A STUDY OF CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN INDIA - A CRITICAL EVALUATION

THESIS SUBMITTED FOR THE AWARD OF THE DEGREE

OF

DOCTOR OF PHILOSOPHY

IN

COMMERCE

TO

GOA UNIVERSITY

BY

SAVIA MENDES

DEPARTMENT OF COMMERCE
Goa University
Taleigao Plateau, Goa

July 2018

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JULY 2018

DECLARATION

I, Savia Mendes, hereby declare that the work reported in this thesis titled **"A Study of Corporate Social Responsibility Practices in India- A Critical Evaluation"** submitted to the **Goa University, Taleigao-Goa,** for the award of the Degree of Doctor Of Philosophy in Commerce is the outcome of the original and independent research work undertaken by me during the period 2013 to 2018. This study is carried out under the guidance and supervision of **B. Ramesh, Professor, Ex-Dean & Head, Department of Commerce, Goa University, Goa.**

This work has not previously formed the basis for the award of any degree, diploma or certificate of this or any other University. The references made to previous works of other authors have been clearly indicated and duly acknowledged in the list of reference.

(Savia Mendes)
(Research Scholar)

Date: 12th December 2018
Place: Goa University

CERTIFICATE

This is to certify that the work reported in the Ph.D. thesis titled "**A Study of Corporate Social Responsibility Practices in India- A Critical Evaluation"** submitted by **Ms. Savia Mendes** to Goa University, Goa for the award of the Degree of Doctor of Philosophy in Commerce is a bonafide record of her original work carried out by her under my supervision and guidance.

This work has not been submitted elsewhere in part or in full to any other university or institution of learning for the award of any other Degree or Diploma.

(B. Ramesh)
Research Guide
Professor
Department of Commerce,
Goa University - Goa

Date: 12th December 2018
Place: Goa University

Dedicated to

My Dearest Son

Master Nathan Emanuel Anthony D'Souza

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"Showing gratitude is one of the simplest yet most powerful thing humans can do for each other" **Quote by Professor Randy Pausch.**

It is not joy that makes us grateful but it is gratitude that makes us joyful.

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Savia Mendes

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LEGENDS

3Ps	People, Planet And Profits.
40 CFR	Code Of Federal Regulation.
ACC	The Associated Cement Companies Industry Limited.
ANOVA	Analysis of Variables.
ARDL	The Autoregressive Distributed Lag.
BSE	Bombay Stock Exchange.
CEO	Chief Executive Officer.
CPSC	Consumer Product Safety commission.
CPSEs	Central Public Sector Enterprises.
CSR	Corporate Social Responsibility.
CSRD	Corporate Social Responsibility Disclosure.
DKK	Danish Krone Currency.
EEOC	Equal Employment Opportunity Commission.
EPA	Environment Protection Agency.
ESG	Environmental Social and Governance.
ET	Economic Times.
EU	European Union.
FMCG	Fast Moving Consumer Goods.
FSRA	The Financial Services Regulator Authority.
FY	Financial Year.
GCSD	The German Council For Sustainable Development.
GDP	Gross Domestic Product.
GRI	Global Reporting Initiative.
HUL	Hindustan Unilever Limited
ICOR	Incremental Capital Output Ratio.
IFSC	Indian Financial System Code.
IMF	International Monetary Fund
INR Cr	Indian Rupees in Crore

IRDA	Insurance Regulatory and Development Authority.
ISO	International Organisation for Standardisation.
MCA	Ministry of Companies Affairs.
MSMEs	Micro, Small, and Medium Enterprises.
NFR	Non-Financial Reporting.
NGO	Non-Government Organisation.
NSE	National Stock Exchange.
VG	The National Voluntary Guidelines.
OECD	Organisation for Economic Cooperation and Development.
OSHA	Occupational Health and Safety Administration.
PAT	Profit After Tax.
PSB	Public Sector Banks.
PWBLF	Prince of Wales Business Leaders.
PWC	Price Waterhouse Coopers.
RBI	Reserve Bank of India
SBI	State Bank of India
SD	Standard Deviation.
SEBI	Security Exchange Board of India
SMEs	Small and medium Enterprises.
SPSS	Statistical Package for Social Science.
SR	Social Responsibility.
UK	The United Kingdom.
US	The United States.
WAPCO	The West African Gas Pipeline Company Limited.
WBCSD	The World Business Council for Sustainable Development

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Chapter I
INTRODUCTION

"The world is getting better, but it is not getting better fast enough for everyone,

The great progress in the world has often worsened the inequities in the world.

The fortunate get the most perfection, and the neediest get the least." Bill Gates

1.1 Introduction on Corporate Social Responsibility

The impact of business in society has been widely discussed and debated. 'Corporate Social Responsibility' (CSR) is generally understood to the extent of work undertaken by business to society. Further, we find that business has given more preference to owners and its shareholders which needs to be extended to all its stakeholders. The concept has been discussed throughout the twentieth century. In 1953, Howard Bowen reasoned in his book 'Social Responsibilities of Businessman' business must assume all-purpose social and economic needs that would accrue to the society if business valued broader social goals in its decisions. An organization influences the society in which it exists positively through corporate social responsibility activities. It could be healthcare initiatives, preservation of cultural heritage, volunteer assistance programmes, community relationship, special education/training programmes and scholarships, and beautification of cities. The basic tenet is to give back to the society, what business has taken from it in its pursuit of profits.

1.1.1 Meaning and Definition of Corporate Social Responsibility

Corporate Social Responsibility (CSR) has been formally defined by many:

- Noted management expert Philip Kotler and Nancy Lee (2005) have defined Corporate Social Responsibility as "A commitment to improving community well-being through discretionary business practices and contributions of corporate resources." (p.3)

- The World Business Council for Sustainable Development in its publication 'Making Good Business Sense' by Richard Holme and Phil Watts, used the following definition "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". (p.6)

- The ISO 26000 working group has defined CSR as "the responsibility of an organization for the impacts of its decision and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of the society, takes into account the expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behaviour and is integrated throughout the organization." (p.2)

- According to the leading magazine CSR Asia, "Corporate Social Responsibility is a company's commitment to operating in an economically, socially and environmentally sustainable manner while balancing the interests of diverse stakeholders."

- Following the US – UK tradition, CSR can be defined as "operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that society has from the business."

There are five identified important elements found in most definitions of CSR:

- Corporations have responsibilities which are not limited to the production of goods and services alone at a profit.
- These responsibilities involve helping to solve critical social problems, especially those they have helped create.
- Corporations have a broader constituency than stockholders alone.
- Corporations have a broad impact, extending beyond the simple marketplace transactions.
- Corporations serve a broad range of human values that can be captured by a sole focus on economic values.

CSR is also acknowledged as corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and 'triple bottom line.' As CSR issues are becoming an important aspect of business practices, it is increasingly known as 'responsible competitiveness' or 'corporate sustainability.'

1.2 Components of CSR

The concept of CSR is very subjective, and its scope is conceptually quite unbound at present. Since the concept of CSR has evolved socially over the years and there is no single standard definition of it, there is also no standard list of activities which are taken up as CSR activities. The activities of CSR is often taken up as part of social requirements and can change from time to time based on various and ultimate unique situations. The main components of the concept of CSR often can be described as follows:

- **Environmental protection** – This aspect generally concentrates on finding sustainable business solutions for the usage of the natural resources. Environmental responsibility involves a comprehensive approach in the activities of the companies and its products that includes assessing business products and services, eliminating waste and emissions, maximizing the efficiency of all assets and minimizing the practices that might adversely affect the enjoyment of the planet's resources by future generations.
- **Labour security** – Employees are one of the most significant stakeholders of the business. Labour security is a significant aspect of CSR. Recognition of collective bargaining, the abolition of compulsory labour, elimination of child labour and discernment in respect of employment and occupation are significant aspects of CSR.
- **Protection of human rights** – Aggressive business practices may come in the way of individual fundamental rights and impact the dignity of individuals. The primary focus is on developing workplaces which are free from discrimination, promote innovative creativity and learning environment, and maintain a healthy balance between the work and the other aspects of the life of the individual employees. Ignorance of human rights will create an ugly image and cause poor business reputation, and the ultimate profitability of the business is hampered.

- **Community involvement** – It refers to a wide range of actions taken by the company to maximize the impact of its participation in the CSR activities. It includes community partnerships, employee giving, global community involvement, philanthropy, product and services donations, volunteerism, etc.
- **Health promotion** – The various business practices can result in the adverse impact on the health of the employees and community at large. Health promotion activities help the companies to reciprocate on the harm which it has caused to the health of its various stakeholders.
- **Educational development** – The human brain is one of the most productive machines in the world, and educational development is an attempt to improve upon the productivity of the human brain. Companies work in line with the local governments and civil society to provide better access to the quality education to all and to produce efficient workforce which ultimately helps to create knowledge capital which eventually helps the national development and economic prosperity.
- **Human disaster relief** – Companies in coordination with public sector and civil society and international organization have played an essential role in supporting humanitarian relief operations during severe and ugly natural disasters. Due to the threat and complexity of the consequences of major disasters on the society, the critical challenge is to go beyond 'proactive response' and to focus on prevention where CSR can help the key players to utilize more development-oriented approach.

1.3 Theories and models of CSR

- **Altruistic CSR**

  The terms 'altruistic or humanitarian CSR' involves possible personal or organizational sacrifice. Humanitarian CSR is Carroll's 'fourth face' of CSR – philanthropic responsibilities: the implied concept of corporate citizenship that is fundamental to the notion of giving back to society. (Brenkert, 1996)

  Strategic CSR or strategic philanthropy (Carroll, 2001) is done to accomplish strategic business goals. Such strategic philanthropy grew popular around the mid-1980s.

  Carroll's four-part definition of CSR was initially stated as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time" (Carroll 1979, 1991). In 1991, Carroll extracted the four-part definition and recast it in the form of a CSR pyramid.

Figure 1.1. Carroll's Pyramid of CSR.

Note. Reprinted from "Carroll's pyramid of CSR: taking another look," by A. B. Carroll, 2016, International Journal of Corporate Social Responsibility, p. 5.

Consequently, the economic responsibility was placed at the base of the pyramid because it is a foundational requirement in business. The infrastructure of CSR is built upon the tenet of an economically sound and sustainable business. At the same time, society is trying to convey the message to business that it has to obey the law and regulations as they are the society's codification of the basic ground rules upon which business is to operate in a civil society. Also, business is expected to operate ethically which means that business has the expectation, and obligation to do what is right and just, to avoid or minimize harm to its stakeholders. Finally, business is expected to be a good corporate citizen, i.e., to give back to society and contribute financial, human and physical resources to the communities. Several characteristics of the model include tensions and tradeoffs; its integrated, unified whole; its sustainable stakeholder framework; its global applicability and its use in different contexts.

- **Political theory of CSR**

The political theory of CSR is based on assumptions about the motivations of public officials and corporations. Political decision-makers orient their behavior toward constituencies that can provide valuable resources. Elected officials seek resources that can help them get reelected. Appointed officials find political support to perform their jobs effectively.

- **Social contract theory**

The earliest elements of the notion of the existence of a 'social contract' are found in Plato's The Republic. However, the Social Contract Theory developed in the 17th century through Thomas Hobbes' Leviathan. Philosophers such as John Locke and Jean-Jacques Rousseau later expanded on Hobbes' work and developed it in different directions. A social contract, with implicit and explicit terms, is conceived to exist between the organization and the public at large, not just merely its shareholders.

Friedman (1962) prescribed that an organization's sole responsibility is to maximize profits for shareholders. In the past, a firm's profits were viewed as a measure of legitimacy.

- **Stakeholder theory**

Stakeholder theory, which McWilliams (2001) called the 'the dominant paradigm in CSR,' originated in response to one of CSR's most noteworthy critics, eminent economist Milton Friedman.

In 1984, Freeman focused on the stakeholder view and propounded six categories: owners, employees, customers, suppliers, communities, and governments. Other scholars have since included the natural environment as an additional stakeholder (Carroll and Buchholz, 1999-2000). Donaldson and Preston (1995) created a well-known stakeholder theory typology to argue for stakeholder engagement as an essential management tool.

- **Economic theory of self-regulation**

Specific CSR activities represent corporate self-regulation. In general terms, these most commonly are environmental and ethics efforts. A specific list of self-regulatory activities would include the adoption of business ethics codes or conduct; efforts to ensure racial, ethnic and gender diversity; transparency and accountability measures; compliance with labour laws and protection of human rights.

- **Triple bottom line**

The 'triple bottom line' introduced by Elkington is one of the best-known models to discuss the core of CSR. In this model, the concept of CSR emphasizes the three responsibilities of a company: social, environmental and financial. These responsibilities are necessary to ensure social justice, environmental quality, and economic prosperity. The triple bottom line dimensions are also commonly called the 3Ps: people, planet, and profits.

1.4 CSR from an International Perspective

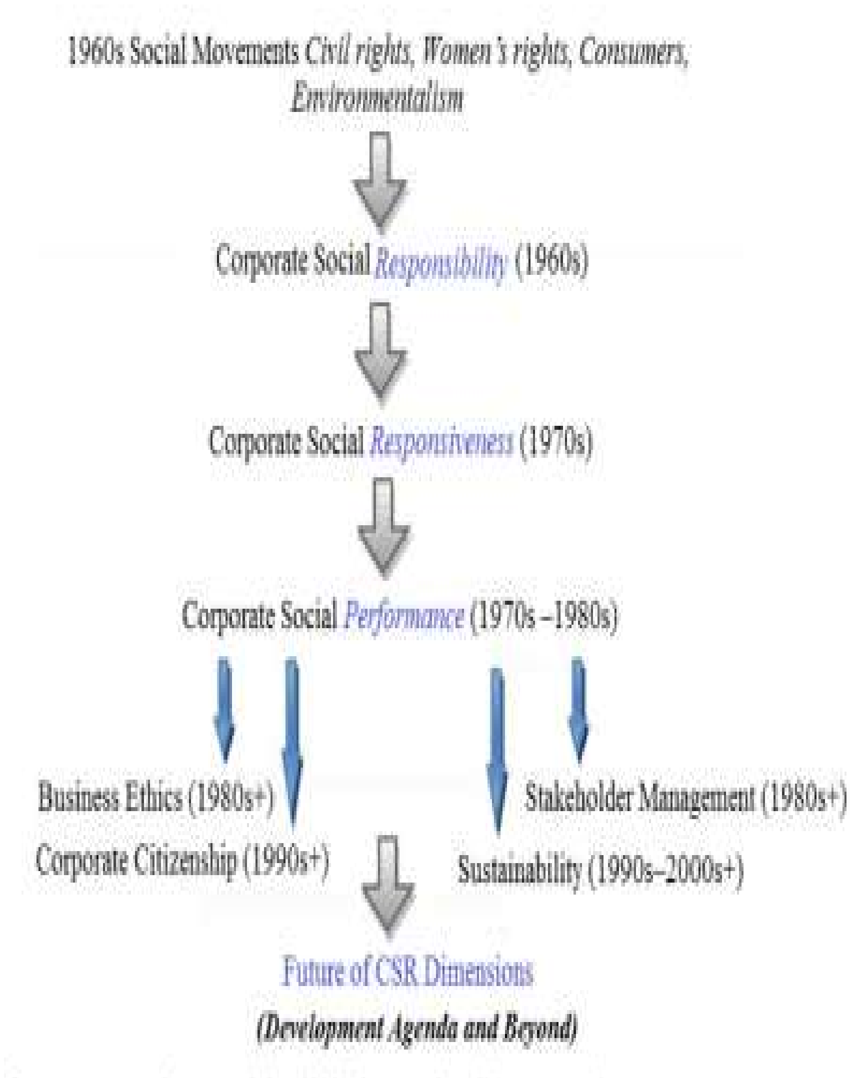

Figure 1.2. The 50-year old trajectory of corporate social responsibility (CSR)

Note. From "Corporate Social Responsibility: The centerpiece of competing and complementary frameworks," by A. B. Carroll, 2015, Organizational Dynamics, 39 (3), p. 91.

The early CSR roots

The concept of corporate social responsibility is neither new nor radical. The core principle that the corporation has responsibilities to society beyond the profit maximization objectives has long historical roots.

Early ideas

As early as 1916, J. M. Clark, writing in the *Journal of Political Economy*, observed that if men are answerable for the identified results of their actions, business responsibilities must include the acknowledged results of business dealings, whether the law has recognized these or not. Professor Theodore Kreps introduced the subject of Business and Social Welfare to Stanford in 1931 and used the term “social audit” for the first time about companies reporting on their social responsibilities. A little later Peter Drucker argued that companies have a social dimension as well as an economic purpose in his second book, ‘The Future of Industrial Man,’ in 1942.

