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## **Indian public sector undertakings CSR performances: An evaluating analysis in reference to selected Maharatna and Navaratna Companies**

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### **Abstract**

Corporate Social Responsibility (CSR) is the most talked about issue in the context of prevalent business environment. It is balance between social interest and business interest. It is also the sum total of ethical and legal responsibilities. Initially, the corporate houses carried out these duties under the charitable system, but as of late, it has turned into a legal need on the side of the firms, notably in the Indian environment. Based on the CSR regulatory framework, the subjects of CSR policy include environmental sustainability, poverty eradication, women's empowerment, rural development, and the promotion of art and culture, among others. In this paper, we will focus about how well public sector organizations perform in terms of fulfilling their social obligation as well as how well they adhere to the law. It will also make an effort to evaluate extent of the themes' coverage.

**Key words:** CSR, CSR Policy, Regulatory Framework of CSR

### **Introduction**

CSR is no longer merely a charitable or intentional tool for corporate entities, especially in the context of India. Since the New Companies Act of 2013 and the Companies (Corporate Social Responsibility Policy) Rules of 2014 were passed, it is now a legal requirement that Indian corporate entities abide by. The existence of corporate organizations is a fact that cannot be disputed. Such commercial houses would not have existed if there was no such thing as society. Thus, it is well-established that the idea of commerce was brought about by people's infinite demands. Thus, society's citizens are necessary for corporate enterprises to exist. The only input for business is society. If society vanishes, they won't exist anymore. They are essentially eating off the fruits of the society. It is apparent that corporate concerns satisfy the endless wants. But it has been acknowledged that business firms have some social obligations to fulfill. And now we have the idea of business social responsibility, or more specifically, corporate social responsibility, or CSR. However, it is important to remember that the context of CSR in the modern business world is broader than is typically believed.

### **II. The CSR Concept**

The principal stakeholders in business organizations include shareholders, management, labor, employees, the environment, consumers, and society at large. Each of these parties has a keen interest in how the

corporate houses operate. The company needs to coordinate the interests of all parties involved. Since this is the primary objective of the business, they must make every effort to maximize the owners' portion of the profits. They must take social difficulties into consideration while they work toward their goal or it will have a negative impact on them. According to the World Economic Forum, CSR essentially entails providing some benefit to society, which is the foundation of all commercial organizations. It is the act of engaging in such behaviors involving engagement in such social support-promoting activities. It is based on the company's giving-back policy that it is reaping the benefits of society. The ISO 26000 Standard has provided a different, more thorough definition. The following are the explicitly listed CSR topics that have been idiosyncratically identified, including the topic of sustainable development as the most widely discussed issue in the world:

1. Contributes to sustainable development, which includes societal welfare and health;
2. Takes stakeholder expectations into consideration;
3. Is in accordance with applicable legislation and consistent with international standards of conduct;
4. Is applied in all areas of the company and in its interactions with others.

### **III. The Study's Objectives**

- A. To assess the chosen companies' adherence to CSR-related legislative requirements.
- B. To determine how to implement the CSR Projects.
- C. To investigate the extent of CSR funds' use.
- D. To assess the PSUs' CSR performance.

### **IV. Research Methodology**

Excluding banks for more consistency, the study was conducted on seven public sector enterprises that are among India's top 10 corporations and have earned the designation of Maharatna and Navaratna corporations. Bharat Petroleum Corporation Limited (BPCL), Coal India Ltd. (CIL), Hindustan Petroleum Corporation Limited (HPCL), Oil India Limited (OIL), National Thermal Power Corporation (NTPC), Oil and Natural Gas Corporation (ONGC), and Steel Authority of India Limited (SAIL) were the companies under consideration. The PSUs were specifically chosen because they represent the pinnacle of the Indian industrial landscape. The study is an evaluation based on genuine data that was personally obtained from each and every company being investigated. a single financial year 2022-23 has been considered for the study. For collecting information in connection with the companies the Annual Reports of the companies for the financial year 2022-23 had been used. Besides, articles from different journals Annual Report of Ministry of Corporate Affairs (MCA) and web-links had also been consulted for the purpose of collection of data. The paper will try to discuss the individual Corporate Social Responsibility (CSR) performance and combined performances of the companies.

