

Corporate Social Responsibility: A Study of Selected Indian Companies

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ABSTRACT:

According to the New Company Law of 2012, all companies are required to allocate 2% of their net profits to Corporate Social Responsibility (CSR). This regulation has prompted Indian companies to actively engage in CSR, as certain categories of companies must invest a portion of their earnings in CSR initiatives. As businesses operate within society and utilize various resources provided by it, it is essential for them to give back to the community. CSR has become a core business practice and has attracted significant attention from the management of large multinational corporations. It helps align business activities with social values and serves as a focal point for various initiatives aimed at promoting the socioeconomic development of communities. Today, Indian corporations are moving beyond mere philanthropy and are focusing more on the interests of all stakeholders. This research paper aims to analyze the CSR practices of companies operating in India. It will assist researchers and scholars in identifying effective CSR strategies and exploring what is most beneficial for India and its CSR needs. Additionally, the paper seeks to highlight the shortcomings of companies in meeting societal expectations and offers suggestions for enhancing CSR practices to better serve both society and the nation.

Keywords: Corporate Social Responsibility (CSR), Society, Philanthropy, Companies Act 2013.

INTRODUCTION

Corporate Social Responsibility (CSR) as a concept date back to 1953 when Howard R. Bowen introduced this concept in his book titled “Social Responsibilities of the Businessman”. He is known as the father of CSR 1. CSR is a universally accepted and promoted by business and government 2. CSR concept is now a globalized concept which is gaining prominence in the developing countries as well 3. CSR has been studied widely both in the developed and the developing countries. CSR is a self-regulating framework where companies voluntarily uphold ethical standards, sustainability, and transparency. Central to CSR is ethical behaviour, which goes beyond legal compliance, emphasizing fair labour, consumer protection, and honest marketing. CSR also focuses on sustainable development, encouraging companies to support community welfare through initiatives in skill development, healthcare, water conservation, education, and social development. Transparency is equally crucial, as it involves openly reporting business practices to build public trust and accountability. Together, these elements guide companies toward responsible practices that benefit society and contribute to sustainable growth. This evolution is particularly transformative in regional and rural India, the focus of many of these programs. Given that the majority of India's population resides in rural areas, corporate intervention in education, healthcare, and livelihood generation is critically important.

CSR offers multiple benefits to society, the environment, and companies themselves. It enhances a company's reputation and can help attract, motivate, and retain talent, as employees often prefer working for socially responsible organizations. CSR also serves as a risk management tool, as companies that actively engage in CSR are better positioned to avoid regulatory issues and public criticism.

Dr. Bhaskar Chatterjee is widely known as the "father of CSR in India". He played a crucial role in shaping and implementing CSR guidelines, particularly for Public Sector Enterprises (PSEs) in April 2010. Additionally, he was instrumental in the inclusion of Section 135 in the Companies Act of 2013, which formalized the legal framework for CSR in India.

On April 1, 2014, India became the first country to legally mandate corporate social responsibility. The new rules in Section 135 of India's Companies Act make it mandatory for companies of a certain turnover and profitability to spend two percent of their average net profit for the past three years on CSR.

OBJECTIVES OF THE STUDY

1. To know the concept of CSR
2. To know the new CSR provisions given in Companies Act, 2013.
3. To analyse the CSR initiatives of some of the companies in India.

RESEARCH METHODOLOGY

The data required for this study is secondary data which have been collected from different sources such as official websites like department of Corporate Affair ministry, Newspaper Articles, journals, Research Papers, media reports and Magazine Articles.

REVIEW OF LITERATURE

Samantara and Dhawan 2020 realised that government alone will not be able to improve the poor's situation, it is becoming more alarming. CSR is an effective tool for accomplishing the goal of overall development of the society. An attempt is made here to comprehend and focus on the problems and hurdles faced by CSR activities in India. **Newman et al. 2020** examined the effect of corporate social responsibility (CSR) on company's productivity using information of over 5,000 Vietnamese enterprises. He found a favourable correlation between CSR initiatives' adoption and firm effectiveness in non-competitive industries. As per the findings of this research, companies may enjoy the advantages of socially Incharge actions by focusing on involving the local stakeholders.