Corporate Social Responsibility practices in the eighteenth century

The early roots of Corporate Social Responsibility can be found in the actual business practices of successful companies in the eighteenth century. A notable example is the Cadbury Chocolate makers in the U.K. that prospered in the 1870s and moved in 1879 to a ‘Greenfield’ site which came to be called Bournville, some miles from the center of Birmingham where the original factory was situated. The opening of the Cadbury ‘factory in a garden’ heralded a new era in industrial relations and employee welfare with joint consultation being just one of the initiatives introduced by the pioneering Cadbury brothers. By 1899, the Bournville factory had trebled in size with more than 2,600 employees and was managed scientifically with analytical laboratories, advertising and cost offices, a sales department, works committee, medical department, pension funds, education and training of employees. In 1900, George Cadbury established the Bournville village to promote housing reform and green environment and demonstrating today's CSR message "a successful business in successful communities."

In the early years at Bournville, Cadbury Brothers was a family business in the broadest sense of the word. The employees were thought of as part of the family. With the expansion of the business, a more formal management structure grew up with works committees being set up in 1905 to discuss all matters affecting employees. Democratically elected works Councils were set up in 1905 to address all issues concerning employees. These were set up with equal numbers of management and worker representatives elected by secret ballot on a departmental basis.

Another example of a company that has consistently done as well as any of the profit-maximizing rivals in its sector is Johnson and Johnson. Some six decades ago, it published its Credo announcing that its customers, employees and the communities it operated in (in that order) were its primary stakeholders. The Credo that was written in 1940s ends by affirming that its final responsibility is to its stockholders. Business must make a sound profit. They must experiment with new ideas, carry on research and innovative programmes, purchase new equipment, provide new facilities and launch new products. When they operate according to these principles, the stockholders will realize a fair return.

There are companies in many countries that have adopted a CSR approach to business management for centuries. The current CSR movement is mainly trying to make corporate responsibility a common practice for most companies to create the kind of impact that can make a difference to the sustainability of our world and the quality of life of the present and future generations.

The 1950s were a relatively quiet period, and the idea of social responsibility grew partially in response to the rising power of business. During this period, CSR was often referred to as social responsibilities (SR), and Bowen's initial idea of what this meant was that people in business had responsibilities to frame appropriate policies for making effective decisions, and actions that were seen necessary for the society.

It was the rising social consciousness in the 1960s that brought about the closer examination of business behavior and higher hurdles to corporate social responsibility. This societal drift brought about a remarkable contrast to the general acceptance of the corporate legitimacy of the 1950s. The emergence of social movements in consumer's rights, civil rights, women's rights and a desire for environmental conservation grew to such a level of activism that they became the most important precursors to the modern CSR movement. During the '60s, business giving transitioned from personalized charity driven by industrial magnates donating to their pet projects to more formalized giving programs representing company-wide interests.

CSR made significant advances on several fronts during the 1970s. First, the early 1970s marked the federal government's most significant response to the issues of the 1960s by the creation of the Environmental Protection Agency (EPA), Equal Employment Opportunity Commission (EEOC), the Occupational Health and Safety Administration (OSHA) and Consumer Product Safety Commission (CPSC). These new laws came to be known as social regulations as they addressed and legitimized some responsibilities of corporate in the dominions of the social movements.

With President Ronald Reagan's election in 1980, the CSR movement was further legitimized as Reagan called upon companies and private initiatives to address social problems.

Beginning in the 1990s, three strong trends in CSR emerged, grew and continued with us to this day: globalization, institutionalization, and strategic reconciliation.

It can be argued that the business case has been won while considering the extent to which all companies today have bought into and emphasized CSR. CSR's status also varies with the state of the economy or the accomplishment of the business, with CSR receiving friendlier acceptance during positive and growing times. Regardless, it is evident that CSR has moved from the category of altruism, at one extreme, towards active, strategic justifications at the further extreme. At the beginning of the twenty-first century, CSR has continued to be in the forefront, but in several instances has taken the form of alternative concepts, rationales, and frameworks.

1.5 CSR laws across the globe

In many parts of the world, mandatory and voluntary CSR is a widely debated subject. Though there are repercussions of both the options depending on the perspective of the viewer, voluntary CSR is practiced in most of the countries. The CSR status of different countries is mentioned below:

Denmark

The amendments to the Danish Financial Statements Act (Accounting for CSR in large businesses) entered into force on 1st January 2009 and is applicable for the forthcoming years. The Act covers large businesses in accounting class C and listed companies and state-owned companies. Large businesses in accounting class C are businesses that exceed at least two of the following three size limits:

- Total assets/liabilities of DKK 143 million
- Net revenue of DKK 286 million
- An average of two-hundred and fifty full-time employees

If the parent company reports on social responsibility, the subsidiaries are exempt from doing so.

Reporting is on the following criteria:

1. The business' social responsibility policies, including any standards, guidelines or principles for social responsibility the business employs.

2. How the business translates its social responsibility policies into action, including any procedures or systems used.

3. The evaluation of what has been accomplished through social responsibility initiatives during the financial year, and any expectations the business has regarding future initiatives.

The report on social responsibility will be included in the management review section of the annual report.

Europe

On April 15, 2014, European Parliament passed the law that all the publicly traded companies with more than 500 employees should report on their performance on different non-financial metrics every year and explain. Companies would have to report on “relevant and useful information” relating to human rights impacts, environmental performance, anti-corruption measures, and diversity programs in their annual reports. These reports are based on recognized CSR frameworks such as U.N. Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Malaysia

Since 2007, listed companies are required to publish CSR information on a comply or explain basis.

Argentina

Since 2008, the local and international companies in Buenos Aires with over 300 employees are required to generate annual sustainability reports.

Australia

In 2010, Australia introduced new ethical disclosure requirements under the Financial Services Reform Act (FSRA). The issuers of financial products are obliged to disclose the extent to which labour standards or environmental, ethical or social considerations are taken into account in the selection, retention or realization of an investment.

Finland

In 2011, the Finnish government adopted a resolution for non-listed state-owned companies and state majority-owned companies to report their sustainability performance.

Germany

In 2011, The German Council for Sustainable Development (GCSD) developed German Sustainability Code. It includes 20 criteria and 27 GRI Performance Indicators.

Greece and Hungary

Since 2006, EU Modernization Directive 2003/51/EC, requiring material ESG factors to be included in annual corporate reporting, is transposed into national legislation.

India

The National Voluntary Guidelines (NVG) were guiding principles that were developed much before the Companies Act 2013 for aiding companies to be responsible in their conduct. On August 8, 2013, the Indian Parliament had passed the historic Companies Bill, 2013 (the Bill / 2013 Act) which had also been granted assent by the President of India and will replace the Companies Act of 1956. National Voluntary Guidelines were applicable to companies from any sector, any size or any area. Certain principles from NVG have been used to formulate the Companies Act. In 2014, the Indian regulator - The Securities and Exchange Board of India (SEBI) mandated higher voting data transparency and that at least one female director should be on their board for listed firms.

Indonesia

The government of Indonesia released Company Act Number 40/2007. The Act consists of clause 74 which regulated CSR as mandatory for natural resources-based companies. Environmental factors have influenced mandatory CSR in Indonesia. The three-bottom line namely social, environmental and economic empowerment is also part of a corporate sustainability strategy. (Gayo, 2012)

Ireland

Since 2008, the financial institutions which are supported by the government guarantee scheme are required to issue a bi-annual corporate responsibility report.

Italy

Since 2007 EU Modernization Directive 2003/51/EC, requires material ESG factors to be included in annual corporate reporting, which is transposed into national legislation.

Norway

In 2013, the Norwegian government passed legislation in April that requires large companies to disclose information on corporate social responsibility.

Singapore

In 2011, the Code on Corporate Governance provided principles and guidelines for corporate governance, for which companies are required to disclose compliance.

Spain

Since 2011, Government-sponsored commercial companies and state-owned business enterprises are mandated to file annual corporate governance and sustainability reports.

Sweden

In 2007, the Swedish government announced that from 2009 all the state-owned companies would be required to file a sustainability report on G3 guidelines (and as the GRI framework develops).

Taiwan

In 2008, the financial markets regulator required all public and listed companies to disclose their CSR performance, including measurement indicators that the companies have adopted with regards to environmental protection, community participation, contribution to society, social and public interests, consumer rights and interest, and the state of implementation.

USA

In 2010, the Environmental Protection Act mandated reporting of Greenhouse Gases rule, often referred to as 40 CFR Part 9.

1.6 CSR from an Indian Perspective

The CSR process though acknowledged recently has been carried out in India since ancient times. Philosophers like Kautilya had preached and promoted various ethical business practices. The concept of helping the weaker sections was cited in almost all of our ancient literature. Several religions and religious laws supported the idea. The '*Zakat*' followed by Muslims, '*Dharmada*' followed by Hindus and '*Daashaant*' followed by Sikhs have been regarded as a gesture of CSR.

The CSR activities have been organized under different phases:

First phase – Merchant charity

Donations, charity and philanthropy marked the first phase of CSR. The concept of giving away one's portion of surplus wealth for the welfare of the society dates back to the Vedic period. Merchant class was conditioned by a social and religious ethic which put charity or '*daan*' high on its list of virtues. Merchants built *dharmshalas*, *bathing ghats, pyaus* (drinking water facilities), rendered support to the cause of education, health care, and culture, provided aid during natural disasters. Family values, traditions, culture, and religion, industrialization influenced CSR. Business families continued the trend of serving the community even in the 19^{th} and early 20^{th} centuries during the early period of industrialization in India. They built temples, other religious institutions, and fed the poor and downtrodden. However, when colonization was taking place, CSR was undertaken by industrialists such as Tata, Birla and others through setting up charitable foundations, trusts, institutions catering to education and healthcare. However, this philanthropy had a political element dictating its activities.

Second phase – Trusteeship

The credit of bringing social responsibility into business community's consciousness goes principally to business leaders like JRD Tata, Ramakrishna Bajaj, Arvind Mafatlal, Kasturbhai Lalbhal. Vinoba Bhave on whom Gandhiji's mantle had fallen wanted businessmen to interest themselves in humanitarian, educational and other beneficial social activities and consider business as a good mission while promoting the 'trusteeship of wealth' theory of Gandhiji whereby owners and workers were co-trustees of business for society. Since it reinforced the traditional concept of charity while supporting the socialist ideals of the times, it was publicly supported by the business leaders and government.

Third phase – Declaration of social responsibilities of business

In the 1960s, Jai Prakash Narain carried Vinoba's message forward and organized conferences on the social responsibilities of business. This brought out that business has responsibilities towards its stakeholders, which consist of shareholders, employees, government, consumers, community. However, there is no law which regulates the relationship of business enterprise with the community/society. Business should understand its social responsibility to the community as a stakeholder. This concept was broader than charitable acts. The need to prepare business norms for adoption by the business community was also felt at one such conference. The fall-out was that JRD Tata, Ramakrishna Bajaj and others in Mumbai launched the Fair Trade Practices Association in 1966 to codify and implement fair business practices.

Fourth phase – Managerial trusteeship

During the 1970s and 1980s sensitive business leaders realized that unless the business community contributed to basic developmental needs and participated in the nation-building efforts, its survival would be threatened. The first to lead by example was JRD Tata. He committed all Tata companies to ethical behavior and programmes of community development by amending the Articles of Association of Tata companies to include a clause that specified companies' responsibility to all stakeholders including the community. Bajaj and Arvind Mafatlal who joined

JRD agreed that the business community has the dual responsibility to create wealth as well as promote ethical and social goals of the community in democratic society, to ensure its survival.

Fifth phase – Post-liberalization and corporate citizen

Globalization increased the inequities between nations. Social problems cannot be solved through government measures alone. The U.N. Human Development Report of 2003 noted that India's expenditure on primary education, primary health care, child nutrition, etc. was very low and it would have to find other avenues for additional resources for the purpose. One such avenue is the corporate sector.

Corporate social actions have several inherent strengths; apart from financial resources, it can access leadership, organizational skills and a pool of trained individuals. In India, we have the Centre for Philanthropy (Mumbai), Business Community Foundation, Action Aid, etc working in close partnerships with corporates.

Sixth phase - Defining CSR in the present context

There are two extreme views on CSR:

1) A company that complies with the laws and regulations of the land in which it operates is being socially responsible.
2) A company which is socially responsible is purely philanthropic, in that it gives without expecting a return or a benefit.

Neither of these two views adequately describe CSR. Organizations like the Prince of Wales Business Leaders' Forum (PWBLF), The London Benchmarking Group and other organizations like Corporate Citizenship Company of the U.K., and the

Asian Institute of Management indicate a broad convergence in what constitutes socially responsible behavior by companies. A socially responsible company is accountable for all its internal and external stakeholders.

There are many situations in which managers and shareholders need to consider whether it would be right to do what is both legal and profitable. Both shareholders and boards of directors should be willing to risk or forgo profits at the margin for causes such as ensuring product safety, disclosing possible safety risks, reducing harmful pollution, eschewing bribery, or dealing fairly with other parties, even where no legal obligations are in question. Where governments are corrupt, or ineffective, the range of controversial issues and problems, and the need for companies to make their assessments and judgments is greater.

1.7 Section 135 of Companies Act, 2013 – Corporate Social Responsibility

Section 135 states the following:

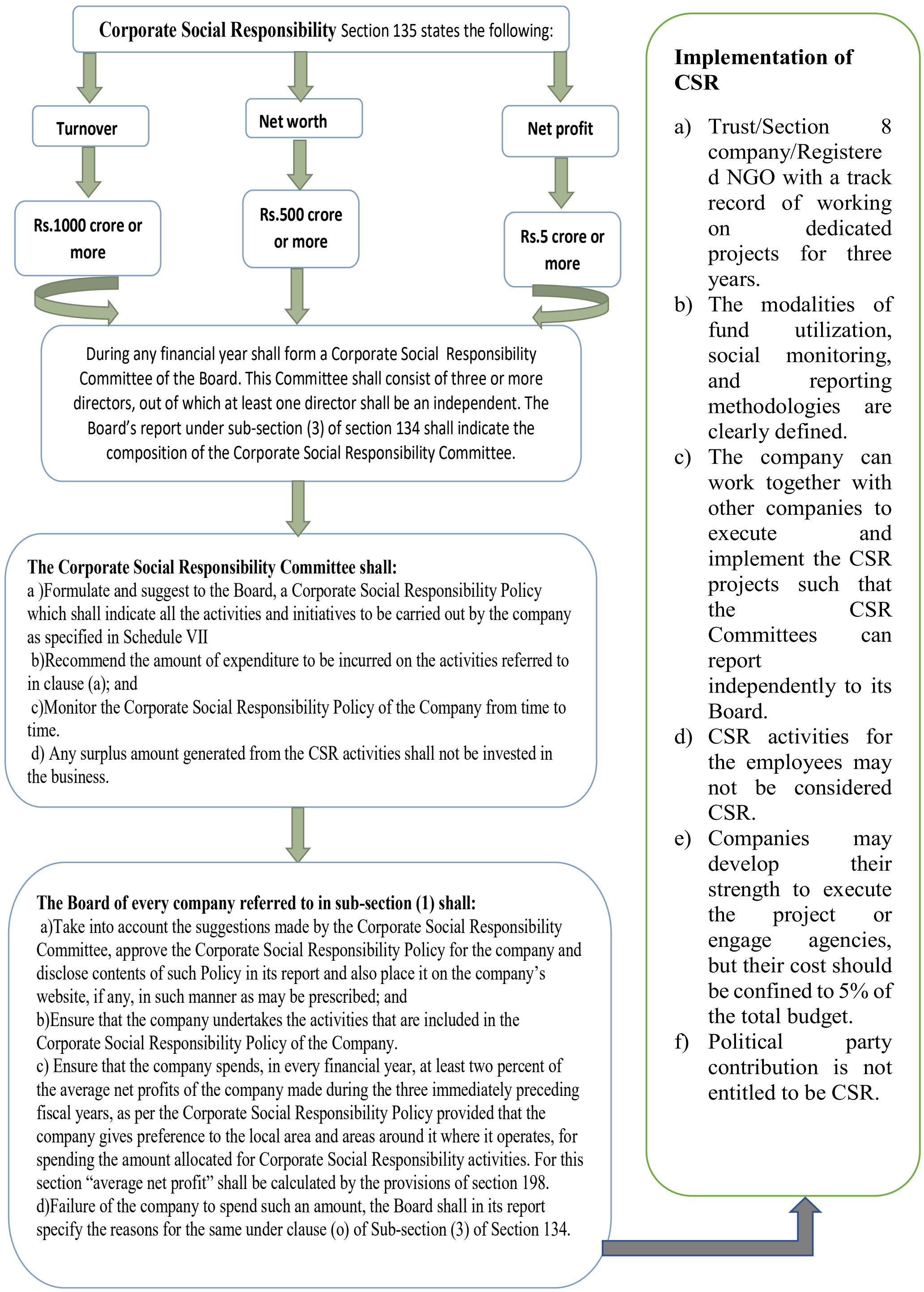

Figure 1.3. Section 135

CSR Laws for Foreign Companies and Private Limited

Foreign companies/MNCs operating in India have to abide by the CSR laws and have to fulfil the Section 135 criteria.