### **Hypothesis**

H0: There is no significant difference between Average Net Profits, Prescribed amount on CSR as per provision of Companies Act, 2013 and Actual Amount Spent by the Companies.

### **V. Regulatory Framework of CSR in Indian Context**

In actuality, India is the first country to have legislation requiring CSR. The Companies Act of 2013 and its following revisions added a few legal provisions relating to CSR that must be adhered to by corporate entities.

The following crucial clauses in the Companies Act pertain to CSR:

- A. Establishment of the CSR Committee: Every company with a net worth of at least Rs. 500 crore, a revenue of at least Rs. 1000 crore, or a net profit of at least Rs. 5 crore in any fiscal year is required to establish a board-level Corporate Social Responsibility Committee with at least three directors, one of whom must be an independent director. Article 135(1).
- B. Disclosure of CSR Committee Composition in Board Report: The Corporate Social Responsibility Committee's membership must be disclosed in the Board's report as required by Section 134's Subsection (3). Paragraph 135(2)
- C. Formulation, Recommendation, and Monitoring of CSR Policy: The Corporate Social Responsibility Committee is responsible for:
- a. formulating and recommending to the Board a corporate social responsibility policy that specifies the activities the company will undertake as described in Schedule VII;
  - b. recommending the amount of expenditure to be incurred on the activities referred to in clause (a); and
  - c. monitoring the corporate social responsibility policy of the company. Article 135 (3)
- D. Uploading CSR Information to the Company's Website: The Board of each company referred to in subsection (1) shall, among other things:
- a. after considering the recommendations made by the Corporate Social Responsibility Committee, approve the company's Corporate Social Responsibility Policy;
  - b. disclose the contents of such Policy in its report; and, if applicable, place it on the company's website in a manner that may be prescribed. Paragraph 135(4)
- E. Amount to be spent on CSR Activities: The Board of each company listed in subsection (1) shall ensure that the company spends, in accordance with its Corporate Social Responsibility Policy, at least 2% of the average net profits of the company made during the three most recent financial years. The following are the areas on which the corporate house should concentrate, as stated in Section 135 (5) Schedule VII of the Companies Act, 2013:
- Eradicating extreme hunger and poverty;
  - Promoting education; advancing gender equality and women's empowerment;
  - Reducing child mortality and improving maternal health;
  - Eradicating HIV, malaria, and other diseases;
  - Ensuring environmental sustainability;
  - Enhancing vocational skills in the workplace; and
  - Implementing social business projects; are just a few of the goals.
  - Support for the Prime Minister's National Relief Fund or any other fund established for socioeconomic development by the federal government or state governments. and
  - Any further matters that may be required.

## VI. Literature Review

1. Rhys Jenkins in his study Globalization, Corporate Social Responsibility and Poverty finds an interesting fact that CSR does not necessarily reduce poverty though it is one of the basic aims of CSR Policy of the corporate houses. He finds that adoption of CSR Policy does not compulsorily lessen poverty. As of now more emphasis has been given on environmental issues rather and human rights as compared to poverty. Thus CSR practices exercised by the corporate sector in India may not be in better position so as to reduce poverty. .