Praveen Kumar (2014) discussed the present scenario of CSR in India and the challenges available in the Context of India. Major challenges faced in India are 1) the general public is still not 2) Lack of proper government policy 3) No availability of proper Guidelines for CSR in India. 4) Education level is low 5) CSR is not monitored by strict law. **Vethirajan. C, Ramu. C (2019)** in his article on "Customers Perception of CSR Impact on FMCG Companies – An Analysis" shows that CSR is actually about making sure that the company can produce on a sustainable base to ensure the equality to all its stakeholders, since CSR has come a long way in India. Though, both the corporates and NGOs should join together for achieving faster social development within a short period. **The economic Times (2012)**, news highlighted the views of former president Dr. APJ Abdul Kalam in a CSR award function organized by industry body Assocham. Kalam said that companies should devote some part of its goal to corporate services. It should make mandatory for all the companies to spend a percentage of its profit on corporate social responsibility.

Kalam also discussed about the proposed bill on corporate spending on CSR. They assumed greater importance of CSR in building the lives of the country's citizens.

Shah, Bhaskar (2010), in his case study of public sector undertaking, Bharat Petroleum Corporation Ltd. has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization used the resources of the society. In reverse, the organization provides services to the society. According to **Kishor Neelakantan**, the enactment of the Company Act 2013 will create a big regulatory push for CSR activities and this is mandatory for all company operating in India. The author suggested that framework for investors to evaluate companies' CSR efforts which is based on four key parameters- Integrity, strategic orientation, efficiency and transparency. **Praveen Kumar (2013)** in his article on "Corporate Social Responsibility in India" has talked about the present scenario of CSR in India and the challenges associated with it in Context of India. **Dr. M. Ramana Kumar (2013)** in his study on Analysis of select Indian Private and Public sector companies tried to analyse the CSR activities carried out by Indian Private (Reliance Industries Ltd.) and public sector companies (ONGC) and also studied the Indian government policies and programmes of CSR. The study revealed that though the Indian public and private firms are making efforts in the CSR areas, still there is a need of more emphasis on CSR. **Bibhu Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012)** in their paper entitled "Emerging trends of CSR in India" analysed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. The study concluded that the companies today are working not only to earn profit but have also realized the importance of being social friendly. **Harish Kumar (2012)** in his research article entitled "CSR Revisited" has thrown light on four different approaches of companies towards CSR viz; Good Governance, Ruinous CSR, Discretionary CSR, and Illusion CSR. He also tried to highlight argument against the CSR as well as the CSR driver. Crises and Calamities, Globalization and Market force, Social Awareness & Education, and Social Expectation.

EVOLUTION OF CSR IN INDIA

The term CSR may be relatively new to India, but the concept of CSR has a deep-rooted history date back to Mauryan empire, where philosophers like Kautilya emphasized on ethical practices and principles while conducting business. CSR has been informally practiced in ancient times in form of charity to the poor and disadvantaged.

Religion also played a major role in promoting the concept of CSR. Islam had a law called Zakaat, which rules that a portion of one's earning must be shared with the poor in form of donations. Merchants belonging to Hindu religion gave alms, constructed temples and night shelters for the poorer class. Hindus followed Dharmada where the manufacturer or seller charged a specific amount from the purchaser, which was used for charity. The amount was known as charity amount or Dharmada. In the same fashion, Sikhs followed Daashaant.

The first phase of CSR was driven by noble deeds of philanthropists and charity. It was influenced by family values, traditions, culture and religion along with industrialization. Till 1850, the wealthy businessmen shared their riches with the society by either setting up temples or religious institutions. In times of famines, they opened their granaries for the poor and hungry. The approach towards CSR changed with the arrival of colonial rule in 1850. In the Pre-independence era, the pioneers or propagators of industrialization also supported the concept of CSR. Mr Jamshedji Tata in 1892 established the JN Tata Endowment, which provided scholarships to Indian students to study abroad. He donated funds for the establishment of the Indian Institute of Science in Bangalore and established the Tata Memorial Hospital

in Mumbai in 1941, which is now one of India's leading cancer treatment centres. He has been a classic example for cultivating a solid foundation for CSR in the country.

In 1900s, the industrialist families like Tata, Birla, Modi, Godrej, Bajaj and Singhanian promoted this concept by setting up charitable foundations, educational and healthcare institutions, and trusts for community development. It may also be interesting to note that their efforts for social benefit were also driven by political motives.

The second phase was the period of independence struggle when the industrialists were pressurized to show their dedication towards the benefit of the society. These trusts also worked to enhance social reforms like rural development, women empowerment and education.

