partner models might be "admired", the liberal (Friedman) model might be increasingly powerful in India, as indicated by certain creators (Balasubramanian et al., 2005). It is additionally noticed that while these understandings, or recognitions, help to explain various methodologies, comprehend that they are not totally unrelated (Balasubramanian et al., 2005). Considering institutional changes, especially to economic sector, firms in Asian nations can report covers between at least two methodologies, and now and again, numerous directions to these four models.

Despite the fact that CSR in India might be in a further developed state than recently suspected, a few examinations propose that much improvement is required in how CSR methodologies are actualized and incorporated inside Indian firms.

CHAPTER – 5

REGULATORY FRAMEWORK

The global regulatory framework finds that there has been a need for international standards on Social Responsibility. So, in 2004 the Global Community proposed to institutionalize a global regulatory framework to emphasize global corporate ethics and corporate social responsibility.

INTERNATIONAL REGULATIONS ON CSR –AN OVERVIEW

The projects of transnational corporations with broad range regulatory initiatives have been divided in three sections⁸⁵:

- i) Industry self-regulation (Business Charter for Sustainable Development and the Responsible Care Ethic and Codes of Practice)
- ii) Multilateral regulation (Discusses major UN and ILO conventions amongst others that have impacts upon big business)
- iii) Civil regulation (Initiatives such as the Forest Stewardship Council and SA8000)

It was further found that although, the agenda of the 1990s on Corporate Social Responsibility stressed on corporate self-regulation and voluntary initiatives involving codes of conduct, improvements in occupational health and safety, environmental management systems, social and environmental reporting., support for community projects and philanthropy but slowly, the regulatory capacity or willingness of developing country governments , international bodies and trade unions continued to decline. In that case, alternative regulatory approaches have emerged. These have centered on co-regulation which is a combination of government, multilateral civil society and business interests.⁸⁶

They engage in public-private partnerships and multi- stakeholder initiatives associated with

⁸⁵ Sethi, S Prakash (1975), 'Dimensions of Corporate Social Performance: An Analytical Framework', California Management Review, 20: 43-64

⁸⁶ Shashidhar .C (2014), Corporate Social Responsibility and its Impact on the Economic and Social Development of Adopted Communities in Bangalore City, Conference on Corporate Social Responsibility, SDMMIMD, (ISBN 978-93-83302-03-1)

standard setting, reporting, monitoring, auditing and certification. Since 2004, the transnational corporation's international regulation for corporate accountability is needed to a great extent. It was inferred that the corporate conduct on labour and environmental issues, in most of the cases is almost exclusively regulated at the national level. However, the problems associated with it are that the codes of conduct and other voluntary initiatives have two main weaknesses⁸⁷: First would be to cover the entire sector. Second would be the plausible penalty for breaking the rules. These can be applied only by governments and also by the legislations that empowers civil organizations.

HISTORY OF VARIOUS HIGH COURT AND SUPREME COURT CASES COMPELLING CSR PRACTICES TO BE AN ACT

Before the enactment of the New Companies Act 2013, Sec 135 on CSR, there had been many situations where the supreme courts and high courts were apprehended or troubled with the pool of questions on – if the CSR expenditure under Companies Act 1956 would also meet the criteria as business expenditure under section 37(1) of the IT Act.⁸⁸ Although, there has been differences in the facts, but it propounded a common quotient which was “CSR expenditure should be allowed as business expenditure at that point of time.”

- **CIT vs MADRAS REFINERIES LIMITED**

This was one of the main High Court Case on CSR expenditure on 8th January, 1997 based on which the antagonists had brought forth the 2014 Amendment. Madras Refineries Limited was a public ltd company who donated funds for the drinking water facilities to the residents of the refinery and also facilitated assistance in the form of cash to the school which was running for the benefit of the children of those local residents. They provided the expense of Rs.15,32,000 for the purpose of drinking water and the school. However, the Assessment Officer disallowed the expenses under Section 37 of IT Act.

But the commissioner disapproved the AOs decision and allowed Rs.500000 as business expenditure and should be considered as business expenses as it had been provided for the

⁸⁷ Sharma, P (2004), 'Overview of the field of family business studies: current status and directions for the future', Family Business Review 17 (1): 1-36.

⁸⁸ Sethi, S Prakash (1975), 'Dimensions of Corporate Social Performance: An Analytical Framework', California Management Review, 20: 43-64

welfare of the community. High Court addressed the issues of CSR as- “The concept of business is not static. It has evolved over a period of time to include within its fold the concrete expression of care and concern for the society at large and the people of the locality in which the business is located in particular,,,,,,,,,,,,,, Money spent for bringing drinking as also for establishing or improving the school meant for the residents of the locality in which the business is situated cannot be regarded as being wholly outside the business ambit of the business concerns of the assessed, especially where the undertaking owned is to some extent a polluting industry.”⁸⁹

However, the High Court relied on the decision of the Honourable Supreme Court. The supreme court in the above case gave its judgment and stated that it needs to be judged from the point of view of the businessman and not of the Department. “The effect of these laws puts CSR activities outside the scope of business. These laws aim to compel the companies to undertake CSR with the aim of societal benefit and free from ulterior motives of profit sustenance of their business.” The judgment has to be viewed with a pinch of salt. It is very important for all the citizens of the country to have safe and clean drinking water. The full expense of Rs.15,33,000 should have been considered as philanthropic activity and hence as CSR as the company is doing all these activities for the benefit of the community close to the vicinity of the organisation⁹⁰. However, the judgment specified by the learned judges of the High Court and Supreme court are of utmost important and should be honoured. The gap remains in the perfect definition of the term CSR. The social welfare should be the ultimate motive of the organisation.