CSR Committee

With regards to the foreign company, the CSR Committee should consist of minimum two persons of which one person shall be nominated by the concerned company while the other person shall be specified as per clause (d) of subsection (1) of Section 380 of the Act.

CSR Committee for Private Limited Companies

A private company having only two directors on its Board shall constitute its CSR Committee with two such directors.

CSR Communications

Board Report and Annual report on CSR containing particular specified in Annexure.

In case of foreign companies, the balance sheet filed under subclause (b) of subsection 1 of section 381 containing Annexure regarding a report on CSR

Display of CSR policy, activities, monitoring process, compliances, impact report on the website is mandatory.

CSR Community Activities

The activities which may be included by businesses in their CSR policies:

According to **Schedule VII** of **section 135** of Companies Act, CSR Community activities which may include by companies in their CSR

Eradicate extreme hunger and poverty and malnutrition, promote preventive health care and sanitation and make available safe drinking water.
Facilitate education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects.
Promote gender equality and empower women; set up of old age homes, day-care centers, and such other facilities for senior citizens, set up homes and hostels for women and orphans, and measures to reduce inequalities faced by socially and economically weaker sections.
Ensure environmental sustainability ecological balance, protect flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain the quality of soil, air, and water.
Protect national heritage, art, and culture including restoration of buildings and sites of historical importance and works of art; set up of public libraries; promote and develop traditional arts and handicrafts.
Steps for the well-being of armed forces veterans, war widows, and their dependents.
Give the training to promote rural sports, nationally recognized sports, and Paralympic sports and Olympic sports.
Contribute to the Prime Minister's National Relief Fund or any other fund set up by the central or state governments for socio-economic development and relief and welfare of minorities, women, scheduled castes, the scheduled tribes, and other backward classes.
Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
Rural development projects , Slum development, Swachh Bharat Abhiyan & such other matters as may be prescribed

Figure 1.4. Schedule VII of section 135

Exemption

Section 135 shall not apply for five years from the commencement of business of a Special IFSC public company, vide Notification No. G.SR. 08 (E), dated January 4, 2017.

Penalties for violating the Act

According to Section 134 (8) of the Act, if a company violates the provision, i.e., if the Board of Directors' report does not include details about the CSR policy developed and implemented by the company taken during the year [Section 134(3)(o)], then the company shall be fined not less than Rs. 50,000 which may extend to even Rs. 2.5 million. Moreover, if any officer of the company is in default, he shall be imprisoned for a term which may extend to 3 years or fined an amount which shall not be less than Rs. 50,000 but which may extend to Rs. 500,000, or both. The company and the officers are punishable if a company fails to spend the mandatory amount on CSR activities; it has to also specify the reasons for not spending the amount.

However, according to Section 450 of the Act, the company and the officers of the company who are in default can be fined with an amount that may extend to Rs.10,000. If the violation continues, a further fine may extend to Rs. 1000 per day after the first. Therefore, in principle, if a company does not spend on mandatory CSR activities, the company and the officers are punishable." (Ministry of Company Affairs)

1.8 Measuring corporate social responsibility

Measuring CSR initiatives is vital to ensure the effective implementation of the strategies. Measuring strategies can be developed by every company depending on the focal area. Some essential indicators to measure different CSR areas are:

Measurement of community CSR initiatives

- Cash value of community support as a percentage of pre-tax profit
- Impact evaluation carried on community programmes such as improved educational attainment, number of jobs created, professional support for community organizations, etc
- Project progress and achievement measures
- Perception actions of the company as a good corporate
- Positive and negative media comments on community activities
- Individual value of staff time, gifts in kind and management costs
- The frequency of formal and informal dialogue between the stakeholders
- Measuring impact on the beneficiaries

Measurement of workplace CSR initiatives

- Workplace profile (race, gender, disability, age, etc.)
- Staff absenteeism
- Number of legal non-compliance (on health and safety, equal opportunities and other legislation)
- Number of staff grievances
- Upheld cases of corrupt or unprofessional behavior

- Staff turnover
- Training and development provided to staff
- Pay and conditions compared to the community profile for the travel to the work area or equivalent impact as a result of downsizing, re-skilling, etc
- Perception measures of the company (e.g., Equal opportunities, work/life balance)

Measurement of environmental CSR initiatives

- Overall energy consumption
- Water usage
- The quantity of solid waste produced (measured by weight/volume)
- Upheld cases of prosecution for environmental offenses
- Carbon dioxide/greenhouse gas emissions
- Use of recycled material
- Positive and negative media comment for environmental activities
- Level of waste that is recyclable

Measurement of marketplace CSR initiatives

- Number of products complaints regarding products and services
- Advertising complaints upheld
- Complaints about the delay in payment of bills
- Upheld cases of anti-corruptive behavior
- Satisfaction levels of the customers
- Retention of existing customers

- Provision for a customer with special needs
- Average time to pay bills to suppliers
- Extra sales gained attributable to social policy/cause-related marketing
- Customer loyalty measures
- Recognizing and catering for diversity in advertising and product labeling
- Perception of a company as a desirable commercial partner
- Social impact, costs or benefits of core products/services

1.9 Why has CSR gained value?

Increasing attention is being paid to the vital role of companies in CSR. Various factors need to be examined that have led to such awareness about CSR:

- **Sustainable development** –Natural resources are being depleted at a rapid rate by humans. Much of the current development is unsustainable. CSR helps in understanding sustainable development issues and responding to them through the firm's business policies.
- **Globalization** – Several CSR issues have been voiced with regard to managing human resources in a company, conserving the environmental wealth, promoting health and safety, etc as this is the era of globalization. The role of CSR in identifying how business affects the workplace scenario and local communities is widely acknowledged.
- **Governance** – Government have laid down various rules and norms for ethical business operations. The international laws and regulations on

human rights, anti-corruption and environment are reflected in the CSR measures.

- **Corporate sector impact** – The number of companies and their size play a vital role in influencing the political, social and environmental systems in governments and the society.

1.10 Benefits of CSR

Indian economy today is rated as the twelfth largest economy in the world by market exchange rates and fourth largest economy regarding purchasing power parity. The high economic growth rate of Indian economy has benefited the elite class and is yet to address the challenges of deprived and marginalized population. In the limelight of prosperity, the disparity between the rich and poor is on the rise and has worsened over a period.

To address the development challenges that our country faces sustainably, it is necessary that development approaches and initiatives address the causes of deprivation, successfully enable individual rights and allow access to vital, necessary required resources in a tangible and measured way. In the wake of this, it is obvious that the various CSR activities and initiatives of the Indian firms play a vital role in the development of the Indian economy.

The various benefits and advantages which the business can earn through various CSR activities are enumerated below:

Better risk management

Effective handling of governance, legal, environment and social risks in an increasingly complex and competitive market environment helps to facilitate the market supply and maintain its stability. Anticipating risks and handling them expertly can be done by taking into account the views of stakeholders. Companies involved in regular dialogue with stakeholders are in a better position to tackle with regulatory, social, economic and environmental changes that may occur in the business. CSR is a strong indicator of the market trends.

Building a good social image and capital

Better stakeholder relations can be fostered by understanding the stakeholders themselves. This helps to evolve strong alliances and long-lasting relationships amongst the business community and civil society. CSR always helps to build up a healthy social image and social capital.

Enhancing reputations and brands

Reputation and brand equity is based on the values such as trust, credibility, reliability, quality, and consistency. Organizations which perform well with regards to CSR activities can build their reputation and brand image. Stakeholder's reputation is at times more valuable than the brand because it is more difficult and time-consuming to develop it and hence is a more sustainable act which the competitors cannot easily mimic.

Creating new business opportunities

Open, fair and two-way communications with the stakeholders not only improve the company's reputation but also create an opportunity for new business ventures. Close co-operation with crucial stakeholders provides opportunity through innovation, creative thinking and introduction of new products and establishes a market niche.

Enhanced operational efficiencies and cost saving

Operational efficiencies and cost saving flow are due to the systematic approach to management that includes continuous improvement. Analyzing the environment and energy aspects of the business helps to develop a new opportunity for turning waste into revenue streams and for a system-wide reduction in energy use and costs. Innovation and creative transformation help to create healthy and sustainable business.

Access to capital

Social and environmental parameters are considered by financial institutions while assessing projects. Robust CSR management help the investors in deciding where to place their money. It is evident that companies that address ethical, environmental and social responsibilities have better chances of gaining access to capital that might otherwise not have been possible.

Increasing government support

Many governments across the globe give financial incentives for sound CSR initiatives. Governments expedite the approval process for firms that have voluntarily taken up social and environmental activities beyond those required by regulation.

Building political capital

Strong CSR setup results into better political capital which it helps to improve the relationship between the government and political leaders which can help in influencing regulations. It also helps to enhance public image and provides an opportunity to show the human face of organizations.

Corporate social responsibility activities have benefited the companies in multiple ways. It has helped many business organizations to build up favorable media profile. Companies undertake these CSR activities for more than just economic reasons. Companies cannot sustain their competitive advantage unless they care for their stakeholders.

The concept of social accounting and auditing is gaining momentum as part of CSR initiatives. Many companies have nowadays started giving detailed disclosures in their annual reports about the social initiatives taken and activities carried out towards sustainable development.

1.11 Background of the Study

In India, corporate social responsibility has progressed over a period in the cultural norms of corporations' engagement of corporate social responsibility, with CSR showing that businesses are managed to bring about an overall positive impact on the cultures, societies, communities, and environments in which they operate. Not only public policy but even corporates should be responsible enough to address social problems.

Many efforts have been directed in recent years to make Indian entrepreneurs aware of social responsibility as an essential segment of their business activity, but CSR in India is yet to receive wide recognition. To realize this goal, the CSR approach of corporate has to be in line with their attitudes towards mainstream business - companies setting clear objectives, undertaking likely investments, measuring and reporting performance.

The system of corporate governance currently followed in India is something of a hybrid. When India first gained its independence in 1947, it opted for a socialist governance structure with many industries and enterprises controlled by the state. In 1991, however, India experienced a massive financial crisis. The IMF agreed to grant India the loans it needed if it would liberalize its economy and privatize most sectors. Since then, Indian economic growth has been rapid. India has lifted most of its recently enacted corporate law from liberal American and British models to facilitate foreign direct investment. The economy is now functionally capitalist, although the constitution remains socialist. It is mostly this divide between a developing, once-socialist country with an impoverished populace and its booming, capitalistic aspirations that the Companies Act 2013 attempts to navigate.

Today with the Companies Act 2013, CSR is no longer voluntary but has been made mandatory with effect from April 1, 2014. The study examines the CSR spending patterns of the top-ranked companies rated by Economic Times (ET) from 2009. The study explores the preparedness of mandatory CSR on companies. Penalties will result in companies failing to do so. The findings will help companies to frame their future action plan towards CSR policy and implementation.

1.12 Statement of the Problem/ Research Gap

Companies do not exist in a vacuum. It is expected that the corporates will operate in the interest of society and have a sense of obligation towards it to solve the problems they have caused. The organization should hold ethical standards and practice a healthy organizational culture and social responsibility for the sustainability and success of the business. It is an obligation and responsibility of the corporate to take necessary steps to protect and improve the welfare of the society as a whole along with their interest and culture of the organization (Davis, 1975).

The concept of CSR has changed over time. Initially, companies' primary focus was on earning profit. Gradually, the companies realized that without understanding their employees they would not be able to achieve profit. The companies had specific legal responsibilities and had to follow the rules and regulations. This was inadequate. The firms had to conserve the environment; so many companies focused on the environment. CSR grew more philanthropic, mainly through donations and charity from many business houses. This was carried out on a voluntary basis. Society as a whole keeping in view with the genuine needs was not much considered. The companies engaged in CSR as and when and in whatever form they liked, mostly through donations. Whether it met the purpose was yet to be studied.

Today the root of social responsibility has to be studied with the implementation of the Companies Act of 2013. The companies are asked to spend 2% on CSR. This 2% has been made mandatory which is a big challenge for companies who have never ventured into CSR activities. Furthermore, just spending 2% will not do. It has to be done following specific rules and norms. The companies have the freedom to spend, but it is further restricted to specific areas (Schedule VII). The impact on large companies with huge profits will be exorbitant. How will they fare? What strategies will they adopt? Is it the public or private sector that is performing better? How is the manufacturing or service sector faring? Which states have been given preference?

Every firm morally has to contribute towards CSR. The subject has been widely debated. Whether companies have to contribute towards CSR or is it the role of the Government to contribute? Though CSR has been an extensively researched area, not much has been done on CSR in India concerning the implementation of the Companies Act 2013. We find few studies that have touched upon and dealt with CSR. The reviews have been restricted to profitability, environment, and employees-stakeholder. In-depth studies on CSR spending pattern, the impact of the Act on CSR spending, sector-wise spending on CSR has not been covered. Very few studies are available on CSR. How are these companies doing? What has been the response to this impact? Has the government taken the right step with this decision? Will it achieve the objective? Should the Government increase the 2%? What happens to companies that have spent more than 2%? Why should only a specific class of companies spend? Is it not essential for all companies to be involved in CSR? These are some of the issues which are researched.

Various literature has been reviewed on Corporate Social Responsibility to quote research done in this area. However, not many studies are available on Corporate Social Responsibility spending patterns and its policies in India. Few studies are drawing a comparison of Corporate Social Responsibility between the private and public sector. So also, there is a significant lack of studies on Corporate Social Responsibility between different industrial sub-sectors across India, and manufacturing and service sector. The studies that are available do not show the impact of the Companies Act of 2013 nor do they show the trend from 2012 to 2016. Also, a comparative analysis has been undertaken to provide a comparison of CSR spending prior to Companies Act 2013 and after its implementation. Also, no research on the same topic has been conducted in Goa by any research scholar or NGO. Hence, the current research study focuses on all the areas mentioned above to cover up the lacunae in research.

1.13 Objectives of the research

The present research studies the corporate social responsibility practices with particular reference to Companies Act 2013 under Section 135, which has made mandatory for companies to spend on CSR. There are two fundamental aspects of the clause. The first aspect is that the Board is mandated to ensure that the company spends on the CSR while the second aspect is that they have to give their explanation on their expenditure on CSR.

The research further aims at the following objectives.

- To appraise the policies of corporate social responsibility and its implication in India.
- To make a comparative analysis of corporate social responsibility among the private and public sectors.
- To make a comparative analysis of corporate social responsibility among industrial sub-sectors.
- To make a comparative analysis of corporate social responsibility among manufacturing and service sectors.
- To study the pre and post-effect of CSR guidelines (framed under the Companies Act 2013) on companies.

1.14 Need and significance of the Study

The study will enable us to understand the CSR spending pattern. The study will help the policy makers, researchers and industrialists to understand the nature of corporate social responsibility. This research study will contribute in designing relevant models of corporate social responsibility from the traditional charity model to a more strategic model of Corporate Social Responsibility. The study underlines the various issues - current Corporate Social Responsibility policies, the contribution of the various sectors and sub-sectors to CSR, the challenges, the impact of the Companies Act 2013 on CSR, etc. Henceforth, there is a need to carry out a comprehensive study on the Indian Corporate Social Responsibility. This study will be the first of its kind in India.

1.15 Organization of the Study (Chapterisation)

The chapterisation of the study is as given below:

Chapter I – Introduction - This chapter discusses the broad research area and familiarizes the reader with the past and present of the Corporate Social Responsibility, theories of CSR, benefits of CSR, highlights the statement of the problem and describes the objectives of the study.

Chapter II – Literature Review - This chapter includes a detailed review of the literature available on the research study.

Chapter III – Research Methodology - This chapter highlights the methodology employed in conducting the study. It discusses sample size, data sources, and tools used for data analysis.

Chapter IV – Overview of Corporate Social Responsibility - This chapter examines whether the companies are spending significantly lower in CSR than the prescribed amount for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

Chapter V – Corporate Social Responsibility in Private and Public Sectors -This chapter draws a comparison of Corporate Social Responsibility in private and public sectors for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16, and explores the reasons for the same.

Chapter VI – Corporate Social Responsibility across Industrial Sub-Sectors Comparison of Corporate Social Responsibility across nine industrial sub-sectors is carried out; the reasons for the significant differences in means of different industrial sub-sectors are mentioned. Comparisons are drawn for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

Chapter VII – Corporate Social Responsibility in Manufacturing and Service Sectors - This chapter draws a comparison of Corporate Social Responsibility in manufacturing and service sectors for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16, and explores the reasons for the same.

Chapter VIII - Pre and Post-effect of the Companies Act 2013 on Corporate Social Responsibility - This chapter studies the pre and post-effect of the Companies Act 2013 on Corporate Social Responsibility.

Chapter IX – Findings and Conclusion - This chapter summarizes the results of the study, its implications, and recommendations for the further research.

1.16 Limitations of the Study

Following are the limitations of this study:

1. The study on CSR was carried out only on selected companies falling in the bracket with revenue scores ranked by Economic Times, from one to hundred, which are not the same as the CSR ranking scores.

