



A COMPARATIVE STUDY OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN INDIA IN REFERENCE TO TOP 10 CSR SPENDING COMPANIES

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ABSTRACT:

Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations. As per provision of section 135 of Companies Act, 2013. Now it is mandatory for every company who will be covered in the purview of the provision of Sec.135. Through this study we analyze the data collected from secondary sources. After analyzing data of top 10 ranking companies CSR performance in comparison to other companies and with each other, it is found that top 10 CSR ranking companies played an important role and their participation and performance reflects like a leader. Top 10 CSR ranking companies share in total CSR spent is in the range of 20 to 43 percent. It is also found that other companies who are not spending on CSR as per the prescribed limit is very large in the number. The number of zero spending on CSR companies is also very large. So in this area government will take some initiative to implement the prescribed provision so it will be more beneficial for the welfare of society, environment and country also.

Keywords: Corporate social responsibility, Top CSR ranking. Spending on CSR. Performance.

Introduction:

CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-line-Approach"), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept and charity, sponsorship or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.

A properly implemented CSR concept can bring along a variety of competitive advantages such as enhanced access to capital and markets, increased sales and profit, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

According to Forbes (2010), Corporate social duty works in two ways. The organization offers back to the society. Thus individuals become acquainted with about the organization, which helped them most and took into account their items and administrations.

The Companies Act,2013 have made law relating to CSR and Section 135 of the act deals with CSR. The CSR activities are mention under schedule 7 of the act, 2013.

Corporate Social Responsibility and Indian Companies Act:

Every act is a piece of art and science. An act is an art and implementation of act is science. In India, the attitude towards environment is very compassionate. But after the Liberalization, Privatization and Globalization public sector slowly shifted to private sector. Therefore the concept of Corporate Social Responsibility (CSR) developed and law makes it mandatory under the provision of companies act, 2013.

Section 135 of the companies act provides the threshold limit for applicability of the CSR to a company is as follows:

- (a) Net worth of the company to Rs.500 corer or more,
- (b) Turnover of the company to be Rs.1000 corer or more,
- (c) Net Profit of the company to be Rs. 5 corer or more

Further, the provision of CSR are not only applicable to Indian companies but also applicable to Branch and Project office of a foreign company in India.

Under the provisions of Companies Act, preference should be given to a local area where the company operates. Company may also choose to associate with 2 or more companies for fulfilling the CSR activities provided that they are able to report individually. The CSR policy in which it includes the projects and programmes which is to undertaken, prepare a list of projects and programmes which a company plans to undertake during the implementation year and also focus on integrating. Business models with social and environmental priorities an process in order to create share value.

Object of the study:

- . To find the position of Indian companies regarding corporate social responsibility.
- , To find the top 10 CSR ranking companies consistency .
- . To find the reasons for zero spending and less than prescribed CSR spending.

Review of literature:

Athma and Yarragorla (2015) investigated the major differences between CPSE guidelines and sec.135 of Companies Act,2013 on Maharatna companies for the period 2011-2014. They concluded that CSR liability of Maharatna companies are more or less equal as per both CPSE guideline and sec.135 of company act,2013 and CSR provision of sec.135 is more flexible than CPSE guidelines regarding CSR.

Laura(2014) “Studied the CSR practices of Two Maharatna company viz. Steel Authority of India Ltd.(SAIL)and National Thermal Power Corporation(NTPC) and one miniratna company viz. Airport Authority of India(AAI) on socio-economic development of rural people and conducted that those CSR activities done for rural development had a positive impact on overall development of society and business.

Bhupinder and Vikas Kumar Joshiya(2012), in his study “Issues and challenges of corporate social responsibility in India” over a time CSR extended to incorporate both monetary and social interests. Organizations have turned out to be more straight forward in book-keeping and show public reporting because o weights from different partners. In this paper CSR status, difficulties of CSR, arrangements for CSR in India are explained.

Research methodology:

In this research work mixed approach is used I which Quantitative and Qualitative approaches are used. For selection o companies for this study top 10 ranking companies are selected on the basis of CSR expenses. To find the results different analysis method is use like percentage and ranking.

Results and discussion:

Table 1: Showing Total Spent on CSR by companies from 2014-2015 to 2020-2021

Financial year	CSR Spent (Rs.in coror)
2014-2015	6338.00
2015-2016	6578.00
2016-2017	14344.87
2017-2018	17098.18
2018-2019	20172,07
2019-2020	24891.63
2020-2021	24865.46

It is clear from the interpretation of the data shown in above table that CSR spent is showing increasing trends after it is mandatory by the government since 2013 onwards

Table 2: Showing share of CSR spent of top 10 CSR spending companies from 2014-2015 to 2020-2021

Financial year	CSR spent top 10 companies	Percentage with Total CSR
2014-2015	2782.80	43.90
2015-2016	2900.00	44.08
2016-2017	3299.83	23.00
2017-2018	3622.74	21.88
2018-2019	4338.11	21.50
2019-2020	5073.20	20.38
2020-2021	5015.31	20.17

From the above table it is clear that since 2016-17 onwards top 10 CSR spending companies share in the range of 20 to 23 percent because total CSR expenses are increased in large so the share of top 10 companies are dreceased. It also indicates that other than top ten companies are also compliance the mandatory provision of CSR that’s the reason tremendous increase in total CSR expenditure as indicates in Table 1 also.