2. Beena D Lawania and Dr. Shikha Kapoor in a Study entitled Concept and Practice of Strategic Corporate Social Responsibility: Special reference to CSR in ITC Limited, show how the company (ITC) under study complied with the legal provision in connection with prescribed limit of expenditure and also specified areas to be covered as prescribed in the Act, while executing the CSR Policy of the company. They also observe “the company has aimed at positive engagement of its shareholders’ communities to conserve, promote and manage their social and environmental capital in order to ensure sustainable livelihoods and employability.”
3. Ruchi Khandelwal and Swarna Bakshi in their paper The New Regulation in India: The Way Forward suggest that the need of the hour is to formulate effective strategies and policies and various instruments so that CSR can be best implemented towards its goals—for social, economic and environmental sustainability. Various legislative measures in connection with corporate business have been undertaken for a transparent and accountable CSR Policy for bringing an alignment with international business standard. They think India aspire to become a global leader in the context of CSR activities.
4. Mige Sontaite-Petkeviciene of of Vytautas Magnus University, Lithuania made a study on CSR reasons, practices and impact to corporate reputation to analyse CSR in relation to corporate reputation building and management. The paper reflects that CSR has become one of the most important business cases for top managers of organizations in respect corporate reputation building. The organisation may engage CSR activities because of altruistic intensions, positive effect of employee motivation, retention and recruitment or customer relation motivations etc.
5. Ms Tanuja Nair, of AMC Engineering College, Bangalore in her paper entitled CSR in Indian Scenario detects that companies have attempted to ‘give back’ through global corporate social responsibility (CSR) initiative. Some 5200 companies have promised to follow global norms on transparency, accountability, human rights, labour laws and the environment. However they still need to go a long way in taking up CSR as a part of their strategies.
6. Dr. Simran Kaur and Ms. Nidhi Tandon in their paper entitled The Role of Corporate Social Responsibility in India suggest that the organizations must realize the government alone will not be able to get success in its endeavor to uplift the downtrodden of society. Development of new concept of CSR is the creation of prevalent marketing management of the corporate houses. Many of the leading corporations across the world had realized the importance of CSR particularly for protection of goodwill and ensuring competitiveness.
7. Vijay Kumar Sarabu in his paper Corporate Social Responsibility in India: An Overview remarks that the bigger the company, the bigger is its CSR program. NGOs and Government organisations generally have a contracted point of view towards the CSR activities of companies. It becomes difficult as to whether adoption of CSR practices and contribution thereon is justified or not.

## VII. CSR Performances of Companies

**Bharat Petroleum Corporation Limited:** The vision statement of the company states that “We are a Model Corporate Entity with Social Responsibility”. The company asserts that it has been contributing steadily towards the goal of achieving sustainable development over the years. It has been following the CSR mandate as adopted under the provision of Section 135 of the Companies Act 2013. BPCL has a CSR Committee with an independent director as its chairman, 2 government nominee directors, and 4 other directors as its members. The committee identifies the core thrust areas as specified under Schedule VII of the Act. The CSR policy of the company primarily emphasizes on education, water conservation, Skill Development, Health/Hygiene and community development. The average net profit of the company for the last 3 years financial years preceding FY 2018- 19 was calculated at Rs. 10,165.92 Crores. Thus the

prescribed CSR expenditure for the FY 2018-19 was estimated at Rs. 203.32 Crores. But the total amount to be spent on the CSR programme was 350.19 as an amount of Rs. 147.87 Crores was to be carried forward of the previous years. Again in the FY 2018-19 an amount of Rs. 172.25 Crores was unspent and thus the actual amount spent on the CSR Projects was Rs. 177.94 Crores. The reasons as shown by the company are that the majority of the projects span between 1 to 5 years the actual amounts against the approved projects rolls beyond the financial years. Hence the payments for the projects committed during the reported FY will be released over the subsequent months. Another reasons for unspent money is that BPCL does not disburse funds on projects which are not sustainable or not delivering results.

In sync with the greater good of the society, we are committed to “energising the grassroots” as a cornerstone of achieving Sustainable Development Goals. With a firm belief that the edifice of sustainability is built by conscientious efforts, we have nurtured and practiced a philosophy of social handholding to invigorate communities.

In our quest for greater social inclusion, we are crafting, deploying and supporting a host of initiatives, largely in five core areas – Education, Environment Sustainability, Health and Sanitation, Skill Development, and Community Development. These five pillars of social advancement also represent key indicators of the Human Development Index.