2. The study has been restricted to only four years due to non-availability of data of prior period.

3. The study was limited to nine industrial sub-sectors namely automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power and finance.

Chapter II

LITERATURE REVIEW

2.1 Introduction

The review of literature helps in identifying the various trends that have emerged in similar studies. The scope and trends of the Corporate Social Responsibility have been tackled by examining the extent of coverage of research done in this area in the past few years in India and abroad. It is also the aim of the researcher to project the research gap that has been existing in this area and to focus on the topics that have received priority and attention in this regard.

2.2 Viewpoints on Corporate Social Responsibility

2.2.1 International studies

Monsen (1963) studied the four levels of the hierarchy of business activity. He found that managers who form the base feel that society is well-served as long as the firm complies with the law. At the next level are the managers who go beyond the legal minimum, accepting the need to cater to public expectation and responding to public opinion. At the third level are the managers who anticipate public expectations; while at the fourth and highest level are the managers who themselves create new public expectations by voluntarily setting and following idealistic standards of moral and social responsibility. The researcher observed that since the public has not set high standards for social responsibility, the organizations have the opportunity to take a more proactive approach. The study indicated that most people expect an organization to achieve the first two levels of the model suggested by Monsen.

Ewing David (1976) reported about a survey by the Harvard Business Review of 3,453 subscribers with the questions on the following issues:

i. A corporation's duty is to its owners and only to its owners.

ii. A corporation's duty is primarily to its owners and secondarily to employees, customers, and the public.

iii. A corporation must serve fairly and equitably as it can to the interests of four sometimes competing groups – owners, employees, customers and the public.

iv. The primary duty of the enterprise is to itself - to ensure its future growth and continue functioning as a profit-making supplier of goods and services.

The survey revealed that 74% responded that the first statement was the least valid of the four. Sixty-one percent said that the third statement was the most valid of the four.

A nation-wide survey by ***Walker Research, (1994)*** a division of United States' 12th largest research organization, over a six-month period in 1994 found that a company's social performance significantly influenced prospective customers, employees and investors in making necessary decisions about the firm. The study found that 47 % of consumers would be much more likely to buy from a company that was socially responsible and a good corporate citizen if the products and services offered by competing companies were equal. When the term 'somewhat more likely' was added to that same measurement, the combined figure jumped to

88 %. The Walker study also discovered that there was an important correlation between a company's reputation for social responsibility and employee satisfaction, suggesting that it was an important factor in recruiting and retaining employees. The way the employees were treated and the business practices followed were the two important factors in determining whether a company would be a good place to work. Similarly, a company's reputation for social responsibility was a significant driver of investment decisions. Twenty-six percent of potential investors said business practices and ethics were essential in knowing where to invest. Thirty-nine percent said they always or frequently check on business practices and values before investing in a company.

Marcel van Marrewijk (2003) narrowed down the concept of corporate social responsibility so that it covers three dimensions of corporate action: economic, social and environmental management.

2.2.2 Indian studies

Kanika Bhal (2002) in her study mentioned the four significant factors that affect Corporate Social Responsibility. Four elements affecting corporate social responsibility were as follows:

1. Ideological values of CEO/top management

2. Pressure from the internal and external stakeholders

3. Operational issues - policies, structure, and culture

4. Government policies

"The time has come for the better off sections of our society to understand the need to make our growth process more inclusive to eschew conspicuous consumption, to save more and waste less, to care for those who are less privileged, to be role models of probity, moderation, and charity. Indian industry must, therefore, rise to the challenge of making our growth process both efficient and inclusive. If those who are better off do not act in a more socially responsible manner, our growth process may be at risk, our polity may become anarchic and our society may get further divided…." (An excerpt from Prime Minister of India ***Manmohan Singh***'s speech on May 24 at the inaugural session of Confederation of Indian Industry's Annual Summit, ***2007***).

Parul Khanna and Gitika Gupta (2011) stated that CSR in India is more systematically undertaken as an important aspect of corporate strategy, with CSR policies and programs devised.

An article published in ***The Economic Times*** as 'CSR: A cloak for crooks' on October 21, ***2012*** reported that many companies including Satyam Computer Services had undertake CSR programs although they had to battle fraud and financial problems.

Maira (2013) raised doubts about the legitimacy of spending of 2% of companies profit on CSR and expressed the apprehension that the politicians may persuade the corporate to divert these funds towards their corpuses and desired causes. He observed that the innovation of new institutions in the field of economy, polity, environment, and knowledge had increased the level of awareness of the society, and this had forced the policy makers to bring such innovative changes in the domain of governance. He concluded that the mandatory CSR spending was both meagre and one whose time has passed.

Sharma (2013) narrowed down CSR into two dimensions - internal and external. The management, employees, shareholders, corporate governance, business ethics, workplace issues were classified as internal dimensions. Whereas human rights, environmental issues, community development, customers, vendors, child labour, etc were considered as the external dimensions.

Venkatesan (2013) argued that while the legislative intervention regarding CSR was not undesirable per se, the problem with the Bill was that it did not seek to change corporate behaviours and make business operations more ethically, socially and environmentally responsible. It was not the idea of CSR being mandatory, but rather the concept of CSR itself that was problematic.

Chawak and Dutta (2014) evaluated the common mistakes of companies in CSR execution - lack of vision, non-participative management, lack of co-operation from employees and local communities. Hence the companies should take the CSR activities as innovations for them, and the activities should not be undertaken merely as publicity stunts.

2.3 Trends in Corporate Social Responsibility

2.3.1 International studies

A study by ***Sidney Jones (1971)*** found pollution control, water pollution control, visual pollution control, employee-disadvantaged worker hiring, safety, community involvement – civic, support of education and non-company basic research, employee – external education and training, community involvement – urban development and charities and corporate organization for social responsibility dominant concerns from the fifty-five companies in 1960 and were in support of education, employee education, and safety. By 1970, the focus had shifted to pollution control and hiring of the disadvantaged although the concern in almost all areas was up.

In a survey of 750 corporations for the Committee for Economic Development by ***Corson and Steiner (1973)***, it was found that 74% of the companies reported that they had undertaken programs under social responsibility.

Adeolu and Afolabi (2010) examined the case of WAPCO and its host communities and found that the resources allocated to CSR were less; but CSR spending soared with the firm's sales.

Azhar Baisakalova (2011) surveyed to understand the state of CSR development and to assess the degree of CSR practices in Kazakhstan. Respondents were top and middle managers and rank-and-file employees. Out of 140 questionnaires distributed among respondents who agreed to participate in the survey, only 122 usable questionnaires were collected. The study demonstrated that the adapted

Carroll's pyramid of CSR (Carroll, 1991) and dimensions suggested by other authors (Rego, Leal, Cunha, Faria and Pinho, 2010) alongside with additional categories of social responsibility that could be applied to understand the state of CSR development and to assess the degree of CSR practices in Kazakhstan. The results showed that CSR perceptions and expectations of respondents were dominated by social responsibilities towards employees and environmental responsibility, followed by responsibilities towards stakeholders, and philanthropic responsibilities towards community and society. Economic and legal/ethical responsibilities concluded the ranking list. The overall assessment of the social responsibility performance of business companies was rated as 'satisfactory.'

Yan-Leung Cheung, Kun Jiang and Weiqiang Tan (2012) evaluated the overall quality of corporate social responsibility as measured by a CSR index for the Fortune 100 largest listed companies in China. The results showed that overseas-listed Chinese firms were more likely to be 'doing good' and also more likely to be better in comparison to firms not listed overseas. The findings suggested that 'doing well' (more profitable) Chinese firms were likely to improve in CSR performance.

Cristina Gănescu and Andreea Gangone (2013) addressed the issues of social obligations that Romanian organizations have to society. A sample of 370 managers was taken from October to December 2011. The study highlighted the following issues: Not all managers showed an accurate understanding of the concept of corporate social responsibility, although it was apparent that there are individual or collective discussions on the topic within and/or outside the company. Awareness of corporate social responsibility of business manifested itself in the creation of specialized departments or structures in 50% of organizations, while the other half did not manifest this concern. All four dimensions of corporate social responsibility occurred in the studied organizations, but priority was placed on the economic responsibility, followed by legal, ethical and philanthropic responsibility. Companies addressed various specific dimensions of social responsibility for multiple reasons, both economic and ethical. The research revealed that Romanian companies did not have strategies and policies to support social responsibility practices, which was very often unplanned.

Mona Kamal (2013) explored the association between Corporate Social Responsibility and financial performance in the Egyptian banking sector. The results implied a negative and statistically significant relationship between CSR-dimensions and banks' profitability.

Md. Al Mamun, Kazi Sohog and Ayesha Akhter (2013) aimed at augmenting the economic determinants of CSR expenditures in Bangladesh banking industry. Results from panel ARDL model for 30 private commercial banks confirmed that several economic determinants including total investment, number of branches, and number of employees have a significant long-run impact on the level of bank's CSR expenditure and thereupon fulfilling firm's commitment towards the greater society as a corporate citizen.

Obeng-Nyarko and Grigore (2013) analyzed whether CSR was integrated into the companies` strategy, what were the most critical categories of stakeholders addressed, in what way did companies report their CSR activity and which were the main differences and similarities between Romania and Ghana. The data covered the top 20 companies in both countries with a total sample of 40 most valuable companies. The results showed that the community was represented as primary stakeholders. Also, few companies had a CSR report while others included social aspects in their annual reports. In Romania, the following features of CSR practices were highlighted: (1) Companies addressed the main stakeholder – the community. (2) There was a weak implementation of corporate social responsibility in the strategic objectives of the companies. (3) There was a weak communication of CSR in the annual reports and very few distinctive CSR reports and (4) The central area supported by Romanian companies was protecting the environment. As for Ghana, only two reported CSR information on their websites. In all these cases, the focus was on the long-term survival of the company, nothing to do with the companies concerns over the impact of their activities on the environment. Even companies with the most significant impact on the environment, like AngloGold Ashanti, reported very little information of CSR and had no CSR section in the annual report. The findings indicated that corporate social responsibility was still in the infant stage in Romania and Ghana and had different representation among industrial sectors.

2.3.2 Indian studies

Subhash Chander (1989) examined the significance of Social Responsibility aspects and the priority areas of Corporate Social Responsibility as perceived by the investors for their investment decisions. The data was collected from 62 respondents who were asked to rate the relative importance of the five areas of social responsibility practices - community involvement, product contribution, human resources, environmental protection and general information. It was found that the mean score was highest for environmental protection followed by product contribution, general information, human resources and community involvement.

Richa Gautam and Anju Singh (2010) highlighted that two hundred and twenty-nine companies (out of the top 500 companies) did not report on CSR activities and were therefore filtered. Forty-nine percent of the remaining 271 companies were reporting on CSR. Many companies were making token gestures towards CSR, and only a few companies had a structured and planned approach. Several companies had spread their CSR funds very thinly across many activities.

Timane and Tale (2012) revealed that Indian entrepreneurs were effectively engaging in philanthropic activities. As a result, businesses were enjoying benefits like lower tax rates, a highly motivated workforce, etc. Example 1) Haathi Chapp's profits went towards funding an elephant ambulance in Jaipur. 2) Arvind Eye Hospitals' paramedical staff was the key to the success of its business model.

Saha (2013) studied the practices of CSR in 18 Indian companies by analyzing the contents of CSR/sustainability/citizenship/business responsibility report of selected companies. It was found that these companies had performed well with many companies overperforming and others not performing to that extent.

Paramata Satyanarayana (2013) examined the models of corporate social responsibilities from Visakhapatnam Steel Plant, Hindustan Petroleum Company Limited, National Thermal Power Corporation Limited and Steel Authority of India

Limited. Hundred and sixty responses were collected. The selected organizations had CSR structure in their organizations at their headquarters. Whereas at Visakhapatnam level Company 3 and Company 4 were not having separate CSR structure or department for the CSR activities. They had been serving the society along with the human resource management department. The rest of the companies had full-fledged CSR setup in their organizations.

Sunita and Rajbir (2013) ascertained how 300 Indian stakeholders (investors, customers, employees, community, and environment) perceived CSR. The study found that environment dimension emerged as the most crucial factor which meant that a company's product should be eco-trendily, reduce pollution and waste management. The economic dimension emerged as the least important factor, which suggested that the organizations should not think that CSR was a costly concept or that CSR policies would have a negative impact on the company's economic performance. The organization should develop a relationship with all stakeholders and integrate social, ethical and environmental responsibility into their core organizational strategies.

Bansal and Rai (2014) found that a higher number of firms disclosed their CSR expenditure with the passing of the Act. Expenditure on community and environment-related activities was disclosed by 336 firms in 2010-11, 504 firms in 2011-12 and 1470 firms in 2012-13. The total CSR spending by firms was falling short of 2% norm in 2012-13. They also found that out of the 300 Indian firms, 34% of them work through their foundations or trusts.

The India CSR Outlook Report (ICOR) given by NGOBOX, analysed 370 companies in their CSR spend for the ***FY 2016-17***. The report highlighted that hundred and twenty-three companies spent more than the prescribed amount. Ninety-two companies did not meet the 2% criterion. From FY 2014-15, an increase of 18% was noted in the in the prescribed CSR budget. Also, actual CSR spent rose by 41% since FY 2014-15. Gujarat and Maharashtra were the only two Indian states where almost 20% of India's actual CSR was spent.

In a news report published on ***Times of India*** dated April 15, ***2018***, it can be said that a total of 1,522 BSE-listed companies spent Rs 8,897 crore, or 92 % of the budgeted Rs 9,680 crore on corporate social responsibility activities in 2016-17, an increase of about 9 % from the previous year. The Annual CSR Tracker compiled by CII revealed that the number of BSE-listed companies required to fulfill the mandate had also increased to 1,522 in FY17 from 1,270 in FY16 and 1,181 in FY15. The survey suggested a substantial increase in CSR spends as against FY16 in the areas of environment and ecology (66 percent), gender equality (115 percent), national heritage (153 percent) and sports development (192 percent). However, in FY17 there was no CSR spend in the areas of technology incubation or slum development by a single public sector enterprise (PSE). Moreover, the state-owned enterprises did not divert any funds towards slum development in the previous year either. There was a remarkable increase in the CSR spend concerning armed forces veterans in FY17 amounting to Rs 33 crore in comparison to FY16, where less than Rs 1 crore was spent. However, 2016-17 saw a massive drop in the contribution made to the Prime Minister's Relief Fund as compared to the previous fiscal year.

Seventy-nine companies contributed Rs 80.55 crore while 120 companies contributed to Rs 107.43 crore in 2015. Across all three years FY15-17, the industrialized states of Maharashtra, Gujarat and Tamil Nadu remained favoured destinations for CSR investment. It appeared that over a span of three years, about 40 percent of the companies preferred investing in one state/UT and about 4 percent in more than ten states/UTs. Moreover, Northeast India received investment from 35 percent of the PSEs and 65 percent of the non-PSEs.

2.4 Corporate Social Responsibility and its merits

2.4.1 International studies

Greening and Turban (2000) studied corporate social performance as a competitive advantage in attracting a quality workforce. The results of their research indicated that applicants would not only be attracted to firms with positive corporate social responsibility reputations but also that they will pursue jobs with such firms, will have a higher likelihood of accepting a job offer from these firms. This study suggested that firms might develop competitive advantages from such activities, especially if their reputation and image is valuable, rare and not easily imitated.

Dentchev (2005) stated that socially responsible practices were not only beneficial to society but were also of strategic importance in achieving the profit motive and enhancing public rating. Davis (1960), McGuire (1963), Heald (1970), Johnson (1971), Manne and Wallic (1972) in Carroll (*ibid*) all concurred that such corporations that incorporate Corporate Social responsibility in their business models had good acceptance in the society.

Rasool, Shoaib, Chaudhry and Zafar (2013) concluded that CSR was becoming part and parcel of the organizational culture. Top multinationals depicted their liberal side by engaging themselves in CSR initiatives. Hence, it increased employee productivity and motivation which resulted in more profitability and increased market share. The concerned leadership was effective and people-oriented. Ultimately, this resulted in business longevity and sustainability.

2.4.2 Indian studies

Kadrolkar (2011) discussed how corporate social responsibility had been widely recognized as a positive phenomenon which contributes to sustainable development. He analyzed the performance of several Indian companies (Tata group, HLL, Infosys, BSNL, Dabur and Bajaj Auto) in CSR and found that CSR was adopted by top companies.

Bansal, Parida and Kumar (2012) examined the yearly reports from 11 sectors on the Bombay Stock Exchange. The 30 companies from these sectors were not working only to earn profit but also had realized the importance of being socially friendly.

Mishra (2013) stated that over the past decades a growing number of companies globally had acknowledged the business benefits of Corporate Social Responsibility policies and practices. Companies also had been encouraged to adopt or expand CSR efforts as a result of pressures from customers, suppliers, employees, communities, investors, activist organizations and other stakeholders. As a result, CSR had grown dramatically in recent years, with companies of all sizes and sectors developing innovative strategies.