In the third phase from 1960-1980, CSR was influenced by the emergence of public sector undertakings to ensure proper distribution of wealth. The policy of industrial licensing, high taxes and restrictions on the private sector resulted in corporate malpractices. This led to enactment of legislation regarding corporate governance, labour and environmental issues. Still the PSUs were not very successful. Therefore, there was a natural shift of expectation from the public to the private sector and their active involvement in the socio-economic growth. In 1965, the academicians, politicians and businessmen set up a national workshop on CSR, where great stress was laid on social accountability and transparency.

In the fourth phase from 1980 onwards, Indian companies integrated CSR into a sustainable business strategy. With globalization and economic liberalization in 1990s, and partial withdrawal of controls and licensing systems there was a boom in the economic growth of the country. This led to the increased momentum in industrial growth, making it possible for the companies to contribute more towards social responsibility. What started as charity is now understood and accepted as responsibility.

Today, in India CSR has gone beyond merely charity and donations, and is approached in a more structured approach. It has become a central part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set budget to support them.

THE 2013 COMPANIES ACT: A WATERSHED MOMENT

According to section 135 of the Companies Act, 2013, certain companies are mandated to allocate 2% of their average net profits from the past three years towards CSR activities, as per Schedule VII of the Act. According to the Ministry of Corporate Affairs, the CSR provisions apply to companies with:

- Net worth of INR 500 crore or more, or
- Turnover of INR 1000 crore or more, or
- Net profit of INR 5 crore or more during the immediately preceding financial year

CSR bolsters a company's public image and brand value, demonstrating commitment to societal betterment. It enhances media visibility and distinguishes businesses by building stronger community relationships.

LIST OF PERMITTED CSR ACTIVITIES UNDER SCHEDULE VII

The Board of Directors shall ensure that the activities included by a company in its CSR Policy fall within the purview of the activities included in schedule VII of the Act. The activities specified in Schedule VII which may be included by companies in their Corporate Social Responsibility Policies are as follows:

Sr. No	CSR Activities
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1	Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care, contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2	Improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.
3	Improving gender equality, setting up homes and hostels for women and orphans, empowering women, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4	Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.
5	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
6	Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
7	Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
8	Contribution to the Prime Minister's National Relief Fund, Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development providing relief and welfare of the Scheduled Castes, the Scheduled and backward classes, other backward classes, minorities and women.
9	Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government, State Government, Public Sector Undertaking or any agency of the Central Government or State Government.
10	Contributions to public funded Universities, IITs, National Laboratories and autonomous bodies established under DAE, DBT, DST, Department of Pharmaceuticals, Ministry of AYUSH, Ministry of Electronics and Information Technology and other bodies, namely DRDO, ICAR, ICMR and CSIR, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

11	Rural development projects.
12	Slum area development. Slum area means any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
13	Disaster management, including relief, rehabilitation and reconstruction activities.

This law was pivotal. It transformed CSR from a voluntary activity to a legal obligation, introducing structure, transparency, accountability, and measurable impact.

CORPORATE SOCIAL RESPONSIBILITY IN SELECTED INDIAN COMPANIES

In 2023-2024, 24,392 companies in India contributed to CSR through 51,966 projects, spending around Rs. 29,987 crores in 14 development sectors. The top companies undertaking CSR activities and projects in India include Reliance Industries Limited, Apollo Tyres Limited, Adani Group, Tata Consumer Products Limited, Asian Paints Limited, and Procter and Gamble. Few of them are as follows:

Reliance Industries Limited

Reliance Industries Limited (RIL) spent Rs. 1,592 crore for its CSR initiatives in 2023-24. The company made efforts in water conservation, leading to an increase in the water harvesting capacity by around 28.5 million cubic meters. It has also undertaken initiatives to improve agricultural practices and benefit more than 39,000 hectares of farmland. Its healthcare initiatives have impacted the lives of more than 9.29 million people. It has also benefitted 84,000 women through its digital literacy programmes in the last financial year alone.

Apollo Tyres Limited

Apollo Tyres Limited spent Rs. 15.7 crore on its CSR initiatives in 2024, impacting the lives of more than 1.23 million people in India. Apollo Tyres supports the Indian Government's commitment to eliminate Tuberculosis in India by 2025 by setting up a dedicated healthcare programme for the trucking community in partnership with the Union and Central TB Division, USAID, and the Ministry of Health and Family Welfare. It is also working to empower rural women through Project Navya, its CSR initiative to provide access to women SHGs in rural areas to microfinancing and support through skill training to start their entrepreneurial journeys.

ITC Ltd.