In addition to these we are sensitive to the greater needs of our nation and additionally support projects for preservation of our heritage, conservation of natural resources and disaster relief and rehabilitation among others.

1. **Coal India Limited:** The CSR Policy of Coal India Limited aims at supplementing the role of Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. It assures that it will act as a good corporate citizens subscribing to the principles of Global Compact for implementation. Generally the project identified and undertaken are executed by the NGOs, Panchayats, Professional Consultancy Organisation etc. the core thrust areas under CSR policy of CIL are poverty eradication, promoting education, gender equality, environmental sustainability, protection of national heritage, rural sports, contribution PM Relief Fund, welfare of SC/ST people etc. During the FY 2018-19 the company’s allocated budget was Rs. 113.47 crores which higher than the calculated as per the provisions of the Companies Act 2013. Basing on the average net profit of last 3 years the actual amount to be spent was Rs. 6.50 crores. It was also able to spend Rs. 27.33 crores during the year which was also higher than statutory obligations of the Companies Act, 2013. The break-up values in each category are as follows: Healthcare Rs.13.11 crores, (48%), Rural Development 7.09 crores (26%), Skill Development Rs. 3.53 crores (13%), other areas like Sanitation, Drinking Water, Education, Women Empowerment, Environmental sustainability 3.60 crores (13%) out of Rs. 27.33 crores (100%). CIL has granted financial assistance upto Rs. 10 Lakhs per patient for curing of Thalassemia undergoing treatment in Christian Medical College, Vellore, Rajib Gandhi Cancer Institute and Research Centre, New Delhi, All India Institute of Medical Sciences, New Delhi, Sanjay Gandhi Post-Graduate Institute of Medical Sciences, Lukhnow, PostGraduate Institute of Medical Education & Research, Chandigarh, Tata Medical Centre. More than 100 successful operations had also been completed. During the FY 2018-19 CIL conducted a training programme of 1684 candidates under Central Institute of Plastic Engineering and Technology (CIPET). 38 underprivileged villages under Purulia, West Bengal have been adopted for executing different developmental works.
2. **Hindustan Petroleum Corporation Limited:** Hindustan Petroleum Corporation Limited believes in shared value creation and interdependency of business and stakeholders. The 7- member committee

headed by and independent director consist of other 3 independent directors, 3 functional directors as its members. The average net profit of the company for last 3 financial years was estimated at Rs. 7952.93 crores and hence the prescribed CSR expenditures was calculated at Rs. 158.86 crores being the prescribed 2% under the provisions of the Companies Act, 2013. The entire amount to be spent was utilized on CSR activities and there was no unspent amount as reports had shown. The break-up amounts in various areas may shown as follows: Community development and environment-6.41 crores; healthcare-12.75 crores; promotion of sports- .78 crore; Scholarships for economically backward SC/ST/OBC/PWD students in local areas of operation locations-6.21 crores; School infrastructure and amenities- 23.72 crores; Skill Development-20.23 crores; Swach Bharat Abhiyan 56.82 crores; Contribution to Armed Forces Flag Day Fund-.75 crores; Pradhan Mantri Ujjwala Yojana-31.77 crores. Out of all the projects, projects under 3 heads were executed through Specialized Implementing Agencies like NGOs, Voluntary Organizations, Community Base Organisations etc. Long term projects were implemented through partners-ADAPT, Akshay Patra Foundation, Confederation of Indian Industries, KC Mahindra Education Trust, Prasanti Medical Services and Research Foundation, Transport Corporation of India Foundation, Agastya Foundation.