Majumdar, Satyajit and Saini (2013) felt that CSR benefits the business more than the society and firms use it as a marketing tool to create the right image among the potential customers. The study was conducted in the state of Goa. The study reported that politically and socially influential people influence the CSR related activities the most at the cost of marginalized and neglected communities including the tribals and migrants. CSR plans and programs are yet to align with the real needs of society.

Sharma (2014) studied Tata group and Aditya Birla group, who had travelled a long way in their cause for CSR. They had very religiously and responsibly fulfilled their duty toward the world, nation, society, and environment. Both the groups had been actively participating in the development of a self-sustainable society. They had worked in the fields of education, health, social and women issues. Their active participation and rising above the traditional philanthropic style had added to both companies' good will. Both of them were outstanding examples to be followed by nurturing businessmen throughout the world to know how and why to take up the cause of CSR. Thus social participation of business would grow resulting in a harmonious bond between the society and business. CSR creates a right public image for the company which ultimately results in better business and also projects every corporate as a better corporate citizen.

2.5 Corporate Social Responsibility across different sectors

2.5.1 CSR in private and public sector

2.5.1.1 International studies

There is a broad consensus among public and private organisations that the concept of corporate social responsibility is based on the tenet of a company attaining a balance between the interests of all its stakeholders within its strategic planning and operations Aupperle, Carroll and Hatfield (***1985***).

Over the past decade, numerous debates have sprung forth as to whether or not such ‘responsibilities’ should be voluntary, especially regarding growing environmental challenges, the enforcement of labour standards and fundamental human rights. Others have pointed out that the role of the private sector is defined purely through production and profit maximization, generally assuming that the government must oversee social and environmental issues through efficient policy frameworks and mechanisms.

The U.N. initiative for mainstreaming the understanding of CSR is the Global Compact promoting ten principles of good corporate behaviour. The Global Compact’s operational phase was launched at U.N. Headquarters in New York on July 26, 2000. Today, many companies from all over the world, international labour and civil society organizations are involved in the Global Compact, working to advance ten universal principles in the areas of human rights, environment, anti-corruption and labour. It is only through the principle of collective action that the Global Compact aims to promote responsible corporate citizenship so that business can form a part of the solution to the challenges of globalization. In this way, the private sector in partnership with other social actors – can help realize the Secretary-General's vision: a more inclusive and sustainable global economy.

The public sector plays a crucial role in CSR development of the country. Based on various literature (***World Bank, 2002; Doh, Guay, 2006***), four principal roles of the public sector can be observed: mandating, facilitating, partnering, and endorsing. The 'mandating role' specifies the minimum standards that are required for business performance in line with the laws framed by the government. The 'facilitating role' is all about the public-sector companies getting involved in CSR programmes. In the 'partnership role', the public sector may collaborate with the private sector and the civil society in combating social and environmental problems. The 'endorsement role' of the public sector can be viewed by the extent to which it endorses the concept of CSR and garners political support to propagate its CSR agenda (***Streimikiene and Pusinaite's typology, 2009)***. The endorsement can be done through policy documents, its management strategies, Award schemes to recognise efforts of individual firms, etc.

2.5.1.2 Indian studies

Sengupta (1988) studied 25 public sector undertakings for the year 1984-85 to review the pattern of social investments and expenditures on social responsibility practices and to examine their relationship with some of the organizational correlates. He concluded that both social investment and recurring expenditure on social responsibility practices vary from enterprise to enterprise and such variations are likely to be due to the size of the company.

Singh, Srivastava and Rastogi (2013) studied the CSR practices and CSR reporting in the Indian banking sector. They found that a maximum number of banks whether related to the private sector or public sector were highly performing CSR activities as per their priority but most of the banks were not disclosing their amount for such initiatives in their websites.

Gupta and Agarwal (2015) selected top 10 banks in which 7 were public banks, and 3 were private sector banks. It was concluded that total income and size of banks was a very important factor in CSR contribution. Banks with high incomes contributed more. The concentration of social issues was more in comparison to environmental issues.

Singh, Srivastava and Rastogi (2015) selected 19 banks out of which 12 were public sector banks and 7 were private sector banks. Analysis revealed that public sector banks were far behind the private sector regarding spending on CSR. Public sector banks had spent just 0.43% of the average net profit of the previous three years on CSR while the private sector banks had spent 1.17%.

As per statistics provided by the ***Ministry of Corporate Affairs***, public sector companies had spent less than half the amount spent by private sector companies in 2014-15. Zee Business echoed similar findings in the financial year 2014-15.

Central Public-Sector Enterprises (CPSEs) in the three financial years, 2014-15, 2015-16 and 2016-17 had spent Rs. 2450.31 crore, Rs. 4028.04 crore and Rs. 3336.50 crore respectively on Corporate Social Responsibility.

The ***India CSR Outlook Report (ICOR)*** given by NGOBOX analysed the CSR spend of 370 companies in ***FY 2016-17***. Government-owned companies spent more than the prescribed CSR.

Richa Martolia (2016) found that the public-sector companies did not differ from the private sector companies in their CSR spending patterns.

As per ***The Economic Times*** dated February 9, ***2018***, during the first eight months of FY 2017-18, companies had spent Rs 4,719 crore towards CSR, with private sector entities accounting for a significant chunk of the expenditure. Public sector undertakings had spent less than half the amount as compared to private sector companies.

2.5.2 Corporate Social Responsibility in the Manufacturing and Service Sector

2.5.2.1 International studies

In the studies published by ***King and Lenox (2002), and Klassen and Whybark (1999)***, it was stated that the manufacturing companies contributed more towards environment-related factors in order to reduce the negative impact that was faced through the activities of the company, thus they could increase the profitability, financial gain, and competitiveness, and also the consequence of betterment to the society.

In ***2013, the Polish Agency for Enterprise Development*** conducted a study aiming to verify the percentage of micro, small, and medium enterprises (MSMEs) executives declaring inclusion of the CSR concept into their business. The study was conducted on a group of 1,000 companies from MSME sector, excluding the self-employed. The study showed that the main barriers for CSR in SMEs were lack of awareness and knowledge about the concept. More than 66 percent of the respondents were not able to define the concept of CSR. Among those who declared knowledge of CSR, 13.69 percent understood this concept as professional, responsible and lawful activities and also as ensuring decent working conditions.

Witek-Hajduk and Zaborek (2015) found that CSR could be a universal phenomenon in that it appears similarly in Polish manufacturing and service companies of different industries and sizes.

2.5.2.2 Indian studies

Shanmugam (2013) obtained data through a survey of 50 manufacturing companies belonging to the automobile, cement, chemical, pharmaceutical and textile sectors. The findings revealed the emergence of environment CSR as the corporate focus.

The results of a CSR ranking study by ***Majumdar, Rana and Sanan (2015)*** found that there were substantial differences between the spending of the manufacturing and services companies in 2014. For absolute spends, manufacturing spent more and was relatively more widely dispersed. Service sector spent relatively much lower amounts. They also analyzed spends as a percentage of profit where the same trend was replicated - with manufacturing being more widely dispersed than either services or consumer goods.

Sahu and Panigrahy (2016) found that manufacturing companies spent 1.42 **%** on CSR activities out of their Profit After Tax (PAT).

Krishnan (2018) found that the budget allocated in manufacturing industries was more and also the industry spent more on the environment as compared to the service industries for the FY 2015-16. The fact that the manufacturing sector can impact the environment negatively could have compelled this sector to spend higher on CSR as compared to the service sector.

2.6 Corporate Social Responsibility across different industries

2.6.1 International studies

CSR differs from place to place, from company to company and over time **(*Welford,* Chan, and & Man, *2007*).** In the recent years, the idea of Corporate Social Responsibility (CSR) is gaining momentum in the whole world and all the sectors **(Chaudhury, Das, and Sahoo *2011); Das, 2012; (*Omur, Tunc, and caliskan.*2012*).**

Walker and Howard (2002) have outlined the reasons as to why CSR and other voluntary activities were integral to the mining sector:

- Public opinion of the mining sector is weak; this opinion being influenced more by concerns over environmental and social performance than by performance in areas such as product pricing, quality, and safety.
- Pressure groups have consistently targeted the sector at local and international levels, challenging the industry's legitimacy.
- Maintaining 'a license to operate' is a constant challenge.

- Mining companies, therefore, need to focus on three dimensions namely economic, social and environmental.

Although the effectiveness of CSR in various sectors such as oil, gas and mining has been questioned (***Frynas, 2005***), the CSR programs nevertheless tend to focus on community initiatives as their impact on economic, social and environmental terms was felt greatest at the local level (***Jenkins and Obara, 2011***).

In the Australian construction industry, large companies develop corporate social responsibility to maintain an image of being a good corporate citizen (***Petrovic-Lazarevic, 2008***).

Over the earlier two decades, pharmaceutical companies have significantly increased CSR initiatives, particularly in developing countries that bear the vast majority of the global disease burden (***Kohler, 2010; Tolve, 2011***)

Nowadays, by recognizing CSR, banks from all over the world endorse programs of educational, cultural, and environmental, as well as health initiatives. Besides, they implement sponsorship actions towards vulnerable groups and charitable non-profit organizations.(***Persefoni, Ioannidoua, Kipourosa, Tsourgiannisb, and Simet 2013).***

Duna-Dráva Cement Kft. in Hungary implemented the corporate social responsibility's program, by initiating the 'Green Solution tender' which provides a source to support developments and projects which further the eco-friendly utilization of public parks and infrastructure frequented by the people who live in the neighbourhood of the cement factories of Vác or Beremend. The 'Duna-Dráva for Talents' scholarship program supports children who are talented in sports, academic studies or cultural areas.

2.6.2 Indian studies

Kiran and Sharma (2012) found that IT and auto industry were taking up more CSR initiatives while FMCG sector had focused not too much on the social responsibility initiatives.

Kumar, Mishra and Pandey (2012) tried to understand the concept of CSR by studying Tata Group. They found that this group had undertaken many CSR programmes for the poor, environmental conservation, and for the development of the nation.

Chaturvedi in The Economic Times dated January 11, 2013 had reported that the company Dell had implemented many CSR programmes in the areas of education, environment and employee's welfare. Also, companies such as Godrej and Maruti had provided training to its employees to motivate them for community service. For example, Maruti's program '*e-parivartan*' for its employees was a huge success in making them aware about the social problems and its solutions.

Sharma and Mani (2013) showed that the Indian banks need to focus on their CSR activities in a bigger way. The banks had focused on the community welfare and farmers' welfare programs, but the efforts for women welfare and education were not sizeable. Moreover, the public-sector banks were leading in CSR activities while private sector banks had to still direct efforts in this area.

Attarwala (2014) spoke about Hindustan Unilever's (HUL) profit-making initiatives through CSR activities. Hindustan Unilever had adopted sustainable living needs in its corporate mission and strategy. This was mainly done to enhance competitive advantage and the brand image with a significant social impact in its product development, sourcing and manufacturing, and thus was ultimately leading to higher efficiencies and profit margins. Its Corporate Social Responsibility activities had demonstrated that alternative distribution channel known as 'Project Shakti' could penetrate into the enormous rural consumers market cost-effectively.

Ferus-Comelo (2014) studied the impact of CSR on two Indian five-star hotels operating in Goa. The study concluded that hotels reports presented a one-way channel of communication of their choice. There was a need for the industry to go beyond philanthropy and embrace current principles of CSR which includes corporate transparency, multistakeholder engagement and community empowerment.

Shanmugam and Lavanya (2013) surveyed 50 manufacturing units belonging to the automobile, cement, chemical, pharmaceutical and textile industry in India. The findings revealed that chemical units, units belonging to the public sector, those existing for more than 50 years, units located in South India, units having a turnover above Rs.100 crore and those employing workforce above 3000 had the highest level CSR when compared to their counterparts.

Ahmed and Rao (2013) found that the cost incurred by life insurance companies on CSR activities was a valuable investment as it augments not only goodwill but also contributed to more profit by honest efforts and ethical business practices.

LIC's schemes such as Janashree Bima Yojana, Aam Aadmi Yojana, etc were designed to concentrate on the below poverty line in the country. Shiksha Sahayog Yojana Scheme was framed exclusively to provide primary education. The Max New York Life insurance programmes such as health camps related to immunization programmes are a boon to underprivileged and neglected communities in the society.

In a study carried out by ***Sawant (2014)***, it was found that out of 10 pharmaceutical companies in India, Dr. Reddy's Laboratories had spent more amount towards CSR activities as compared to other companies (FY 2012-13). It was also seen that Dr. Reddy's Laboratories had spent near to 2% of the average profit of the preceding three years as compared to other companies.

Bansal and Rai (2014) calculated the major CSR activities undertaken by 200 firms across different industries in 2012-13.

Table 2.1

Industry-wise Segregation of Major CSR Activities for FY 2012-13

Industries	Health	Education	Community Development/ Rural Development	Environment	Total
Oil and Gas	23.50%	35.29%	29.41%	11.76%	100%
Automobile	40.00%	10.00%	40%	10%	100%
Consumer Durables	24.76%	26.34%	20.25%	28.75%	100%
Iron and Steel	35.29%	23.53%	35.29%	5.88%	100%
Banking & Financial Services	8.57%	20.00%	37.57%	34%	100%
Power	10.00%	10.00%	45%	35%	100%
Infrastructure	8.35%	30.55%	44.44%	16.66%	100%
Cement	22.20%	25.00%	29%	23.8%	100%
Paper and Pulp	19.90%	24.10%	18%	38%	100%
Pharmaceutical	30.00%	28.00%	22.00%	20.00%	100%

As per the ***India CSR Outlook Report (2016)***, it was found that auto and auto ancillaries contributed 100% towards CSR activities, banking and finance 86%, computer (software and hardware) 87%, pharmaceuticals 74%, oil, drilling and refineries, petrochemicals 91%, and steel contributed 128% towards CSR activities.

Kumari (2016) analyzed the annual reports of various Indian companies and found the following facts:

Banking sector: The major thrust area for CSR practices in Indian Banking sector included children's welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, protection of girl child and employment. It also found that they were not meeting the 2% criterion.

Cement sector: The Associated Cement Industry (ACC) had spent on improving education, health, environment and waste management. Shree Cement had focused more on sustainability and had adopted the triple bottom line approach. The Grasim Cement had focused on community development.

Construction industry: Ashok Leyland had focused in the areas of environment, safety, health and society. The rainwater harvesting project had been implemented in Maharashtra to use the rainwater during summer when there was a shortage of water.

Tyre industry: Apollo had started its fight against HIV –AIDS in a project called Health Highway.

Consumer durable sector: The focus of consumer durable and fast-moving consumer goods industries was on health care and education. Godrej Group was taking steps for environmental sustainability and undertook philanthropic activities in the health and education segments. Hindustan Unilever was focusing on improving health and education.

Pharmaceutical companies: Companies like Aurobindo Pharma, Cadila Health Care, Sun Pharma were contributing to the development of community living near their plants located all over India.

Shyam (2016) discussed the cases of CSR initiatives in Indian firms. Welspun Energy Ltd has initiated programs like 'Training the Trainer,' enrolling children in schools, 'healthy baby competition,' and skill development for women. Its social inclusion initiatives have begun to show transformational results in Madhya Pradesh, Gujarat and Rajasthan. The Gujarat Cooperative Milk Marketing Federation Ltd has developed and trained its distributors through Value-Mission-Strategy workshops, competence building, Amul Yatra, Amul Quality Circle meetings, computerization, and electronic commercial activities.

In a report published on ***Times of India*** dated April 15, ***2018***, it was noted that the significant contributors to CSR spend in all three financial years were oil and gas; software and services; utilities; and metals and mining out of the 32 industry categories. Significant increases in CSR spends in FY17 in comparison to FY15 were reported in automobiles and auto components, construction materials, consumer durables, coal and other financial services.

2.7 Corporate Social Responsibility and its areas

Sharma (2011) had given a list of core thrust areas for reporting CSR activities by the Indian banks as children's welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, and protection to the girl child, employment.

A study by ***Jayashankar, Paul and Bhat (2013)*** of 100 companies before the mandate of CSR activity discovered that principal activity of companies like Ashok Leyland, Axis Bank and Hindalco Industries focused on education and healthcare.

Nabi, Holden, and Walmsley (2014) selected Forbes' India's top 100 units and found that the corporate units which were highly eco-friendly were also highly CSR active.

According to the ***Ministry of Corporate Affairs***, the Indian companies had directed more CSR efforts in the education sector. The other areas where they focused were rural development, environment and animal welfare for the FY 2014-15. Another survey by Economic Times along with Futurescape in association with Indian Institute of Management, Udaipur on 'The best companies of CSR' revealed that top-ranked company in 2014 (out of 216 companies) were Mahindra and Mahindra, Tata Motors, GAIL, and Infosys, and their flagship CSR program was focused on healthcare and education-related activities ***(Majumdar, Rana and Sanan, 2015)***.