- **KRISHNA SAHKARI SAKHAR KARKHANA vs CIT**

This case happens to be of a registered co-operative society which is engaged in manufacture and sale of sugar. This case took place on 16th July, 1997. As required under section 68 of the Maharashtra Co-operative Societies Act, the company paid a sum to an education fund of the State Federal Society and claimed a deduction from the business expenditure. Although, the Income Tax Officer allowed the claim but the commissioner directed disallowance of the claim.

⁸⁹ Silver Jubilee National Convention And Third International Conference Of Company Secretaries, Hyderabad, Aug. 1997. (Souvenir)

⁹⁰ Sood, Atul and Bimal Arora (2006), ‘The Political Economy of Corporate Responsibility in India’, United Nations Research Institute of Social Development.

On appeal, the case went first to the Tribunal and then an appeal to the Bombay High Court. The High Court allowed the expenditure under Section 37. The High Court opined that the phrase “for the purpose of business in the section had wider ambit than for the purpose of earning profits.” The judgment passed was that the expenditure incurred should be for carrying on of business and the company under assessment should be in the capacity of businessman. Thus, expenditure also allows the CSR expenditure under Section 37 (1)⁹¹.

The judgment passed in this case needs to be honoured. No better judgement would have been possible for this case. The expenditure made for the purpose of education fund is purely a socially responsible activity. This company in question was engaged in CSR activity by funding the same to the federal government. Hence, the expenditure is needed to be considered as tax benefit and should also be measured as a CSR activity.

- **CIT v ANDHRA BANK LTD, HYDERABAD**

In this particular case the bank under assessment is engaged in conducting several trainings for providing self-employment to rural youth. It claims an amount of Rs 2,04,34,107 to Andhra Bank Rural Trust. This amount was disallowed by the Assessment Officer on the grounds that this activity was nowhere related to Banking and have no right to be claimed for the purpose of business under section 37. This case had started on 3rd October, 2013 and still pending for final verdict. The CSR activity as undertaken by the assessed was for conducting the training programmes for rural youth and later also providing them with credit facilities for starting their own business. Hence, it can be fully agreed upon the final judgement that the training activity for rural youth does not come under business activity of the bank. But, it definitely can be 93 considered under the heading of CSR activity. If the rural considered under the heading of CSR activity. If the rural youth can be self-employed through trainings, then there is always a decrease in unemployment rate and hence an improvement in the GDP of the country.⁹²

⁹¹ Srivastava Harsha and Shankar Venkateswaram, the Business Of Social Responsibility, Books For Change, Bangalore, 2000.

⁹² Subhabrata Ghosh and Pabitra Kumar Ghosh (2011): Role of Corporate Social Responsibility in Inclusive Growth considering the Government Expenditure in Developing Social Infrastructure, conference on Inclusive and Sustainable Growth Role Of Industry, Government and Society.

CONCLUSION ON COURT CASES

The study by Neerja Gurnani (2015) shows that the conclusion given at that point of time was “the appended Explanation to Section 37 (1); the perception of CSR in the current scenario has become more lopsided, haphazard and worse than it was before. On the one hand, more focus has been given to CSR activities as business expenditures due to certain CSR policy rules and was allowed certain tax exemptions for CSR activities.”

The explanation of the bill is still unclear and ambiguous about the CSR expenditure. It is imprecise whether CSR is a mandate of the statute of Section 135 of Companies Act and the CSR policy rules or should it be a voluntary activity similar to the previous company law and the deductions under Section 37 (1) will be the deductions under business expenditure itself. The tendency of the companies spending is in most of the time diverted to the areas and organisations where they get maximum tax benefit thereby unfavorably affecting the flow of funds in the other social sector programmes and initiatives.

The present research study shows that in all the above Supreme and High Court cases, all the companies are spending on some kind of welfare activity for the community which is being conducted in the vicinity of the organisation. In these cases, it should be considered as a CSR activity and the amount needs to be deducted as CSR expenditure. Slowly and gradually, this has also been mentioned in the Schedule VII of New Companies Act, 2013 that the companies need to choose the activity from this schedule.⁹³ It is quite evident from the study that the confusion about business expenditures and CSR expenditures and the various High Court and Supreme Court judgments have compelled the possibility of considering CSR as an Act and the expenditure is needed to be distinctly put under CSR head.

REGULATORY FRAMEWORK FOR CSR IN INDIA

The Department of Public Enterprises (DPE) in April 2010 issued the guidelines on Corporate Social Responsibility for Central Public Sector Enterprises. They revised the guidelines on Corporate

⁹³ Sundar, Pushpa, 2000, *Beyond Business: From Merchant Charity to Corporate Citizenship*, New Delhi: Tata McGraw-Hill.

Social Responsibility and Sustainability for Central Public Sector Enterprises in 2013. National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) were issued by Ministry of Corporate Affairs in 2011. Based on NVGs, SEBI came out with Business Responsibility Reporting (BRR) in 2012 which was mandated for top 100 listed entities based on market capitalization at BSE and NSE. BRR has to help companies monitor, measure, manage and communicate change for sustainable growth.

SECTION 135 OF THE COMPANIES ACT, 2013

This was made applicable with effect from April 1, 2014. Every Company including holding, subsidiary and foreign company meeting any of these criteria in any of last 3 financial years.

- Net Profit \geq Rs.5 crores OR
- Net Worth \geq Rs.500 crores OR
- Turnover \geq Rs.1000 crores

Spend, in every financial year, at least 2% of its average net profits made during 3 immediately preceding financial years.