3. **Oil India Limited:** The Vision Statement of Oil India Limited states that “OIL is a Responsible Citizen deeply committed to socio-economic development in its areas of operations”. It claims that Oil India Limited has been fulfilling its duty as a Responsible Corporate Citizen with full commitment to the principle of Corporate Responsibility (CSR) and Sustainable Development, towards achieving the inclusive and holistic development in its areas of operations and the society as a whole. The CSR Committee of the company is constituted by one independent member as its chairman, one independent member, two functional directors and one government nominee as its members. However one of the positions of the members has been lying vacant till the reporting Financial Year. Total average profits as per the report was Rs. 2808.13 crores and prescribed expenditure on CSR was Rs. 56.16 crores being the 2% of the average net profits of the last 3 FYs. But the amount spent on the CSR activities by the company was 133.39 crores which was 4.75% of the average profits. There was no unspent expenditure. The expenditure of the companies major CSR Projects in the line with Schedule VII of the Companies Act were: Healthcare 5.63 crores; Drinking Water & Sanitation/ Swach Bharat Abhiyan- Rs. 6.62 crores; Education-27.12 crores, Sustainable Livelihood Generation- 5.65 crores, Skill Development 27.04 crores; Capacity Building and Women Empowerment- Rs. 2.21 crores; Environment 1.56 crores; Promotion of Art, Culture and Heritage-11.74 crores; Promotion of Sports-3.23 and Augmentation of Rural Infrastructures/ Govt. Schemes-42.59 and the total expenditure was Rs. 133.39 crores. OIL implements CSR initiatives alone or in partnership with other organizations (which may include Government Agencies/Non-Government Agencies) to mobilise core competencies and resources on significant long term CSR programmes and projects in its operational areas.
5. **National Thermal Power Corporation:** National Thermal Power Corporation (NTPC) has a separate CSR Community Development Policy, formulated in July 2004 and Sustainability Policy formulated in November 2012 were combined in 2015 and revised in 2016 as “NTPC Policy for CSR & Sustainability in line with Companies Act, 2013. The company commits to discharge social responsibilities that have positive impact on society by improving the quality of life of people, promoting inclusive growth and environmental sustainability. The 5- member CSR Committee of the company consists of 3 independent directors, 1 Government Nominee and 1 functional director. The Average Net Profits of the company for the previous financial years was Rs. 11850.34 Crores and the Prescribed CSR Expenditure (2% of Rs. 11850.34 Crores) was computed at 237.01 Crores. Although the total amount prescribed to be spent

was Rs. 237.01 crores the company spent 285.46 Crores (2.41%) which was more by Rs. 48.45 crores. There was no unspent money. The CSR projects undertaken by the company were executed by Contracting Agency, societies or NTPC Foundation Trusts. The break-up amounts for the projects are as follows: Poverty, Health Care and Sanitation-Rs. 70.10 Crores; Education and Skill Development-132.03 Crores; Empowerment of Women and other Socially Backward Sections-1.55 Crores; Environmental Sustainability 42.51 Crores; Art & Culture-.85 Crores; Sports-3.61 Crores and Rural Development-34.81 Crores