Basavaraj (2016) found that Indian companies were giving first and third priority for education and health activities respectively. Some companies innovated CSR activity that serves as a benchmark for others; whereas there was a need for other companies to jump into innovative CSR activities that were very essential for its stakeholders. Both public and private companies used education-related CSR activities widely.

In another survey conducted by ***The Indian Express*** of 50 top companies of Nifty Index at the National Stock Exchange (NSE), it was found that companies expended over INR 4,600 crore in the monetary year as on March 15, out of which top companies like Reliance Industries, Tata, ITC, and NTPC spend their money on education and healthcare (***Srivastava and Singh, 2015***). Karnataka and Tamil Nadu were found to be the two most beneficial states along with some other industry intensive states like Maharashtra, Gujarat and Andhra Pradesh.

Silpa Ramana and Reddy (2017) found that all the 10 IT companies were giving importance to implement many activities in the area of environment and the least preference was given to the areas concerning community development.

In another study by ***Chopra and Arju (2017)***, the corporate social performance was measured and compared for over three years and the best and worst bank performers were identified based on their reporting practices. It was found that banks directed their CSR efforts more in the areas of rural development, education, community welfare, women and child development, public health projects, etc. However, they were not spending 2% share of profits on CSR.

2.8 Companies Act 2013 and Corporate Social Responsibility

Bhattacharyya and Chaturvedi (2012) had predicted the impact that the then proposed Bill would have on the company's policies. Those companies who were not engaging in CSR would start doing so, while those who had already engaged in such activities would gain a strong footing in the corporate world.

Bhatia (2013) concluded that the Companies Act 2013 was a confident and robust step towards corporate governance and CSR and would have far-reaching implications.

Deogharkar and Datkhile (2014) stated that it was an excellent opportunity for companies to return to society under the Companies Act 2013. However, the provisions were creating more confusion. Hence it would be a burden on the companies. So it was better for Government to set up a voluntary regulatory body (comprising Government and Corporate representative) on CSR as like IRDA which would monitor and implement the project of CSR regularly.

Bansal and Rai (2014) found that the average CSR expenditure of public sector firms rose with the passage of the Companies Act. It increased from Rs 25.72 million in 2012 to Rs 147 million in 2013.

Srivastava and Goyal (2015) found that Mahindra and Mahindra since its inception has been a socially committed organization and has been effectively framing and implementing Corporate Social Responsibility policy within its precincts. There are numerous CSR policy initiatives akin to scholarships and grants, Project Haryali, Disaster relief and rehabilitation, ESOP's, Lifeline express, etc. However, after the execution of the CSR law, this company was found to spend far below the minimum requirement as per the data pack compiled by Forbes India (2013).

According to a press note by ***Business Today*** dated January 5, ***2016***, the CSR spending of the BSE 100 companies had gone up by almost 75 percent i.e., Rs 5,240 crore in 2014-15 as compared to Rs 3,000 crore in the previous year.

However, in a report released by ***Corporate Governance Advisory firm Institutional Investor Advisory Services India Limited*** (Iias), the total spending in 2014-15 was 26 percent below the prescribed limit of 2 percent spending of the three-year average pre-tax profits of the company.

2.9 Corporate Social Responsibility Disclosure (CSRD)

2.9.1 International studies

Ghazali (2007) found that Malaysian owner-managed companies were low on CSR disclosure, while companies in which the government was a substantial shareholder were higher on CSR disclosure.

Spassova, Georgiev, Marinov and Panayotova (2007) examined the annual reports and websites of 40 largest Bulgarian companies from March to June 2007. They concluded that these companies revealed less information on environmental and social policy as compared to corporate governance.

Lorraine Sweeney and Joseph Coughlan (2008) found differences in reporting practices by an analysis of the annual Corporate Social Responsibility reports of 28 firms in a variety of industries. The findings showed that there was a significant difference in how organizations in different industries reported on Corporate Social

Responsibility consistent with a stakeholder view of Corporate Social Responsibility.

Menassa (2010) found that the Lebanese commercial banks (n=24) gave greater importance to human resource, product and customers disclosures, whereas the disclosure on environment was low.

Bayoud, Kavanagh and Slaughter (2012) examined the relationship between corporate social responsibility disclosure (CSRD) and organizational performance regarding financial performance, employee commitment and corporate reputation in Libyan companies through stakeholder's pressures. Data on CSRD was analyzed using annual reports for the period between 2007 and 2009. Hundred and ten annual reports of 40 firms were gathered using content analysis. A survey questionnaire collected data on employee commitment and corporate reputation. Hundred and forty-nine questionnaires from 135 organizations in different sectors (manufacturing sector, banks and insurances sector, services sector and mining sector) were collected. The study revealed that the level of CSRD in the annual reports had a positive relationship with organizational performance regarding financial performance and corporate reputation, while there was no significant relationship between the level of CSRD and employee commitment. The results indicated that companies exhibited more significant concern to improve financial performance and corporate reputation via an increase of CSR information in annual reports. In this regard, to improve financial performance in these sectors, there was more significant concern for environmental disclosure, consumer disclosure, community involvement disclosure and employee disclosure, whereas there was more concern for consumer disclosure and employee disclosure to improve corporate reputation. On the other hand, there was no concern for each category of CSRD to improve employee commitment.

2.9.2 Indian studies

A study conducted by ***Subhash Chander (1989)*** using secondary data revealed that disclosure of corporate social responsibility by public sector companies was significantly higher than that of the private sector companies. There was a significant association between the quantum of disclosure and size of companies measured by net tangible assets and that the effect of profitability, i.e., return on investment on disclosure was insignificant, though positive.

Porwal and Sharma (1991) compared corporate social disclosures by public and private sector companies in India. Private companies and smaller companies disclosed less as compared to the public and larger companies. The disclosures pertained to environment, community, and human resource development.

Vasal (1991) studied the social responsibility practices and its disclosure of Indian companies operating in the central public sector between 1988 and 1991. He concluded that majority of the disclosure regarding social responsibility were made either in directors' report or supplementary information.

Chander (1992) compared corporate social disclosures practices of the Indian public and private sector companies from 1981-82 to 1984-85. The disclosure was higher in public sector companies as compared to the private sector.

Hegde and Bloom (1997) observed that there were no formal social disclosures in most of the Indian private companies because it was not mandatory at that time.

Jatana and Crowther (2008) found that the corporate social responsibility disclosure was not measured by various industrial sectors - insurance, private banking, Information Technology, power generation sectors and companies like Ambuja Cement, Coca-Cola.

Murthy (2008) analysed the corporate social disclosure practices of the top 16 software firms in India based on their 2003–2004 annual reports. Disclosure was highest for human resources followed by community development activities, while information on environmental activities was not reported to that extent.

Dhingra and Mittal (2014) reported that most of the Indian banks used CSR practices as a marketing tool, and many were only giving donations to charitable foundations, NGOs, etc. Very few banks had a defined CSR philosophy. Mostly banks implemented CSR in an ad-hoc manner, unconnected with their business process and did not state how much they spent on CSR activities.

The study of literature on CSR paints an ambivalent picture in India as well as at the global level. Though some studies can be found in India, there is paucity of research at the international level. Overall, it has been concluded by most of the studies that the CSR disclosures are low. Thus, a detailed investigation of CSR spending patterns in India which has been made mandatory for certain companies under the Companies Act 2013 has been identified as an interesting area for the current research.

Chapter III

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology employed for carrying out the study. It incorporates the period of the study, data sources used to extract the data, sampling method, sample size used for the study, the research hypotheses formulated and the research tools, and statistical techniques used for data analysis.

3.2 Period of the Study

The period of the study ranges from 2009 to 2016.

3.3 Data structure, frequency and period

Table 3.1 describes the objective-wise variables employed in the study.

Table 3.1

Objective-wise Variables employed in the Study

Objective	Variables	Frequency	Period
1	Actual CSR, Prescribed CSR	Yearly	2009-2016
2	CSR%, Private sector, Public sector	Yearly	2009-2016
3	CSR%, industrial sub-sectors	Yearly	2009-2016
4	CSR%, manufacturing sector, service sector	Yearly	2009-2016
5	CSR%, Company Act 2013	Yearly	2009-13 and 2012-16

3.4 Sampling method

Purposive sampling was undertaken for the research study. The data collection frequency for all the variables included in the study were annual CSR disclosures, annual CSR ratings and ranks, company's director reports, CSR reports and actual CSR data.

3.5 Sample size

Companies from ET-500 were considered to provide substantial data. For the financial years 2012-13, 2013-14, 2014-15 and 2015-16, the Corporate Social Responsibility of 96, 81, 119 and 101 companies were considered. For the pre and post-effect of Companies Act 2013, the Corporate Social Responsibility of 75 companies was considered.

3.6 Scope of the study

The study was limited to the Indian companies. This study entirely relies on the secondary data collected from various sources. The secondary data was used from financial reports of the companies of the years 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016. Extensive library work was carried out for a detailed review of the literature. Data from the internet, books, academic journals, newspapers and magazines was also used.

3.7 Data Analysis

This section deals with measures and statistical techniques employed to carry out data analysis. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results.

1. To appraise the policies of corporate social responsibility and its implication in India, repeated measures t-test was used.

2. To make a comparative analysis of corporate social responsibility among the private and public sectors, independent samples t-test was used.

3. To make a comparative analysis of corporate social responsibility among industrial sub-sectors, one-way ANOVA was used.

4. To make a comparative analysis of corporate social responsibility among manufacturing and service sectors, independent samples t-test was used.

5. To study the pre and post-effect of CSR guidelines (framed under the Companies Act 2013) on companies, repeated measures t-test was used.

3.8 Research Hypotheses

A hypothesis is a specific, testable prediction about what you expect to happen in a research study. It is a tentative answer to a research question. Lundberg (1942) said that a hypothesis is a tentative generalization whose validity remains to be tested. It is a statement characterized by guesses or assumptions. This leads to the necessity of testing it. Based on the objectives of the study, hypotheses were constructed. They are as follows:

For Objective 1:

H1: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount.

1.1 Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13.

1.2 Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2013-14.

1.3 Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2014-15.

1.4 Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16.

For Objective 2:

H2: Private sector companies were spending significantly higher than public sector companies.

2.1 Private sector companies were spending significantly higher in Corporate Social Responsibility than public sector companies for the financial year 2012-13.

2.1.1 Private banks were spending significantly higher in Corporate Social Responsibility than public banks for the financial year 2012-13.

2.2 Private sector companies were spending significantly higher in Corporate Social Responsibility than public sector companies for the financial year 2013-14.

2.2.1 Private banks were spending significantly higher in Corporate Social Responsibility than public banks for the financial year 2013-14.

2.3 Private sector companies were spending significantly higher in Corporate Social Responsibility than public sector companies for the financial year 2014-15.

2.3.1 Private banks were spending significantly higher in Corporate Social Responsibility than public banks for the financial year 2014-15.

2.4 Private sector companies were spending significantly higher in Corporate Social Responsibility than public sector companies for the financial year 2015-16.

2.4.1 Private banks were spending significantly higher in Corporate Social Responsibility than public banks for the financial year 2015-16.

For Objective 3:

H3: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors.

3.1 There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2012-13.

3.2 There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2013-14.

3.3 There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2014-15.

3.4 There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2015-16.

For Objective 4:

H4: Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies.

4.1 Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2012-13.

4.2 Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2013-14.

4.3 Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2014-15.

4.4 Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2015-16.

For Objective 5:

H5: There is a significant difference in Corporate Social Responsibility prior to the Companies Act 2013 and after its implementation.

5.1 There is a significant difference in Corporate Social Responsibility of private companies prior to the Companies Act 2013 and after its implementation.

5.2 There is a significant difference in Corporate Social Responsibility of public companies prior to the Companies Act 2013 and after its implementation.

5.3 There is a significant difference in Corporate Social Responsibility of manufacturing companies prior to the Companies Act 2013 and after its implementation.

5.4 There is a significant difference in Corporate Social Responsibility of service companies prior to the Companies Act 2013 and after its implementation.

Chapter IV

OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY

4.1 Introduction

In 2013, India enacted Section 135 of the Indian Companies Act made it mandatory for certain companies to spend 2% of their average net profits of the previous three years. This chapter analyzed whether the Indian companies were meeting the 2% norm or not and has outlined past studies and reasons for non-compliance of CSR norm. An in-depth analysis of Corporate Social Responsibility in India has been given for the financial years 2012-13, 2013-14, 2014-15 and 2015-16.

4.2 Results and discussion

Objective 1: To appraise the policies of corporate social responsibility and its implication in India.

Hypothesis 1: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount.

The main hypothesis was sub-divided into four sub-hypotheses for each of the financial years.

Hypothesis 1.1: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13.

The first sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 4.1

Means and Standard Deviations of Prescribed and Actual Corporate Social Responsibility Amount (FY 2012-13)

CSR amount	**Mean**	**Standard deviation**
Prescribed	71.03	90.79
Actual	43.94	73.24

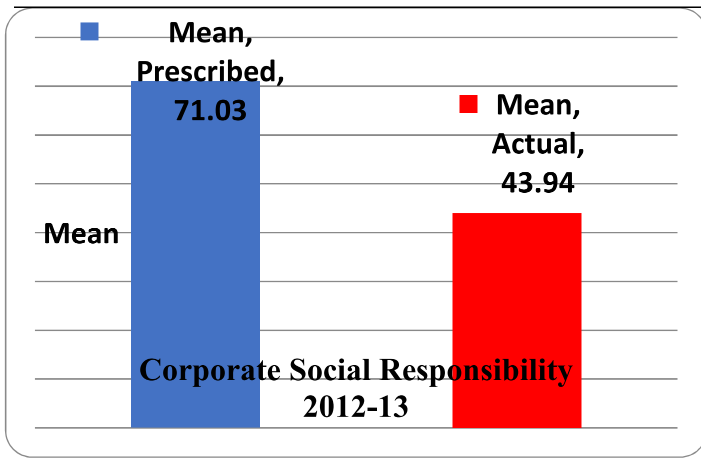

Figure 4.1. Bar graph of the means of Prescribed and Actual Corporate Social Responsibility for the FY 2012-13

Table 4.2

Repeated measures t-test for Prescribed and Actual Corporate Social Responsibility Amount (FY 2012-13)

CSR amount	**n=**96	**Df**	**T**	**p**
Prescribed	96	95	-6.34*	.00
Actual	96			

Note. *p<0.05

The analysis showed that the hypothesis that 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13' was confirmed. A repeated measures t-test was conducted to compare the means of Prescribed Corporate Social Responsibility amount and Actual Corporate Social Responsibility of 96 companies for the financial year 2012-13. The mean of Prescribed Corporate Social Responsibility amount of companies (M= 71.03, SD= 90.79) was found to be significantly higher than the mean of Actual Corporate Social Responsibility amount (M= 43.94, SD= 73.24). The results of the repeated measures t-test were expressed as t (95) = -6.34, p= 0.00 (one-tailed). The results showed that these companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount. The FY 2012-13 was a period when the Companies Act 2013 had not yet come into force. So it was not mandatory for Indian companies to devote 2% of their average net profit towards corporate social responsibility. With no Act in force, companies were diverting their funds in areas that they felt there was a need, while other companies did not have structured CSR policies.

Partner in Change (2000) studied 600 companies and 20 CEOs for understanding and judging corporate involvement in social development in India. Around 85% of the respondent companies agreed that Indian corporates should be socially responsible. Only 11% of the respondent companies had a written CSR policy. About 60% were giving money as a donation for initiatives like health, education and infrastructure. Similarly, Karmayog's survey (2009) found that 229 companies out of 500 companies got a '0' rating on a scale of 0-5 for not showing any CSR activity. Many companies were only giving donations believing that charity and philanthropy equal to CSR (Karmayog, 2009). Most companies used CSR as a marketing tool to gain more popularity in the market. Structured CSR practices were taken up by very few companies. Most companies were either unaware or were not bothered to monitor their company's CSR. It is observed that philanthropy was the main driving force behind all the CSR initiatives of most of the companies.

A few additional observations were noted:

As can be seen in Table 4.3, the top 10 CSR ranks for FY 2012-13 with Chennai Petroleum Corporation Ltd. heading the list. However, Tata Chemicals Ltd., Tata Steel Ltd. and ICICI Bank Ltd. had spent more than 2% of the prescribed CSR. While the remaining companies inspite of being the top spenders towards CSR had not been able to spend the prescribed CSR amount.