PERMISSIBLE ACTIVITIES- SCHEDULE VII

Eradicating extreme hunger, promoting preventive healthcare Promotion of education, vocation skills

- Promoting gender equality and empowering women
- Ensuring environmental sustainability
- Rural development projects
- Protection of national heritage, art and culture
- Measures for the benefit of armed forces veterans, war widows
- Training to promote rural sports, nationally recognized sports
- Contribution or fund provided to approved technology incubators
- Slum area development Spending on relief operations in disaster hit areas

CSR COMMITTEE COMPOSITION

← Minimum 3 directors

← At least 1 independent director if such director is required to be appointed, otherwise not

← Private Company with 2 Directors will have both on committee

COMMITTEES RESPONSIBILITIES

- ← Formulate and recommend CSR policy
- ← Recommend amount of expenditure
- ← Monitor CSR policy
- ← Institute monitoring mechanism for implementation

BOARD'S RESPONSIBILITY

- ← Approve and disclose CSR Policy in the Annual Report and on Company's website ← Ensure implementation as per CSR Policy
- ← Specify reasons in Board Report, if the required amount is not spent

ANNUAL REPORTS CONTENT ON CSR

- ← Brief outline of the CSR policy
- ← Composition of CSR Committee
- ← Average net profit of the company for the last three financial years
- ← Prescribed CSR expenditure (2% of Average net profit as above)
- ← Total amount to be spent for the financial year
- ← Amount unspent if any
- ← Activity-wise details of the amount spent during the financial year
- ← Responsibility statement of the CSR Committee

CHAPTER – 6

SHORTCOMINGS

Shortcomings for the term itself it is cleared that things which are not up to the mark or some kind of default or failure in something, hence Indian public sector have a lot of things which they should take care in terms of their CSR modules as compared to the private sector CSR activities PSUS are the patrons of the economy it means that public sector have given their financial and other supports to the nation by filling all the causes they are by default endowed with the responsibility of maximizing the utility of the individuals. Public sector has their multiple stakeholders, with multiple objectives and the most important one they have lack of freedom towards the independent operations the work environment makes their operation more challenging and complex in terms of understanding and execution. In Indian context, CSR concept is in its primary stage. Even though, the PSUS have been obliged for over a more than half decade to take in understandings of these practices into their business modules, but for the work process CSR is still an experiment. It is dealing with vulnerabilities and faults and now the CSR regulation of all the companies is wanting for some more serious attention.

DRAWBACKS IN THE CSR ACTIVITIES

LACK OF CLARITY

Under the public sector process of the CSR there is a lack of clarity most of them working in the factories or mills they are not aware of the CSR activates doing on in the organization hence CSR as a concept is adopted vaguely and only for name's sake in the PSUS in India. They should now be more be more careful and sensitized about the social scenario in India which would make them clearer and more aware about the need of CSR in their organizations and they should also be clear about the issues which they have to be dealing. The social system is multi- dimensional and inter-connected but the CSR activities they deal which some technical and specific issues. Therefore, in the Companies Act 2013 CSR rules and regulations should be clearer and more specific and the staff members should be totally aware of it also everyone who is involved in the activities of CSR should now that it is more the betterment of society.

EXHAUSTIVE

Under the companies act 2013, Schedule 7 is an exhaustive list and it limits the scope of operations of CSR not many provisions have been made for the regulations of CSR also the rules made are very rigid. It omits the dynamics of the social Situations in India. For instance, it hardly talks about the betterment of Urban poor or migrants who are directly or indirectly affected by operations of economy therefore the provisions made for not working for the upliftment of the weaker sections of society and does not acknowledge the people working Under the ‘informal sector’ of the economy. There is no inclusion of promoting art & culture in the schedule which is in contradiction of the Directives issues by DPE in 2010 (Jacob, 2013) and again points out to the limitation that the Schedule possesses. The companies act 2013, shall be flexible provisions in terms of CSR which is all involved in or the other industries it should be easy for the understandings of people.

COMMUNICATION GAP

According to the study done for the public sector yes is a wide spread of communication gap between members and CSR committee among the PSUs and the CSR communities. Even though, the PSUs employ mediators who supposedly know the community and their situations better, but there still are some loopholes which results in incomplete knowledge and makes the initiatives just another act of charity. People working in the factories or even if working in the industries they have less of information about the CSR regulation what is the motive of it and why it is required by every company to do. The situation is still better in the private sector not in public sector they have not much idea about how it works what protocols are required to be generated. Therefore, the public sectors shall uphold more awareness seminars and awareness’ camps for the people to what is corporate social responsibility and how it will help the society.

LACK OF COORDINATION

This is also one of the main drawbacks of the implementation of the CSR process in public sector. Therefore, lack of coordination between the local governments and the companies results into the failure of the CSR activities in the public sector. They are not on the same level of understanding and they are not working together for the CSR of regulation the central have some other points and the state have other and at the end they don’t agree at the same and this makes the exchange of resources and plans a tedious and time-taking Procedure. They simply do not work together as a team. There are some MAHARATNA companies others are NAVRATNA and rest of them are

MINIRATNA some of them spend more than the allocated money and some of them spend less than the allocated money therefore this makes lack of coordination in between them. Redundant & Fragmented CSR activities. - Many focus area of the studied PSUs overlaps with each other (mostly Health care, Environment protection and Education) it means that all have the same objectives which is very common. The objective remains the same yet the efforts are fragmented into different directions. In some cases, there are more than one PSU operating in the same geographical area. For instance, both OIL and IOC are working rigorously in areas of Assam itself. This makes the work repetitive and hence leads to resource wastage. But all are running towards the same direction and no one is paying attention towards the development of local and rural communities which should be their main objectives. According to the study its very much cleared that the CSR activities is very much scattered and here and there spread and also very much ill-planned.