6. **Oil and Natural Gas Corporation:** The Vision of the company is to support responsible and sustainable initiatives, while taking care of the concern for People, Planet and Profit. The CSR Policy of the company has been formulated under the provisions of the Companies Act, 2013 and the Guidelines on Corporate Social Responsibility and Sustainability for Public Sectors Enterprises issued by Department of Public Enterprises Government of India, 2014. The CSR Committee is constituted by 5 members which includes 2 independent directors and 3 functional directors. The average annual profits for the last 3 years immediately preceding the reporting financial year was Rs. 240103.90 million (24010.39 Crores). Thus the prescribed CSR expenditure for the FY 2018-19 was Rs. 4802.10 million (480.21 Crores). The company spent amount of Rs. 6146.44 million (Rs. 614.64 Crores) in CSR activities. The company spent Rs. 236.52 Crores in Healthcare and Sanitation; Rs. 21.59 Crores in Women Empowerment and Reducing Inequality; 16.85 Crores in Education; 69.73 Crores in Environmental Sustainability; 9.95 Crores in Promotion of Sports; 11.98 Crores in Protection of National Heritage; .85 Crores in Slum Area Development; .03 Crores in Benefits of Armed Force Veterans and 95.42 Crores in Rural Development Projects. The percentage of expenditure of the company in the CSR activities was 2.56 %.
7. **Steel Authority of India Limited:** Steel Authority of India Limited believes in enhancing value creation for the community and supporting the community by assisting underprivileged. It operates in socially, environmentally and economically responsible manner so as to succeed by seeking social license. The CSR Committee of the company has been formed 5 independent directors and 3 functional directors. The Average Net Profit for the last 3 FYs was (-) 4145.20 crores. Prescribed CSR Expenditure was computed at NIL as the company had been suffering losses in the specified years. Despite the fact that the company was in loss the Board of Directors of the company decided to spend an amount of Rs. 30 Crores for ongoing CSR activities. During the FY 2018-19 SAIL primarily focused on sustenance of ongoing core CSR activities intertwined with the theme of national priority, in the areas of Education, Health, Skill Development, women Empowerment, Assistance to Divyangs (Physically Disabled) and Sr. Citizens etc. as per the items specified in Schedule – VII of the Companies Act, 2013. Accordingly the company spent Rs. 5.60 Crores in Healthcare, Drinking Water and Sanitation, Rs. 14.74 Crores in Education & Livelihood Generation; Rs. .82 Crores in Women Empowerment & Care for Sr. Citizens and PwDs; Rs 6.18 Crores in Promotion of Sports, Art & Culture, Rs. 1.62 in Environmental Sustainability; Rs. 1.84 Crores in Infrastructure and Rural Development and Rs. .39 Crores in Capacity Building. The company spent a total of Rs. 31.18 Crores in all the project which was more by Rs. 1.18 Crores than the budget outlay.

3. **Steel Authority of India Limited:** Steel Authority of India Limited believes in enhancing value creation for the community and supporting the community by assisting underprivileged. It operates in socially, environmentally and economically responsible manner so as to succeed by seeking social license.

**Table-1 Ranking of Companies on the basis of Prescribed & Actual Amount Spent on CSR**

Name of the Company	Average Net Profit of Consecutive Last 3FYs (INR/crores)	Prescribed amount as per provision of Companies Act. 2013 (2%) (inr/crores)	Actual Amount Spent (INR/ crores)	Percentage of Actual Amount Spent	Rank
BPCL	10165.92	203.32	203.32	15.2%	6
CIL	325	6.50	27.33	420.5%	1
HPCL	7942.93	158.86	158.81	100.6%	5
OIL	2808.13	56.16	133.39	237.5%	2
NTPC	11850.34	237.01	285.46	120.4%	4
ONGC	24010.39	480.21	614.64	128.0%	3
SAIL	-4145	00.0	-	-	*

**Data source:** Annual Reports of the selected companies

\*Not ranked as the computations have been made on the basis of comparison between Prescribed Amount and Actual Amount spent.

The CSR Committee of the company has been formed 5 independent directors and 3 functional directors. The Average Net Profit for the last 3 FYs was (-) 4145.20 crores. Prescribed CSR Expenditure was computed at NIL as the company had been suffering losses in the specified years. Despite the fact that the company was in loss the Board of Directors of the company decided to spend an amount of Rs. 30 Crores for ongoing CSR activities.

**Table-2 Ranking of Companies on the Basis of Expenditures incurred in Major Focused Areas**

Development Sector	Rank-	1	2	3	4	5	6	7
Eradicating Extreme Hunger and Poverty	Company	NTPC	ONGC	CIL	HPCL	OIL	SAIL	BPCL
	Amount**	70.10	21.59	13.11	12.75	5.63	5.60	*
Promotion of Education	Company	NTPC	OIL	HPCL	ONGC	SAIL	CIL	BPCL
	Amount**	132.03	27.12	20.23	16.85	14.74	3.53	*
Promoting Gender Equality Empowering Women and Rural Development	Company	ONGC	OIL	NTPC	CIL	SAIL	HPCL	BPCL
	Amount**	21.59	11.74	1.55	3.6	.82	*	*
	Company	ONGC	OIL	NTPC	CIL	SAIL	HPCL	BPCL
Environmental Sustainability	Amount**	95.42	42.59	34.81	7.09	1.84	*	*
	Company	ONGC	NTPC	HPCL	CIL	SAIL	OIL	BPCL
	Amount**	69.73	42.51	6.41	3.60	1.62	1.56	*