Table 3: Showing CSR spent on the basis of prescribed rates (No. of companies)

CSR Spent	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
(i)Exactly as prescribed	1848	1067	736	803	1416
(ii)More than prescribed	3656	4942	6308	6963	9374
(iii)Less than prescribed	3336	3767	4115	4707	3291

(iv)Zero spent	10714	11745	13947	10245	2926
Total	19533	21520	25103	22718	17007

From the table 3 interpretation it is clear that CSR spent on exactly prescribed limit number is uneven but more than prescribed limit number is in increasing order that shows a positive sign. Table also indicates the numbers of less than prescribed limit companies are also increasing except in the year 2020-2021 and zero spent companies number is also increasing but it decrease drastically in the year 2020-2021.

Table4: Showin CSR spent by top ten companias from 2014-2015 to 2020-2021

S. No	Name of Company	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1	Reliance Industries	760.00	652.00	649.26	745.04	849.32	908.71	922.00
2	ONGC	495.20	221.00	504.91	428.07	568.85	582.07	531.45
3	Infosys	240.00	202.00	289.44	312.60	342.09	359.94	361.82
4	TCS	219.00	294.00	380.00	400.00	434.00	602.00	674.00
5	ITC	214.00	248.00	275.96	290.98	306.95	326.49	335.43
6	NTPC	205.00	492.00	277.80	241.54	285.46	--	--
7	NMDC	189.00	210.00	--	--	--	--	418.67
8	Tata Steel	171.00	213.00	--	231.62	305.47	--	--
9	ICICI Bank	156.00	172.00	--	--	--	--	--
10	Wipro	133.00	--	186.31	--	--	--	246.99
11	PFC	--	196.00	--	--	--	--	--
12	HDFC Bnk	--	--	305.42	374.55	443.78	535.31	534.03
13	Oil Ind.Corp.	--	--	216.74	--	--	--	--
14	IOC	--	--	213.99	331.01	468.15	518.49	445.09
15	Mahanadi Coal Field	--	--	--	267.33	334.04	--	--
16	Power Grid	--	--	--	--	--	346.21	--
17	Bharat Petroleum	--	--	--	--	--	345.55	--
18	Tata Sons	--	--	--	--	--	548.43	545.33
Total		27828	2900.0	3299.83	3622.74	4338.11	5073.20	5015.31

From the above table it is clear that from 2014-2015 to 2020-2021 Reliance Industries spent highest amount on CSR amongst all companies. It is also clear that ONGC, Infosys, TCS, ITC maintain their position continuously since 2014-2015 to 2020-2021 in top ten CSR spending companies list. It is stated that total companies included in the above table, out of these 5 companies regularly maintain their position in top 10 ranking, but other companies not maintain their position in this ranking. Some new company includes and some company left their ranking. NTPC, HDFC Bank, IOC lose their position in 2 years, in the period mentioned in table. NMDC, Wipro, Tata Sons, ICICI bank fall 3 times in this list, Mahanadi Coal Fields 2 times. Power Grid Corporation, Bharat Petroleum, Oil India Corporation, PFC only once in the top 10 CSR companies list. But it is clearly stated that these companies played very important role for execution of CSR projects and spending their prescribed funds as per the provision of companies Act, 2013.

Table 5: Showing share of CSR spending (in Rs.corer) and in percentage with total CSR spending and consistent performer of top companies with their ranks.

S. No	Name of company	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
1.	RIL CSR(%) Rank	760.60 12.00 1	652.00 9.91 1	649.26 4.53 1	745.04 4.36 1	849.32 4.21 1	908.71 3.65 1	922.00 3.71 1
2	ONGC CSR(%) Rank	495.00 7.81 2	221.00 3.36 5	504.91 3.52 2	428.07 2.50 2	568.07 2.82 2	582.07 2.34 3	531.45 2.14 5
3	Infosys CSR(%) Rank	240.00 3.79 3	202.00 3.07 8	289.44 2.18 5	312.60 1.83 6	342.09 1.69 6	359.94 1.45 7	361.84 1.45 8
4	TCS CSR(%) Rank	219.00 3.45 4	294.00 4.47 3	380.00 2.65 3	400.00 2.34 3	434.00 2.15 5	602.00 2.42 2	674.00 2.71 2
5	ITC CSR(%) Rank	214.00 3.38 5	248.00 3.77 4	275.96 1.92 7	290.98 1.70 7	306.95 1.52 9	326.49 1.31 10	335.43 1.35 9

After analyzing data of table 5 it is found that Reliance Industries Ltd. Maintain their 1st rank in top 10 companies on the basis of CSR spending and its share in total CSR spending is decreasing because overall CSR spending increase year by year, hence the Reliance CSR in percentage decreasing. ONGC also maintain their ranking in top 5 consistently. Infosys and ITC other two companies mentioned in above table maintain their ranking in top 5 companies in once and twice respectively but they maintain their ranking in top 10 consistently.

So it is concluded that top CSR ranking companies on the basis of their spending continuously maintain their ranks in top ranking companies.

Findings:

- In this study it is found that top 10 companies share highest 43.90 percent in 2014-2015 and lowest in the year 2020-2021 i.e. 20.17 percent. .
- It is also found that out of top 10 ranking companies 2 companies maintain their ranking in first two places i.e. Reliance Industries Ltd. And ONGC..
- It is also found that Infosys, TCS, and ITC companies maintain their position consistently in top 10 ranking companies on CSR spending. .
- On the basis of analysis it is clear top 10 CSR ranking companies CSR spending is almost 20 percent of overall CSR expenses of all companies it is lowest and 44.90 percent is highest..
- It is also found that zero spending companies' number is decreasing due to serious efforts by the government for compliance of CSR provision. It is also found that very large number of companies does not spent CSR amount as per prescribed norms. So in this regard more strict compliance efforts required from the government side.

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