LACK OF TRANSPARENCY AND LIABILITY

This is yet another important shortcoming. There is no tangible way to hold the companies accountable for what they have or have not done. Only a handful of individuals will have the first-hand information of corporate conduct (Jiao Lou, 2012). An outsider's reliability lays only on the official documents produced by them which sometimes are nothing more than just a statutory compliance. In all public sector not only related to the CSR there is lack of transparency is the reason public outside have no clue what all is happening in the industries is also results to lack of faith of public all the decisions taken by the board members they are not known what is the position of the company this is also not known by the public. This is the reason why lack of transparency is the reason for shortcoming in terms of CSR. Mechanism lacks the necessary discipline and strictness and thus makes it a fairly gullible progression. There is an absence of extensive documentation and follow ups in the structure.

Every PSU adopts its own method of documenting their impacts and conducting their field survey (Some of the PSUS don't even do that). This brings a widespread heterogeneity in operations and leaves no benchmark for inter or intra sector comparison by all it means that the PSUS are not following the same pattern of documentation every organization follows their different method and different work process in their area of work. There is no same pattern is made for every PSUS this is for both oil sector and powers. The guidelines for different in terms of CSR for every sector. This makes the work more unorganized.

POOR GESTATION PERIOD

These CSR projects have a very long gestation period. Social processes are indeed slow and require patience but, in this case, without any robust plan of action, the initiatives become stagnant and futile. But still every PSUS requires some speed and action to do their assigned work fast and to gain some attention in the eye of public. The CSR initiatives of the PSUs are under the pangs of excessive government control and authority the government has a massive control towards the Indian public sector. A large chunk of their finances is getting directed towards mainstream government initiative and funds it says that all the financial decisions are taken by the government one they themselves have no freedom. For PSUs it is nothing more than ‘an easy way out’ and for government it is yet another way to raise huge funds for its projects. CSR in the PSU sector is a relatively politicized affair and it ends up serving the interest of the bureaucracy. As pointed out in an audacious Case Study by the Transparency International India, which we will be dealing later on CSR of PSUs is tending to be bias towards its shareholders, ministries and related government bodies they actually work for their favors’ only. This leads to a misuse of the appropriated fund of CSR.

TRUST

The major issue in the public sector is trust-deficit between the NGOs and the corporate. This is the main problem which is setting as a drawback between the NGOs and the PSUS The former believes in understanding a social issue at its core and adopting a more focused and patient approach towards mitigation that problem efforts either on understanding the nuances of a social issues or on recognizing and selecting the most effective NGO for a particular issue whereas, the latter wants quick, quantifiable, visible results. This leads to a misunderstanding between the two groups. PSUs do not make substantial the non- governmental organizations have more trust and faith on private sector as compared to the public therefore they have less collaborations as compared to the private sector with the trusts and NGOs.

CHAPTER – 7

RECOMMENDATIONS

There are some pointers being highlighted in the form of recommendations what needs to be the following oil and power sector PSUS to make their CSR regulations more effective and useful for the society-

EXTENSIVE DOCUMENTATIONS

For the regulation of the CSR activities the need for documentation is very important for the purpose of reference the impact of the CSR in that particular area and also the findings of the CSR activities initiated by³⁴ the PSUS. All the documents and the records related to the CSR initiative will help the PSUS for tracings out the course of action of the activities, they will also help in figuring out of what wrong is going on in terms of the CSR policies. The documents if they are trace it will also help in figuring out the drawbacks and will later assist them in improvements. The documents and all the reports regarding the CSR will help in the working of the system they can also compare the reports against the national demographic indicators which can give us the boarder picture in the society. Therefore, the need for documentation is very important for the betterment of CSR in public sectors of India.

NEED FOR EXPERTISE

Not only in public sector or in and industry but the requirement of experts is very important in every sector in education, agriculture etc. the sector needs more expertise and much need of focus in the specialized areas like research, planning, execution and follow ups of social initiatives need to be brought on board. The expertise will also help in regulations of the CSR policies and supervise it. The board can uses portals as a turning point strategically as a mid- link to connect companies to its prospective specialized social body. A strict check has to be kept on the credibility and intentions of these organizations therefore now work in government intuitions has to be strict .A well laid guideline has to be promoted as to who, why and how to select needs to be formulated unanimously for the regulation of CSR. Assistance can be taken by specialized bodies such as CSR Hub by Tata Institute of Social sciences and more

such initiatives should be encouraged in the initial base building of CSR by the companies as well as the governments. In addition to this, various new websites like BSE Samira, CSR36 exchange (in the process of launch), Samoan etc. are in place Which are willing to aim at facilitating the interaction of Corporate on one hand and the respective shareholders on the other and brings them together on platform to exchange their ideas and resources. Such initiatives and new development need high encouragement by the government bodies and also form the other individual as well.

CAPACITY BUILDINGS

Even though the PSUs need to seek some expertise in the initial stages of working, but the whole work support should not be fully depended on expertise hence the focus should primarily be on building one's own capacity and involving itself more and more in the planning and implementation of the CSR initiatives. The implementation should holey and solely depend upon the company by the way of employee engagement, establishing special CSR cell how they pan out within the company itself and many more of such innovative initiatives. WE believe that taking excessive assistance from the outside organizations would hamper the sustainability factor of this model and hence should be handled more carefully they should create a good base for the work condition of staff members and for all the employees which are working.