The Company is always committed towards CSR activities and has spent more than the prescribed CSR budget in last three financial years. The company has spent ₹404.05 crore on CSR activities during the financial year 2023-24. This conglomerate company is contributing to rural development in a big way. ITC Choupal is a long-running flagship CSR programme by the company that has become the gold standard on community development in international circles. The conglomerate has active social projects in education, environmental conservation, sustainable agriculture, healthcare, digital literacy, sports and culture, disaster relief activities, social forestry programme, women empowerment etc.

Tata Chemicals Ltd.

The company has spent ₹17.20 crore on community development projects during the financial year 2023-24. Improving the quality of life and fostering sustainable and integrated development in the communities

where it operates is central to Tata Chemicals' corporate philosophy. In order to do so Tata Chemicals established Tata Chemicals Society for Rural Development (TCSR) in 1980 as a society and trust. The principle aims and objective as written in the memorandum of association, of which Tata Chemicals is a principal promoter is to undertake, carry out, promote, sponsor, assist or aid directly or in other manner,

Asian Paints Limited

Asian Paints spent ₹90.8 crore on Corporate Social Responsibility (CSR) initiatives in FY 2023-24. This included spending on enhancing vocational skills, health and hygiene, water stewardship, and disaster management. Specifically, they allocated Rs 49.75 crore for enhancing vocational skills, Rs 12.72 crore for health and hygiene, Rs 23.26 crore for water stewardship, and Rs 0.02 crore for disaster management initiatives.

HCL Technologies Limited

In the financial year 2023-24, the company spent INR 291.21 crores under its CSR spending, which is more than the prescribed 260 crores as per the Section 135 of the Companies Act, 2013. With this year's investment, the company's cumulative CSR spending reached Rs. 1400 crores in India, which helped to transform the lives of over 6.5 million people.

HCL Technologies has committed to Net Zero Carbon Emissions by 2040. It has also pledged to achieve 50 per cent reduction in absolute scope 1 and scope 2 emissions by 2030, compared to 2020 baseline. As of financial year 2024, 19 per cent of the energy consumption by the company came from renewable sources.

Procter and Gamble

Procter and Gamble has been carrying out its CSR initiatives in India long before it became mandatory in the country. The company's flagship CSR initiative P&G Shiksha has been committed to addressing critical barriers to quality education. Launched in 2005, the program has impacted the lives of over 5 million children.

In addition to this, various brands of P&G carry out effective CSR initiatives, benefitting millions of people. Whisper keep girls in school campaign has been raising awareness about lack of period education in India. The campaign has also distributed free sanitary pads to over 100 million girls and mothers.

Furthermore, P&G has committed to achieve net zero emissions by 2040. Procter and Gamble scored the sixth spot on The CSR Journal's ranking of top companies for CSR and Sustainability in 2024.

FUTURE OUTLOOK FOR CSR IN INDIA

Despite the challenges, the future of CSR in India looks promising. Companies are increasingly recognizing the importance of sustainable development, and many are investing in long-term CSR strategies that focus on building capacity, creating livelihoods, and promoting social and environmental resilience.

With the continued push for sustainability and the increasing alignment of CSR activities with global goals like the United Nations Sustainable Development Goals (SDGs), CSR in regional India is poised for even greater growth in the coming years.

The government is also likely to play a more active role in encouraging corporate participation in regional development. As public-private partnerships become more common, companies will have more opportunities to collaborate with government agencies and NGOs to create lasting change.

SUGGESTIONS

- Companies need to look into the remote areas of the society for their CSR activities, where the Government is unable to reach and help the community.
- There is a need of quality education with pragmatic orientation in rural areas at affordable fees for the needy people.
- Healthcare is the prime issue for rural India. They have suffered a lot in the pandemic. So, the corporate need to think in that sector to provide medical and health care facilities to the rural India through their CSR activities.
- Government incentives have to be provided to the companies contributing more to CSR programs.
- Education is losing its integrity in India because of benefit motives by associations and management of different private organizations. Hence, Indian companies need to focus on imparting quality education to rural sector of the nation by adopting Government schools.

CONCLUSION

From the above study it is concluded that the Government has initiated CSR because it wants companies to become more accountable for its stockholders and society at large as they are social entities. Many large corporations are now taking steps to improve their environmental and social performance through the use of volunteer initiatives. The ultimate aim of any business is to cater the society without harming our environmental and community life support system by providing safe and high quality products and services that improve for the welfare of society.

So, a business should elucidate and reorient its purpose to help and support the society. Finally, it is advised that, Indian corporations divert their CSR efforts towards the present need of the society.

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