**Data source:** Annual Reports of the selected companies

\*Break-ups not found or the company did not consider the head. \*\*Amounts are in INR Crores

During the FY 2018-19 SAIL primarily focused on sustenance of ongoing core CSR activities intertwined with the theme of national priority, in the areas of Education, Health, Skill Development, women Empowerment, Assistance to Divyangs (Physically Disabled) and Sr. Citizens etc. as per the items specified in Schedule – VII of the Companies Act, 2013.

**Table-3 Performance in CSR of the Selected Companies**

Development Sector	Name of the Company	Total	PC Share	Rank
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	ONGC	NTPC	BPCL	HPCL	OIL	SAIL	CIL			
Poverty, Healthcare	236.52	70.1		12.75	5.63	5.6	13.11	343.71	24.05	1
others	151.72*		177.94**					329.66	23.06	2
Skill Development		132.03		20.23	27.04		3.53	182.83	12.79	3
Rural Development	95.42	34.81			42.59	1.84	7.09	181.75	12.72	4
Environmental	69.73	42.51		6.41	1.56	1.62	3.6	125.43	8.78	5
Sustainability										
Swach Bharat Abhiyan				56.82	6.62			63.44	4.44	6
Education	16.85				27.12	14.74		58.71	4.11	7
Pradhan Mantri Ujjwala Yojana				31.77				31.77	2.22	8
women Empowerment	21.59	1.55			2.21	0.82		26.17	1.83	9
Art, Culture and Heritage Sport	11.98	0.85			11.74			24.57	1.72	10
	9.95	3.61		0.78	3.23	6.18		23.75	1.66	11
School Infrastructure				23.72				23.72	1.66	12
Scholarship to Backward Classes				6.2				6.2	0.43	13
Sustainable Livelihood Generation				5.65				5.65	0.40	14
Slum Area Development	0.85							0.85	0.06	15
Contribution to Armed Forces	0.03			0.75				0.78	0.05	16
Capacity Building						0.39		0.39	0.03	17
Total CSR Expenditure	614.64	285.46	177.94	159.43	133.39	31.19	27.33	1429.38	100.00	
Percentage Share	43.00	19.97	12.45	11.15	9.33	2.18	1.91	100.00		
Rank	1	2	3	4	5	6	7			

**Data source:** Annual Reports of the selected companies

\*Break-up amounts of this portion were not found, hence shown in other category \*\*Break-up amounts of the company were not found

**H<sub>0</sub>:** There is no significant difference between Average Net Profits, Prescribed amount on CSR as per provision of Companies Act, 2013 and Actual Amount Spent by the Companies.

	Summary of Data				
	1	2	3	4	5
N	6	6	6		18

$\Sigma X$	57102	1142	1423		59667
Mean	9517	190.3333	237.1667		3314.833
$\Sigma X^2$	891331894	356244	544929		892233067
Std.Dev.	8341.3687	166.6633	203.6864		6391.3862
<b>Result Details</b>					
<b>Source</b>		<b>SS</b>	<b>df</b>	<b>MS</b>	
Between-treatments		346208422.3333	2	173104211.1667	<b>F = 7.45628</b>
Within-treatments		348238484.1667	15	23215898.9444	
Total		694446906.5	17		

The *f*-ratio value is 7.45628. The *p*-value is .005647. The result is significant at  $p < .05$ .  $H_0$  is rejected and  $H_1$  may be accepted.