DYNAMIC COLLABORATIONS

Dynamic collaborations means that the collaborations need to be made more Interesting helpful and co-dependent. The companies need to join hands with several stakeholders including the local-government, NGOs, other corporate with the same objectives, like expert bodies, individual's collaboration with records, community Representatives, social- researchers policy makers etc. This will strengthen the premise of industries along with the CSR operations and bring sustainability to the efforts. All the collaborations made should be done in the favors of society and not for the profit motives.

ROLE OF MEDIA

Media has always been a very powerful method to reach out to the maximum investors of people in the minimum time. Media always works for gaining the attention of people, CSR initiatives of these PSUs should look out for more media presence as it would acknowledge their efforts as well invite people with common objectives to draw closer and aid the PSUs with the CSR operations

but as the reports said in public sectors the role of media is not very much, therefore they should have the presence of media.

ACCOUNTABILITY AND TRANSPARENCY

These 2 factors should be in any firms, sector or organization no matter what happens. In order to keep a clear track on the reliability of the CSR operations of the PSUs and avoid any problem related Actions, the accountability and accessibility should be made more absolute. The provisions of Article 135 of the Companies Act, 2013 and the guidelines on corporate governance of central Public Sector Enterprises, 2010 by the Department of Public Enterprises made it very clear that the organizations can be merged into one and the regulating bodies can be made more particular about the non-compliance about the non-seriousness of the CSR approach. Initiatives such as The Integrity Pact by TII needs more encouragement and structure as they can be a very effective method of ensuring checks and balances over the CSR operations. The more the institutions are transparent more effective the work will be done by them also they will also gain faith in the eye of public.

FLAGSHIP

The term means that anything which is the best owned or produce by the company hence CSR shall be treated as flagship of their industry. The PSUs instead of spending on multiple generic assignment issues without a substantial plan, should try to narrow down their focus to some integral areas more which they can specialize in and should formulate a more extensive and innovative plan which could be their flagship project and it shall be something which others have not yet tired of, hence become something distinct to that PSU. This will not just make the approach more directed but will also act as a footprint to be followed by other corporations. Industries now shall make different plans and should take care take they must work.

Limitation of the study: The study is mainly dealing with the culture and relations of the corporate social responsibility of the organization in India in the era of the competitiveness in global market has been increasing day by day and all the organization are trying their best to minimis the cost of productions. In such situation the expenses on corporate social responsibility can now be supportive for the bright future of the organizations.

COMPARATIVE STUDY

The main focus areas of the CSR activities of some of the oil and power sectors like NTPC, IOC, GAIL, TATA MOTORS and SBI are – health, education, protection of environment³⁶ sports and games, etc.

Health- the most important area of the CSR activity. The selected public and private sectors organizations are involved in some of the different types of the health programmes, related to control the spread of communicable diseases, provide all the medical facility, health awareness programmes etc.

NTPC- THEY provide all the suitable medical facilities, support to the eye centers, all the medical equipment's to the hospitals, small scale health clinics, health camps & free operations, family planning programmed, De-addiction camps they are the types of rehab centers, health related infrastructure in villages, rural check –ups, all these are held under the CSR activities. **SAIL-** THEY have almost 54 health³⁷ primary centers, 19 hospitals and 7 super- specialty hospitals for giving special health care, 12 birth care Centre. The five health care centers have been set up from the plant location for the requirement of poor and needy people. There has been 24 MMUs/ ambulance have been provided to the various NGOs like help age, India. A special project 'AKSHAYA' for providing investigation free of cost to the TB patients of weaker sections of the society and projects 'CHENTA' for the care of sickle cell anemia.

TATA MOTORS- they have also been involved in different kinds of health care services- better sanitation facilities; training given to the village health workers, infrastructural developments, leprosy, early diagnosis of and treatment of especially tuberculosis, leprosy, hepatitis & malignancies is now effectively carried out. Preventive health care measures and safer drinking water facilities for the workers and they also give maternity leave to women workers, any such disease like cholera and reduction the incidence of other water borne diseases, effective implementation of pre-natal care programmes for the new born babies etc.

MAHINDRA FOUNDATION- has been set up with some specific objectives to provide medical relief to the poor³⁸ and needy sections of society many hospitals have been set-up. The Foundation has helped patients suffering from cancer, heart problems as well as severe burn

victims. It has also been very active during national calamities and disasters and has helped contribute and mobilize resources.

MARUTI SUZUKI employees have always donated generously to people affected by natural calamities there are many set examples for it. The organization also runs a crèche trust for the children of construction workers, which provide food shelter and education for children and other items of clothing, and basic needs.

HDFC group provides medical facility to their employees and their lower staff members. The HDFC does not involve in CSR activity for general people.

TATA STEEL- ensures best services in healthcare at Jamshedpur for the people of the city. The Tata Memorial Centre constitutes the national comprehensive Cancer Centre for the prevention, treatment and research on cancer and is comparable to any similar centre in the world. The Tata Memorial Hospital is a specialty hospital for cancer equipped with latest treatment and diagnostic facilities. Tata Steel extends the much-needed preventive, curative and primitive healthcare facilities in its areas of operation. Tata Steel has received much global acclaim for its work on HIV / AIDS awareness and interventions.