Table 4.3

Actual CSR spent (INR Cr) by Top 10 Companies for the FY 2012-13

S.NO	Companies	Actual Amount	Prescribed Amount
1	Chennai Petroleum Corporation Ltd.	391	450
2	Reliance Industries Ltd.	357.05	377.07
3	Hindustan Petroleum Corporation Ltd.	270	350
4	Oil and Natural Gas Corporation Ltd.	261.58	405.42
5	Mangalore Refinery and Petrochemicals Ltd.	240	350
6	Tata Chemicals Ltd.	200	135
7	Tata Steel Ltd.	170.59	124.05
8	State Bank of India	123.27	194.25
9	GMR Infrastructure Ltd.	120	150
10	ICICI Bank Ltd.	116.55	104.27

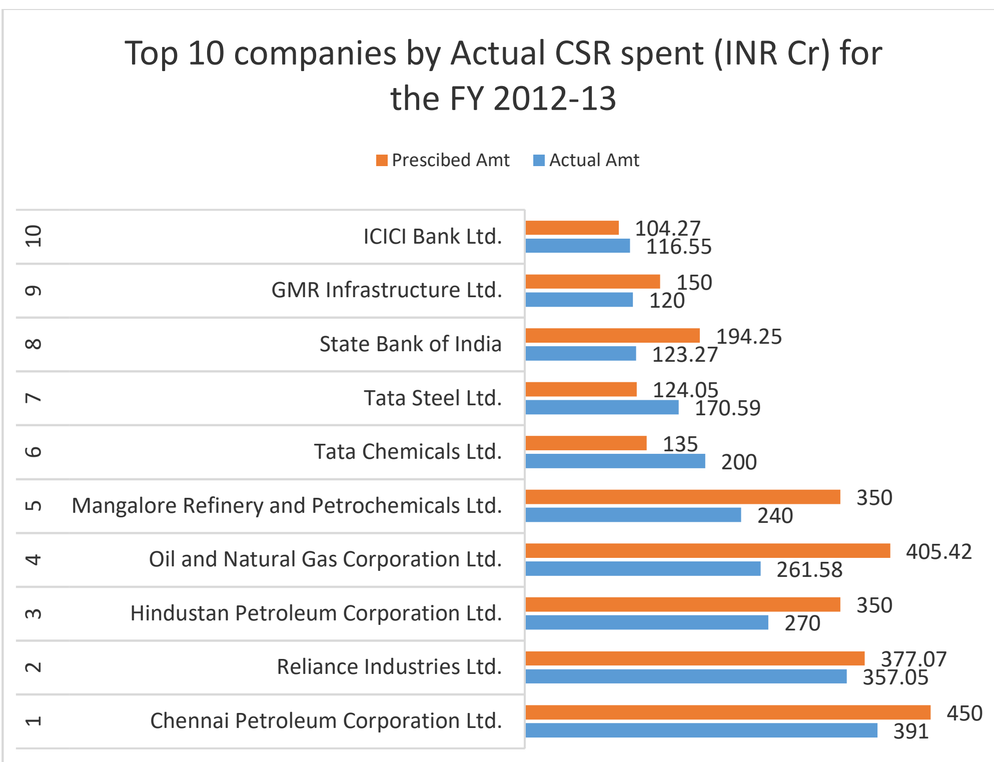

Figure 4.2. Actual CSR spent by top 10 companies for FY 2012-13

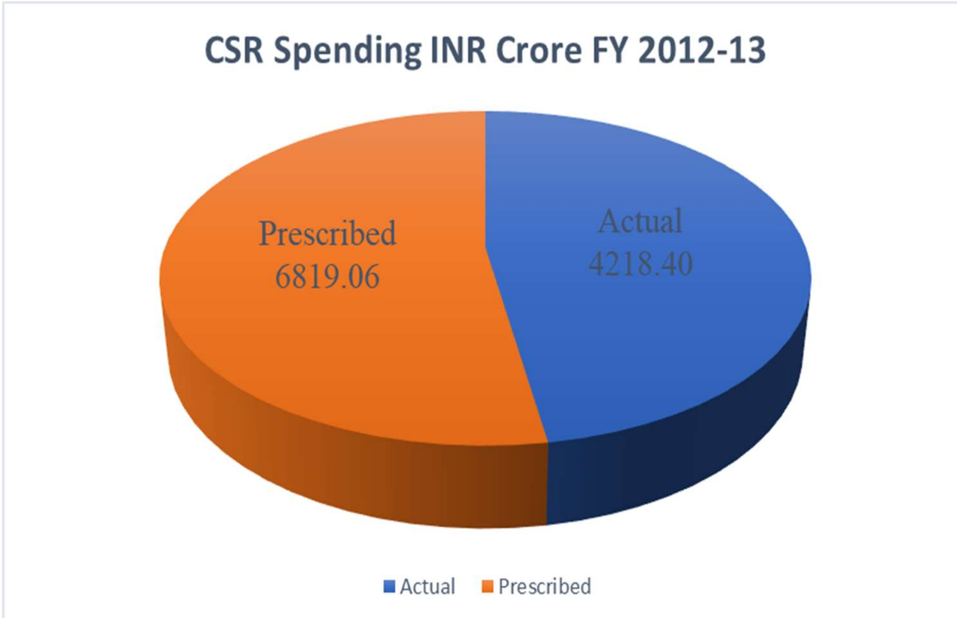

Figure 4.3. CSR spending for FY 2012-13

Table 4.4

Sector-wise Actual and Prescribed CSR spending for FY 2012-13

Sectors				
2012-13	Public		Private	
	Actual	Prescribed	Actual	Prescribed
Manufacturing	1661.03	2550.26	1777.14	1064.48
Service	324.88	1064.48	455.35	1079.81
Total	1985.91	3614.74	2232.49	2144.29

Highlights of CSR Spend in FY 2012-13

1. The actual CSR spent for FY.2012-13 was Rs. 4218.40 crore which was less than the prescribed amount of Rs. 6819.06 crore.
2. The actual CSR spent by the manufacturing sector was Rs. 3438.17 crore as against the prescribed amount of Rs. 4674.77 crore
3. The service sector spent Rs. 780.23 crore as against the prescribed amount of Rs. 2144.29 crore
4. The actual CSR spent by the public sector was Rs. 1985.91 crore as against the prescribed amount of Rs. 3614.74 crore
5. The private sector spent Rs. 2232.49 crore as against the prescribed amount of Rs. 3204.32 crore.
6. Fourteen companies spent more than 2% of the prescribed amount namely Tata Steel Ltd, ICICI Bank Ltd., Hindustan Unilever Ltd., Aclani Enterprises Ltd., Jindal Steel Power Ltd., Jaiprakash Association Ltd., Tata Chemical Ltd., Ambuja Cement Ltd., JSW Energy Ltd., Nestle India Ltd., IDFC Ltd., National Aluminum Companies Ltd, Adani Power Ltd, Ultra Tech Cement Ltd.
7. Out of the fourteen companies, twelve were manufacturing companies and two were service sector companies.
8. Out of the fourteen companies, twelve companies were from private sector and two were from public sector.
9. Thirty-one companies had spent more than one percent of the prescribed CSR amount.

10. Fifty-one companies had spent less than one percent of the prescribed CSR amount.
11. 85.42 % companies could not meet the CSR compliance.
12. The company itself undertook most of the CSR initiatives.
13. Almost seventy-one companies spent their CSR funds on education projects.
14. Sixty-five companies preferred to give donations.
15. Forty-four companies preferred health, hygiene, livelihood and environment.
16. Private sector companies spent more than the public sector in the manufacturing sector as well as service sector towards the CSR spending.
17. The manufacturing sector companies Spent more than the service sector.

Hypothesis 1.2: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2013-14.

The second sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2013-14' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 4.5

Means and Standard deviations of Prescribed and Actual Corporate Social Responsibility Amount (FY 2013-14)

CSR amount	Mean	Standard deviation
Prescribed	91.39	116.30
Actual	55.21	104.82

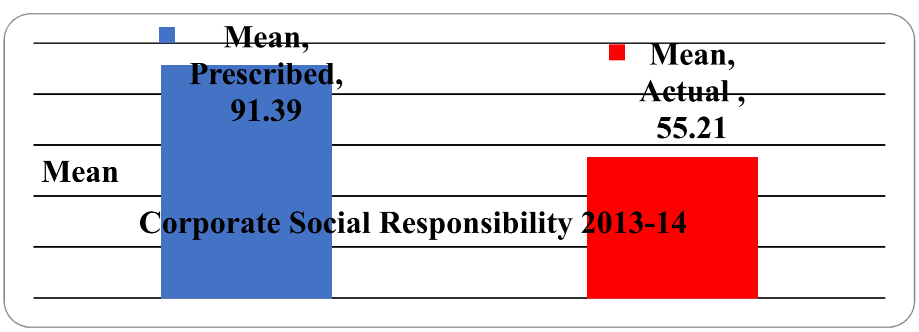

Figure 4.4. Bar graph of the means of Prescribed and Actual Corporate Social Responsibility for the FY 2013-14

Table 4.6

Repeated measures t-test for Prescribed and Actual Corporate Social Responsibility Amount (FY 2013-14)

CSR amount	**n=**81	**df**	**T**	**p**
Prescribed	81	80	-4.93*	.00
Actual	81			

Note. *p<0.05

The second sub-hypothesis that 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2013-14' was confirmed. A repeated measures t-test was conducted to compare the means of Prescribed Corporate Social Responsibility amount and Actual Corporate Social Responsibility of 81 companies for the financial year 2013-14. The mean of Prescribed Corporate Social Responsibility amount of companies (M=91.39, SD=116.30) was found to be significantly higher than the mean of Actual Corporate Social Responsibility amount (M=55.21, SD=104.82). The results of the repeated measures t-test were expressed as t (80) = -4.93, p=.00 (one-tailed). The results showed that these companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount.

The corporate social responsibility (CSR) movement began as a response to advocacy for corporations to play a role in ameliorating social problems due to their economic power and overarching presence in daily life. The movement was then transitioning from its reliance on purely voluntary activity to the greater usage of laws. The push for legalization came because voluntary CSR presented problems such as free-riding (companies taking advantage of benefits without actually spending), greenwashing posing as CSR, and false disclosures.

Despite the enactment of Companies Act 2013 which came into force in April 2014, Indian companies spent significantly lower in Corporate Social Responsibility for the FY 2013-14. Although they anticipated a change in their CSR activities, the companies were not armed with structured CSR policies, CSR committees, etc to guide the smooth transition from the zero/few CSR activities to CSR compliance.

A few additional observations can be noted:

As can be seen from Table 4.7, the top 10 CSR ranks for FY 2013-14 with Reliance Industries Ltd. heading the list has spent more than the prescribed amount on CSR besides Coal India Ltd. and Tata Steel Ltd. While the remaining companies inspite of being the top spenders towards CSR have not been able to spend the prescribed CSR amount for FY 2013-14.

Table 4.7

Actual CSR spent (INR Cr) by Top 10 Companies for the FY 2013-14

S.No	Companies	Actual	Prescribed
1	Reliance Industries Ltd.	712	532.34
2	Oil & Natural Gas Corporation Ltd.	420.1	639.86
3	Coal India Ltd.	409.37	229.06
4	Tata Steel Ltd.	212	184.75
5	ICICI Bank Ltd.	164	227.78
6	NMDC Ltd.	152.85	199.93
7	State Bank of India	148.93	369.59
8	Infosys Ltd.	143	249.15
9	NTPC Ltd.	128.35	312.25
10	Wipro Ltd.	128.3	151.55

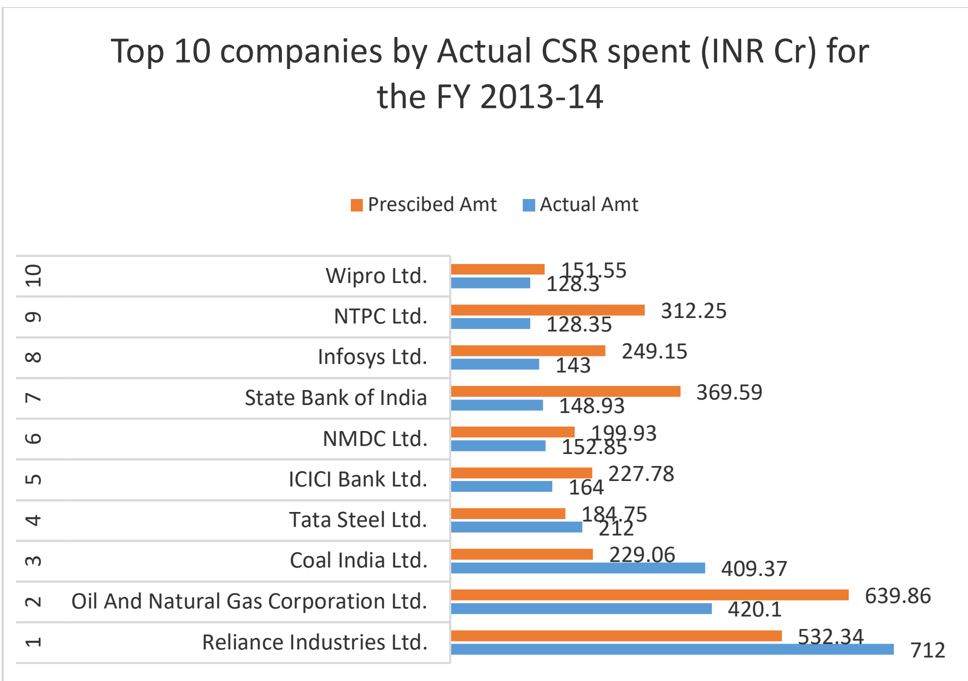

Figure 4.5. Actual CSR spent (INR Cr) by top 10 companies for the FY 2013-14

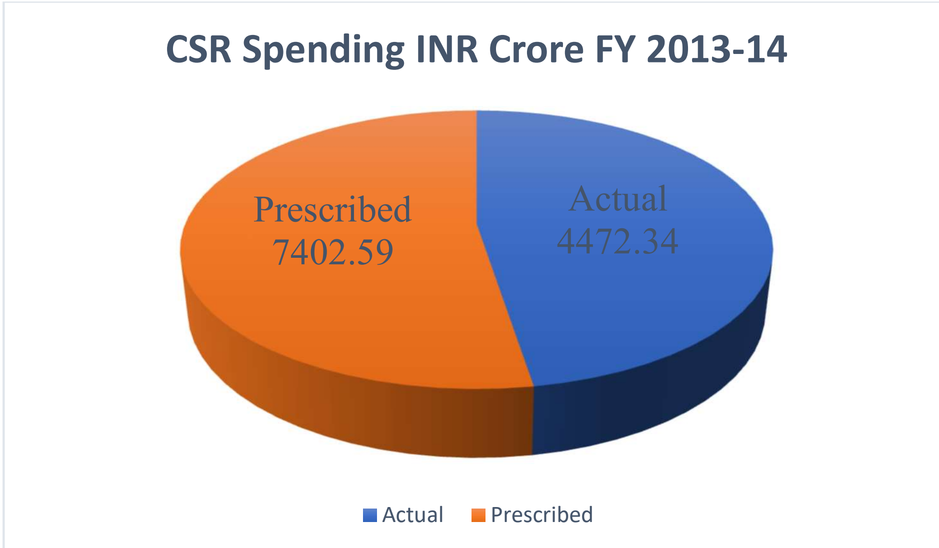

Figure 4.6. CSR spending for FY 2013-14

Table 4.8

Sector-wise Actual and Prescribed CSR spending for FY 2013-14

2013 -14	Public		Private	
	Actual	Prescribed	Actual	Prescribed
Manufacturing	1749.82	2542.13	1567.76	1877.09
Service	396.89	1342.51	757.87	1640.86
Total	2146.71	3884.64	2325.63	3517.95

Highlights of CSR Spend in FY 2013-14

1. The actual CSR spent for FY 2013-14 was Rs. 4472.34 as against the prescribed amount of Rs. 7402.59 Crore.

2. The manufacturing sector spent Rs. 3317.58 crore as against the prescribed amount of Rs. 4419.22 crore.
3. The service sector spent Rs. 1154.76 crore as against the prescribed amount of Rs. 2983.37 crore.
4. The public sector spent Rs. 2146.71 crore as against the prescribed amount of Rs. 3884.64 crore.
5. The private sector spent Rs. 2325.63 crore as against the prescribed amount of Rs. 3517.95 crore.
6. Eleven companies spent more than the 2% prescribed amount on CSR namely Reliance Industries Ltd., Tata Motors Ltd., Tata Steel Ltd., Coal India Ltd., Vedanta Ltd., Petronet LNG Ltd., Jai Prakash Association Ltd., Jindal Steel and Power, Tech Mahindra Ltd., ACC Ltd., MMTC Ltd.
7. Out of the eleven companies, ten companies were from the manufacturing sector and one was from the service sector.
8. Out of the eleven companies, nine companies were from the private sector and two were from the public sector.
9. Twenty-six companies spent more than 1% of the prescribed CSR.
10. Forty-four companies spent less than 1% of the prescribed CSR.
11. 86.42% (70/81) could not meet the CSR compliance.
12. Almost seventy companies preferred health and wellness for the CSR projects.
13. Sixty-five companies preferred education for their CSR projects.