#### **Post Hoc Tukey HSD (beta)**

Pairwise Comparisons	HSD <sub>.05</sub> = 7225.7902 HSD <sub>.01</sub> = 9512.4949	Q <sub>.05</sub> = 3.6734    Q <sub>.01</sub> = 4.8359	
<b>T<sub>1</sub>:T<sub>2</sub></b>	M <sub>1</sub> = 9517.00 M <sub>2</sub> = 190.33	9326.67	<b>Q = 4.74</b> ( $p = .01143$ )
<b>T<sub>1</sub>:T<sub>3</sub></b>	M <sub>1</sub> = 9517.00 M <sub>3</sub> = 237.17	9279.83	<b>Q = 4.72</b> ( $p = .01182$ )
<b>T<sub>2</sub>:T<sub>3</sub></b>	M <sub>2</sub> = 190.33 M <sub>3</sub> = 237.17	46.83	Q = 0.02 ( $p = .99984$ )

T<sub>1</sub>:T<sub>2</sub> and T<sub>1</sub>:T<sub>3</sub>- significant

Accordingly the company spent Rs. 5.60 Crores in Healthcare, Drinking Water and Sanitation, Rs. 14.74 Crores in Education and Livelihood Generation; Rs. .82 Crores in Women Empowerment & Care for Sr. Citizens and PwDs; Rs 6.18 Crores in Promotion of Sports, Art & Culture, Rs. 1.62 in Environmental Sustainability; Rs. 1.84 Crores in Infrastructure and Rural Development and Rs. .39 Crores in Capacity Building. The company spent a total of Rs. 31.18 Crores in all the project which was more by Rs. 1.18 Crores than the budget outlay.

## **VIII. Key Findings of the Study**

- 1. Compliance with Legal Provisions:** All the companies had complied with the legal provisions in connection with CSR enshrined in the Companies Act, 2013. The companies had constituted the Corporate Social Responsibility Committee to be formed under Section 135(1) of the Act consisting of independent directors, functional directors and government nominees. They also covered almost all the focused areas of CSR specified in Schedule-VII of the Act though it is observed that different companies emphasized on different thrust areas.
- 2. Vision Statement of the Companies:** Despite diverse vision statements of the companies they companies addressed the indistinguishable purpose of CSR. For instance HPCL believes in shared value creation and interdependency of business and shareholders. The CSR Policy of CIL aims at supplementing the role government in enhancing the welfare measures of the society. BPCL claims it is a role model corporate entity with social responsibility. They all discharged social responsibilities in a philanthropic sense but within the regulatory framework.

3. **Manner of Implementation of CSR Projects:** All the 7 companies executed the undertaken projects in their own imitative or implementing agencies. The implementing agencies include NGOs, Voluntary Organisations, Community based organizations, societies, panchayats or government organizations like SIRD, CEPET etc. Some of the projects were executed by the PSUs directly.
4. **Regular Losses did not interrupt the process of CSR:** The average net profits of SAIL of 3 years immediately preceding the reporting year was Rs. (-) 4145 crores. As per provisions of the Companies Act nothing to be prescribed as CSR expenditures as the company had been suffering continuous losses or average profit was negative. The company's Board of Directors made a budget outlay of Rs. 30 crores to be spent in the CSR agenda. It spent an amount of Rs. 31.18 crores in discharging social obligations.
5. **Extent of Utilization of CSR Budget Outlays:** There were significant differences between CSR Budget Outlays and actual amount spent in connection with some of the PSUs as the study reveals. The prescribed budget allotment of BPCL was Rs. 203.32 crores but it could spend only 15.2% of the prescribed amount. Even it could not spend the unspent amount which was carried forward from the immediately last FY of the Reporting year. Significantly CIL had spent 420.5% of its budgeted amount of Rs. 6.5 crores. Similarly OIL had spent 237.5% of the budget allotment for CSR.
6. **Comparative Expenditures in Major Focused Areas:** The areas as specified in Schedule VII of the Companies Act did not get equal emphasis in the CSR policy of the PSUs. NTPC's CSR Policy gave highest emphasis on Eradicating Extreme Hunger and Promotion of Education. Likewise the CSR Policy of ONGC is featured by highest weights in Promoting Gender Equality and Women Empowerment, Rural Development and Environmental Sustainability.

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