EDUCATION is another important area in which both the privates and public sectors are dealing CSR activity. The public sector and private sector organizations are involved to provide educational facility so that no child in India shall remain IL-literate. The industrial organizations have either own specific educational institutions or they donate funds to the educational institutions in the country and only for children's but also for the women's in the society

NTPC- Earmarks 20-24% of CSR-CD budget for education according to the research. Key Initiatives in education are - Running more than 50 schools for primary education at stations out; Support to the big and popular IT & Engineering Colleges; Support for construction of Engineering College; Infrastructural support to schools and provide them funds for establishment of the school; Supporting to set-up technical polytechnic colleges with very less amount of fees Assistance for facilitating education and rehabilitation of child victims. Support for delivery Vehicles for mid-day meal scheme for the children; Support for computers training in Mahavidyalaya. Support for training to village youth in the slums; scholarship for pursuing professional courses; Support to Ramakrishna Mission project of NTPC for conducting various activities like financial assistance to

Female/ Girl Child Education, Adult Education, Coaching and personality development programs, Study material & uniforms etc. to deserving students; etc.

SAIL- have been set up approximate 150 schools in the steel townships of their project location for providing modern education and 289 schools of villages surrounding steel plants/units for free education, boarding and lodging. SAIL has achieved a girl-boy ratio of 1:1 for all levels of education. SAIL also provides mid-day meals, uniform, including shoes, textbooks, stationery items, school bag, water bottles, all the basic requirements for learning training they give Industrial Training Institutes (ITIs) and nursing courses for women, free coaching and assistance to needy and poor children for their primary education Etc. to BPL children. Besides the above, SAIL has supported many universities in terms of camps training their main motive was to make learning interesting.

TATA MOTORS-Company gives out various scholarships; they come up with many math and science quiz's which enables talented students to pursue further studies. The renowned institutes include Xavier Labor Relation Institute (XLRI), National Institute of Technology (NIT), Shavak Nanavati Technical Institute (SNTI), RatanTata Technical Education Centre and MGM Medical College and Hospital (associated to Tata Main hospital). Everyone is very much of the TATA education trusts and institutional bodies.

TATA STEEL- has, from its very beginning undertaken various initiatives in education that have catered to the needs of educated youth in rural and urban areas alike. Tata Steel supports the right to free and compulsory education. They have many schools and 2 inter college they agree that children up to the age of 14 shall have compulsory education as they are the future of the nation.

GAIL has done all the attempts to address the issues of un-employability through skill development and vocational training programmers' undertaken at several locations of the assigned project areas. GAIL with the help of its working partners gives Training like (Sewing & tailoring training) & Special education, salon training, technology training (procurement of computer based visual speech training equipment & Audio-Visual Projector) for those who are Neglected Disabled children and backward people. 'Project Padho-Badho' GAIL envisages mainstreaming at least for those who have no resource to survive.

MAHINDRA-is also dealing with the CSR activity related to educational promotion throughout the country under K. C. Mahindra Education Academy. The K.C. Mahindra Education Trust has undertaken a number of education initiatives to make a difference to the lives of deserving students. Mahindra Group has established “Mahindra Academy” in the nearby project areas where they also gives jobs to the female for their earnings.

MARUTI SUZUKI- it is a tools and car company but it also has some CSR schemes related to education which are like- Education to weaker sections of society, Educational benefits to the small children’s for poor families, Education trainings Centre for the mothers as well etc. through which education to poor children, women, deprived students, etc. is provided under the company.

ENVIRONMENT PROTECTION is a necessary step taken by the companies so this is included in the CSR activity for industrial organizations. Companies have taken a major step towards the protection of their geographical, cultural, societal and environment. The large-scale industries belonging to modern corporate world also consider environmental aspect in their CSR activities.

NTPC- is taking all necessary precautions to minimize damage cause to the environment due to the pollutants from the various industrial activities and in case any server damage takes place, makes all necessary efforts to restore/ provide compensation for the same. Environment-related initiatives are taken up by NTPC many projects or many plants have been dedicated to the groups in NTPC Energy Technology Research Alliance (NETRA), and in the Engineering & EMG Group under the respective CSR policies.

SAIL- it is also committed to protection of the environment and the promotion of responsible corporate policies that conserve and optimally utilize of natural resources and at the same time, sustain the economic environment for growth. SAIL groups of industry recognizes that ensuring environmental sustainable development and growing of more trees plants and mines requires setting challenging targets, committing to sustainable use of natural resources and making the processes more clean and energy efficient.

GAIL- This public sector is now slowly taking part in the field of Environment protection by plantation of herbal plants and trees in various areas where it has its installation. They have now started many Projects related to Rain water harvesting, Recharging of water and Ground water reuse system have been supported by GAIL. Out spreading its support for green energy GAIL is in

the process of building a Gas based Crematorium and they build green house effects system and provision of solar lights in the rural areas where electricity has still not yet reached. Congregating environment and hygiene factors together. GAIL is also installing public toilets & Bio Gas Plants and development of Environmental Parks for thousands of poor children how have no house to live.

TATA STEEL- has also started with many plans for making India green and clean INDIA. They are commitment to cleaner and greener streets to walk. As everyone now's that Jamshedpur is fulfilled through incessant green tree plantation drives, they have been enhancing the green carpet on a continuous basis it is a city build by Tata steels. Jam shed ji had always aspired on the vast stretches of green within his dream city, in the form of public parks and private lawns in front of residential quarters, in playgrounds for the young and in open areas for all. It can be easier seen that all the TATA offices have lush green gardens and lawns. Tata Motors' beliefs on sustainability has always led to a corporate policy that it is the duty of corporate to protect and preservation environment. The Company works on projects that include reducing of toxic particles and substances in maintaining local ecologies, repairing of the green cover and improving long term corporate sustainability.

MAHINDRA GROUP- has been a helping source to the Moto 'Green Bombay' movement by developing and maintaining public parks, private lawns and municipal gardens. Greenery is at a high premium risk there as the city has less than half an acre of open place per thousand people. As per the records it is ten times less than Delhi and twenty times less than what London offers. Three famous municipal gardens of Mahindra group namely- the shivaji garden, Traffic Island Garden and Madame Coma Road Garden are situated in different areas in Mumbai.

MARUTI SUZUKI strongly believes that an investment in environment friendly products and manufacturing facilities is in the best interest of the society as well as the business. Maruti Suzuki started operations, conserving environment and natural resources has been an integral part of systems and processes. The concept of "Reduce, Reuse, Recycle" (3R's) has been driving principle. As seen above both the sectors are working hard to regulate the CSR policies and both are trying to help the society in there owns ways not only in these 3 areas but they are working in the field of infrastructural development, sanitization, and employment of rural workers they are also working for it.

SUGGESTIONS AFTER RESEARCH

- CSR gives support to the human resources in the organization as high motivation to work, good work environment, good quality production; it provides job satisfaction, etc. So, after looking to all this CSR policies should be introduced in all small scale to large scale industries in the country after seeing to their financial capacity.
- CSR has also taught as the importance in risk management in different ways. Hence Proper inspection should be done by the appropriate government regarding monitoring of CSR activities of the industrial organization without any interference.
- The areas which are most covered under CSR activities are health, education and environment by the industrial organizations which are very limited. In all this the government have spend a lot of funds already now it's time that they should focus more on rest of the areas as well.
- More of physical activities should me engaged more like Sports and games should be incorporated as also part of the main stream focus of corporate social responsibility by the governmental bodies considering the international awards for India.
- More of some unique and rare of the CSR activities should be incorporated for remote as well as rural regional areas by the industrial organizations so that mass population of the local areas can avail some benefit from the CSR activities.
- CSR also provides branding to the public sector industries because now days, CSR is a bullet point topic for corporate world and corporate media. CSR plays an important role in enhancement of brand image and reputation of the industries as they gets many awards for it.
- Indicates that due to CSR activities the corporate sector is gaining more of popularity in the societies. Therefore, some advertisement charge should be imposed, if the industrial organizations advertise their name and products.
- CSR activities help the organizations or the industry to seek permission to operate business easily from the government they get great support from the government and gain popularity in the societies. The nature value of the products and their impacts on the society

like- pollution, hazardous substances, etc. should be considered first for the public and then the CSR activities by the government.

- The CSR policies should be encouraged more and more and proper codes and legislations should be made for both public and private sector separately. Industries are now taking CSR as the point of view of promotions and it has started to lose its value.

COVID-19 PANDEMIC (2020)

What are PSUS doing to make their contribution in corona virus?

Employees of major ports donate a day of their salary⁴³ for helping the needy which has a total of 7cr hence it is to be said, that nearly 30,000 of the employees working in some of the major ports and even including the shipping PSUS which were working for the Indian ports have donated a day's salary totaling amount resulting as 7cr as a form of support for covid-19 said by the government, some of the major Indian ports are Mumbai port, Kolkata port, cochin port and Chennai port which also includes HALDAI PART OF Kolkata.

“Employees who are working in of all major ports and rest all of the respective staff working in the ports also the public sector undertaking they all come forward to donate a day's salary which was amounting into 7cr which will help in providing assistance to those impacted by covid-19 pandemic”

What all are the PSUS doing to help the needy and weaker section of the society in times of corona virus? Some of the work done by the PSUS is as followed

MECL- according to the research it has handed over an ambulance to district collector of Ranchi a place near the project to supplement its existing whatever health care facilities and help the entire needy person around.

ONGC- the help provide⁴⁴ by this public sector is the vadodara project of maha ratna ONGC distributed all over almost 149 specially designed helmet and the kits and hand sanitizers, to the nearby police to combat covid-19.

MOIL AND MECL- moil with the support of MECL, together received around more than 7000 masks from gram Taranga, central odisha for the use of the employees and also for the distribution of the corals, joining the collective effort of every citizens of India to contain spread of the covid-19.

ECL- it helped in the distribution of basic grocery items among poor needy people hence in New Delhi MUGMA area started distributing grocery items among poor, needy and unemployed people identified by the panchayat mukhiyas in consultation with board on 05:04:2020, distribution was all done by the management of magma areas of the streets.

CMPDI- Ballarpur the project area of the industry held distribution of groceries bags and of food items at the door step. Employees of kumunda exploration camp, RI-V, even most of the individual extends helping hand at the time of lockdown by distributing of groceries bags consists of all the daily stuff along with the essential rations like rice, potatoes, Dal, salt and many other packets.

NTPC- this public sector is a very popular industry among all the individual which is now taking all pro-active measures in the addition of enforcing social distancing by marking and even sanitization of roads, along with it the station is also distributing masks to their employees and other staff working there they are also provided protection.

COAL- it is distribution 1200 packets of free ration to the under privileged and also the needy in different area like Kolkata this is done by the ram Krishna mission and also with association with Kolkata police

CMPDI- it has distributed free masks and almost 850l of sanitizer to contractual workers of CMPDI which will help in breaking the chain of the serious infection of covid-19

GAIL- this public sector has distributed 1000 numbers of bed sheets to sub-collector for its distribution it also has given many important commodities like butter milk, water and biscuits were also distributed to the traffic police which is working day and night for the people around.

KOCHI REFINERY ORGANIZES- this oil sector helped n the health check up and COVID- 19 awareness programmers' for the contactors and guest labor under various projects who all are working at the labor camps near cochin refineries.

CONCLUSION & SUGGESTIONS

According to the reading two of the report it has been analyzed that public sector CSR regulations still needs to work on their documentation and planning they also need to set up strong media relations. There is no doubt that the situation of the CSR activities has changed drastically. It has taken a major leap from the point of compliance approach to more strategic and well-planned approach in order to generate the social woes and hues of the society. But as said change is important, the world is now aware to the see in what manner are the responsible corporate citizens paying their debts to the society. The certain increases of pressure on the corporate as well as the communities. Therefore, the Indian PSUS are aware of their responsibilities the thing in which they lack is in right directions and correct approach in the behavior. In order to become a co-existent part of the society, the PSUS needs to fit in the core of the communities and tries to become a household term of the society. The compliance of the CSR has to be in a way that involves maximum shareholders and generates the interest of the economy and socially feasible “charity plan”. Once all the public sector understandings are able to create a SYNERGY between all the stakeholders of the society, it would be win-win positions.

PSUS have to emphasize on the changing needs of the and dealings with the citizen and the society. The approach of the CSR policies should be more sensitive, compassionate, and at the same time more forces and specialized. But now it is the time for Indian PSUS to be more serious about the situation and make more attempts to rope in all the stakeholders, choose an expertise and specialized co-partner for the execution and aspire to gain or to achieve more social approval from the community at large.

Finally, the CSR is premised on the aspirations and goodwill. In an attempt to mandate it legally, the aim of the community is almost an impossible task of LEGISLATING ASPIRATIONS. Thus to make it a success the PSUs have to start taking more interest in it seriously. Also they should have the work process more flexible and not so rigid and the CSR funding by the government should be used by the group in a sorted manner therefore, it should not be ill-planned. The role of government is way too much prominent for the Indian public sectors as they have to work all according to them . For the above discussion it may be cleared that the CPSWs are working very good regarding the CSR activity. The follow more or less same kind of CSR activities as they follow the guidelines issued by the department of the public enterprises which are streamlines CSR

regulations of the CPSEs. It can be clearly figured out that the new mandate will clearly affect the companies which are already involved in the CSR activities they are almost spending between 1.5 to 2 percent of their funds in the regulation of the work done by the CSR committee. Some are of the opinion that CSR should be voluntary activity but at the other hand some experts opined that CSR must be a mandatory affair for all the companies as they completely affecting their stakeholders and taking enough care of it. But doing CSR activity they can take part in making our nation a better place to live for all sections of the society.

According to the report every company should be involved in the CSR activities because as such it is need of an hour. For every company to take part in social responsibilities. Referring to the issues related to the CSR, activity, IT Czar Aziz Premji has said that philanthropy cannot be forced and it has to be spontaneous. He also said that stipulation of spending 2 percent of profits should not become a tax at large stage. He also mentioned that giving back to society is an important part of growth but that feedings should come from within.

SUGGESTIONS

Believe in corporate social responsibility

The advantages to association are extraordinary, however on the off chance that you don't have faith in CSR, at that point your endeavors won't be veritable, and representatives and clients can see that. Try not to seek after CSR only for it. You have to have faith in a specific objective and reason, and make a procedure to accomplish it.

Know your values, and understand how they come to life in your community What do you rely on and trust in? Few out of every odd organization must be a green organization, for instance. Perhaps you represent manageability, assorted variety, or human rights. As an association, you should be extremely clear on a big motivator for you, and incorporate your image guarantee and qualities into your system. A few organizations may begin with ventures like raising money for a reason or supporting a picked cause that unmistakably lines up with, and underpins, their qualities.

- CSR gives support to the human resources in the organization as high motivation to work, good work environment, good quality production; it provides job satisfaction, etc. So, after looking

to all this CSR policies should be introduced in all small scale to large scale industries in the country after seeing to their financial capacity.

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- The CSR policies should be encouraged more and more and proper codes and legislatives should

be made for both public and private sector separately. Industries are now taking CSR as the point of view of promotions and it has started to lose its value.

Localize your efforts

For CSR activities to be effective, it's essential to think about a nearby core interest. Regardless of whether you're a worldwide organization with a worldwide CSR crusade, see how your exercises can have an impact in nearby networks. In what capacity can your workplaces engage in their prompt and broadened networks? This assembles trust, energy, and consistency in your general CSR activities.

Involvement at all levels of the organization

For CSR activities to be powerful, it's basic to consider a close by center intrigue. Whether or not you're an overall association with an overall CSR campaign, perceive how your activities can have an effect in close by systems. In what limit can your working environments take part in their brief and expanded systems? This collects trust, vitality, and consistency in your general CSR activities

Understand Financial Implications

Doing good can cost money. Setting up and implementing a CSR strategy can, in some cases, mean a high initial outlay. And while it benefits organizations in a number of ways, it still has to answer to various stakeholders, which could include stockholders, investors, and employees. When you're planning your CSR strategy, it's key to understand and track several key metrics, such as monetary outlay, stock prices if you're publicly traded, sales and production costs, and the return on your investment – whether it be impact on revenue, or measures like reputation, retention or employee engagement. Don't begin a CSR program until you know the implications from all aspects of the company. Organizations have a strong influence in our society. They are corporate citizens, and more customers are expecting them to play a positive role in how we live and purchase. Setting up a CSR strategy is not only smart, it's expected.

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