14. Reliance Industries Ltd. and Coal India had spent more than 2% of the prescribed amount.
15. Oil and Natural Gas Corporation had been among the top 10 spenders but has spent less than 2% of the prescribed amount.
16. The public sector companies spent more than the prescribed amount in the manufacturing sector.
17. The private sector companies spent more than the prescribed amount in the service sector.
18. The manufacturing sector companies spent more than the service sector.
19. States like Maharashtra and Gujarat from the Western Zone had significant projects.
20. In the South Zone, Karnataka and Tamil Nadu had highest projects.

Hypothesis 1.3: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2014-15.

The third sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2014-15' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 4.9

Means and Standard Deviations of Prescribed and Actual Corporate Social Responsibility Amount (FY 2014-15)

CSR amount	Mean	Standard deviation
Prescribed	65.95	98.90
Actual	45.13	93.92

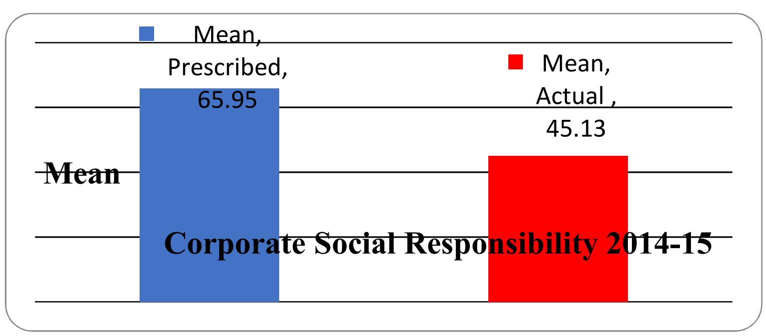

Figure 4.7. Bar graph of the means of Prescribed and Actual Corporate Social Responsibility for the FY 2014-15

Table 4.10

Repeated measures t-test for Prescribed and Actual Corporate Social Responsibility Amount (FY 2014-15)

CSR amount	**n=**119	**df**	**T**	**P**
Prescribed	119	118	-4.80*	.00
Actual	119			

Note. *p<0.05

The third sub-hypothesis that 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2014-15' was confirmed. A repeated measures t-test was conducted to compare the means of Prescribed Corporate Social Responsibility amount and Actual Corporate Social Responsibility of 119 companies for the financial year 2014-15. The mean of Prescribed Corporate Social Responsibility amount of companies (M= 65.95, SD= 98.90) was found to be significantly higher than the mean of Actual Corporate Social Responsibility amount (M= 45.13, SD= 93.92). The results of the repeated measures t-test were expressed as t (118) = -4.80, p=.00 (one-tailed). The results showed that these companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount.

However, not more than half of the 460 firms that filed their annual reports on CSR as of January 31, 2016, failed to spend the prescribed amount for 2014-15, stated the report on India CSR News Network on August 20, 2016. It also added, "while

194 firms spent the prescribed amount or more during the year, data showed that a total of 266 companies did not comply and they accounted for an aggregate unspent amount of Rs. 2,444 crore.” These findings were in line with the results of this research.

The non-expenditure on CSR can be explained by the fact that most of the projects undertaken by the companies were in a transition phase. Some of the projects were of longer duration with the budget spread over several years. Most companies that failed to fulfill cited reasons such as the delay caused due to the first year of execution, appropriate project not found and suitable implementing agency not found.

As it was the first year of enactment, some of the companies had not yet formed CSR committees. Companies were primarily focused on creating the suitable organizational capacity to identify and undertake appropriate CSR programmes/ projects. Also, due to the absence of clarity on corporate social responsiblity issues and the lack of resources to execute CSR activities, the majority failed to meet the minimum 2% criteria of the Companies Act 2013.

Over 530 companies had violated the CSR norm as instances of ‘non-compliance’ as well as ‘non-disclosure’ for the FY 2014-15. These companies were located in different states including Maharashtra, Odisha, Madhya Pradesh and Gujarat. (The Economic Times, January 29, 2017).

A few additional observations can be noted:

As can be seen from Table 4.11, the top 10 CSR ranks for FY 2014-15 with Reliance Industries Ltd. heading the list had also spent more than the prescribed amount on CSR. ITC Ltd. and Tata Steel Ltd. had spent more than 2% of the prescribed CSR. While the remaining companies inspite of being the top spenders towards CSR had not been able to spend the prescribed CSR amount.

Table 4.11

Actual CSR Spent (INR Cr) by Top 10 companies for the FY 2014-15

S.NO	Companies	Actual	Prescribed
1	Reliance Industries Ltd.	760.58	533
2	Oil And Natural Gas Corporation Ltd.	495.23	660.61
3	Infosys Ltd.	239.54	243
4	Tata Consultancy Services Ltd.	219	285
5	ITC Ltd.	214.06	212.92
6	NTPC Ltd.	205.18	283.48
7	NMDC Ltd.	188.65	210.56
8	Tata Steel Ltd.	171.46	168.26
9	ICICI Bank Ltd.	156	172
10	Oil India Ltd.	133.3	98.64

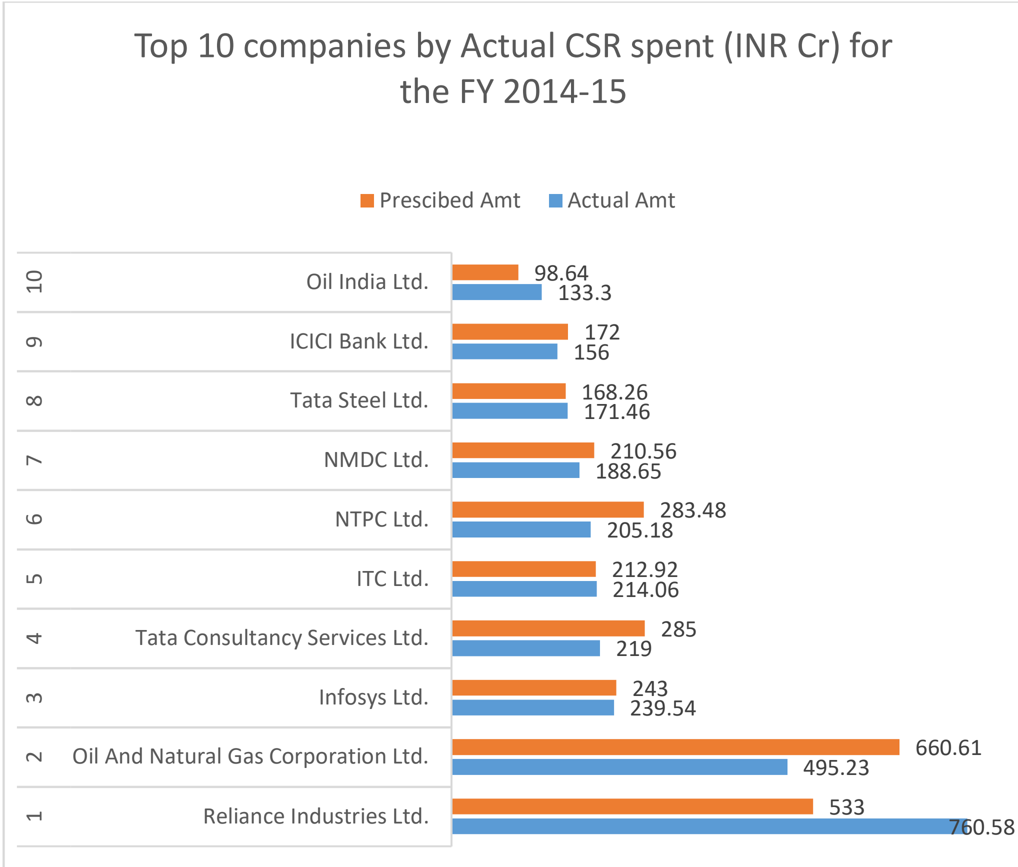

Figure 4.8. Actual CSR spent by top 10 companies for the FY 2014-15

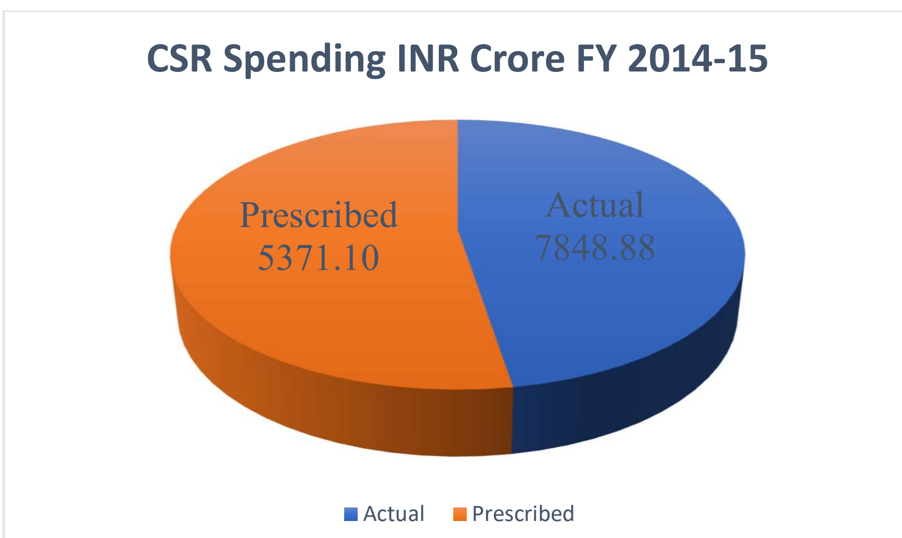

*Figure 4.9.*CSR spending for FY 2014-15

Table 4. 12

Sector-wise Actual and Prescribed CSR spending for FY 2014-15

2014 -15	Public		Private	
	Actual	Prescribed	Actual	Prescribed
Manufacturing	1668.34	2564.73	2159.385	2270.83
Service	381.051	1437.12	1162.334	1576.2
Total	2049.391	4001.85	3321.719	3847.03

Highlights of CSR Spend in FY 2014-15

1. The actual CSR spent for 2014-15 was Rs. 5371.10 crore as against the prescribed amount of Rs. 7848.88 crore.
2. The manufacturing sector spent Rs. 3827.73 crore as against the prescribed amount of Rs. 4835.56 crore.
3. The service sector spent Rs. 1543.39 crore as against the prescribed amount of Rs. 3013.32 crore.
4. The public sector spent Rs. 2049.39 crore as against the prescribed amount of Rs. 4001.85 crore.
5. The private sector spent Rs. 3321.72 crore as against the prescribed amount of Rs. 3847.03 crore.
6. Compared to the previous two years 2012-13, 2013-14, the number of companies spending toward the compliance had increased to twenty-seven

companies in 2014-15. These companies had also spent more than 2% of the prescribed CSR amount.

7. Out of the twenty-seven companies, three belonged to the public sector namely NHPC Ltd, Oil India Ltd, Hindustan Petroleum Corporation Ltd. and twenty-four companies belonged to the private sector.
8. Out of the twenty-seven companies, three companies belonged to the service sector namely Wipro Ltd., Tech Mahindra Ltd., Bombay Burmah Trading Corporation Ltd. and the rest twenty-four companies belonged to the manufacturing sector.
9. The twenty-seven companies were Reliance Industries Ltd., Hindustan Petroleum Corporation Ltd., Tata Steel Ltd., Mahindra and Mahindra Ltd., JSW Steel Ltd., Wipro Ltd., ITC Ltd., Tata Power Companies Ltd., Hindustan Unilever Ltd., Aditya Birla, Nuro Ltd., Tech Mahindra Ltd., Jai Prakash Association Ltd., Jindal Steel and Power Ltd., Ashok Leyland Ltd., UPL Ltd., ACC Ltd., Sundaram Clayton Ltd., Oil India Ltd., CESC Ltd., Ambuja Cement Ltd , TVS Motor Company Ltd , NHPC Ltd , JSW Energy Ltd., Ushdev International Ltd., JBF Industries Ltd., Cadila Health Care Ltd., Bombay Burmah Trading Corporation Ltd.
10. 77.31% (92/119) could not meet the CSR compliance.
11. Forty-three companies spent more than 1% of the prescribed CSR amount.
12. Forty-nine companies spent less than 1% of the prescribed CSR amount.
13. Almost eighty-five companies spent their CSR funds on education; seventy-six companies on health and wellness followed by sixty-one companies

spending on environment; fifty-six companies on vocational training and forty-eight companies on livelihood.

14. States like Maharashtra had the highest project followed by Gujrat in the West Zone.
15. In the South Zone, Karnataka had eighteen companies and Tamil Nadu had twenty-one companies.
16. In the Eastern Zone, Orissa had eleven companies.
17. In the North Zone, Jammu and Kashmir had seven companies and Uttar Pradesh had eight companies.
18. The private sector companies spent more than the prescribed CSR amount in both the manufacturing and service sector.
19. The public sector companies spent more in the manufacturing sector than in the service sector.

Hypothesis 1.4: Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16.

The fourth sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 4.13

Means and Standard Deviations of Prescribed and Actual Corporate Social Responsibility Amount (FY 2015-16)

CSR amount	Mean	Standard deviation
Prescribed	66.50	100.42
Actual	60.02	102.50

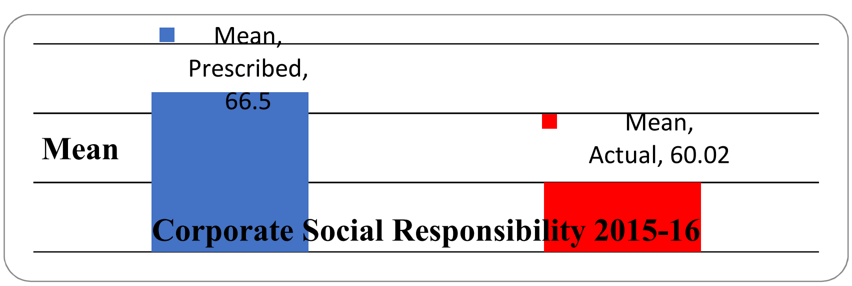

Figure 4.10. Bar graph of the means of Prescribed and Actual Corporate Social Responsibility for the FY 2015-16

Table 4.14

Repeated measures t-test for Prescribed and Actual Corporate Social Responsibility Amount (FY 2015-16)

CSR amount	**n=**101	**df**	**T**	**P**
Prescribed	101	100	-1.72*	.04
Actual	101			

Note. *p<0.05

The fourth sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis showed that the fourth sub-hypothesis that 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16' was confirmed. A repeated measures t-test was conducted to compare the means of Prescribed Corporate Social Responsibility amount and Actual Corporate Social Responsibility of 101 companies for the financial year 2015-16. The mean of Prescribed Corporate Social Responsibility amount of companies (M= 66.50, SD= 100.42) was found to be higher than the mean of Actual Corporate Social Responsibility amount (M= 60.02, SD= 102.50). The results of the repeated measures t-test were expressed as t (100) = -1.72, p=.04 (one-tailed). The results showed that these companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount.

The companies had shifted their focus from anticipating the change and trying to understand its ramifications of implementing the change. As per The Economic Times report dated April 17, 2017, Indian companies reported better CSR compliance in FY16, with companies managing to effectively spend almost 92% of their budgeted CSR expenditure, according to the CII's Annual CSR Tracker survey. The results were based on company reports and disclosures filed with the Bombay Stock Exchange (BSE).

A CSR report (India CSR News Network, September 27, 2016) highlighted the developments in the CSR spending by big 250 companies listed on BSE or NSE.

The report stated that 58% of the companies had met the 2% norm or had spent more than the 2% criterion in FY 2015-16 whereas the percentage stood at 48% in FY 2014-15.

The conversation in corporate circles has moved beyond 'Should CSR be made mandatory?' to 'What should we do and how?' It is not sufficient for companies to support CSR projects by just meeting the 2% norm, but it has to be understood whether CSR is looked at strategically. Many companies' CSR policies were still being formulated. Also, not all companies reported CSR information.

A few additional observations that can be noted:

As seen in table 4.15, the top 10 CSR ranks for FY 2015-16 with Reliance Industries Ltd.. heading the list had also spent more than the prescribed CSR. However, NTPC Ltd., ITC Ltd., Tata Steel Ltd, Infosys Ltd. Power Finance Corporation Ltd. and

GAIL (India) Ltd have also spent more than 2% of the prescribed CSR. While the remaining companies inspite of being the top spenders towards CSR had not been able to spend the prescribed CSR amount.

Table 4.15

Actual CSR spent (INR Cr) by Top 10 Companies for the FY 2015-16

S.NO	Companies	Actual	Prescribed
1	Reliance Industries Ltd.	651.57	557.78
2	NTPC Ltd.	491.80	349.65
3	Oil and Natural Gas Corporation Ltd.	421.00	593.70
4	Tata Consultancy Services Ltd.	294.00	360.00
5	ITC Ltd.	247.50	246.76
6	Tata Steel Ltd.	213.24	150.00
7	Infosys Ltd.	202.30	156.01
8	Power Finance Corporation Ltd.	196.20	145.09
9	ICICI Bank Ltd.	172.00	212.00
10	GAIL (India) Ltd.	160.60	106.90

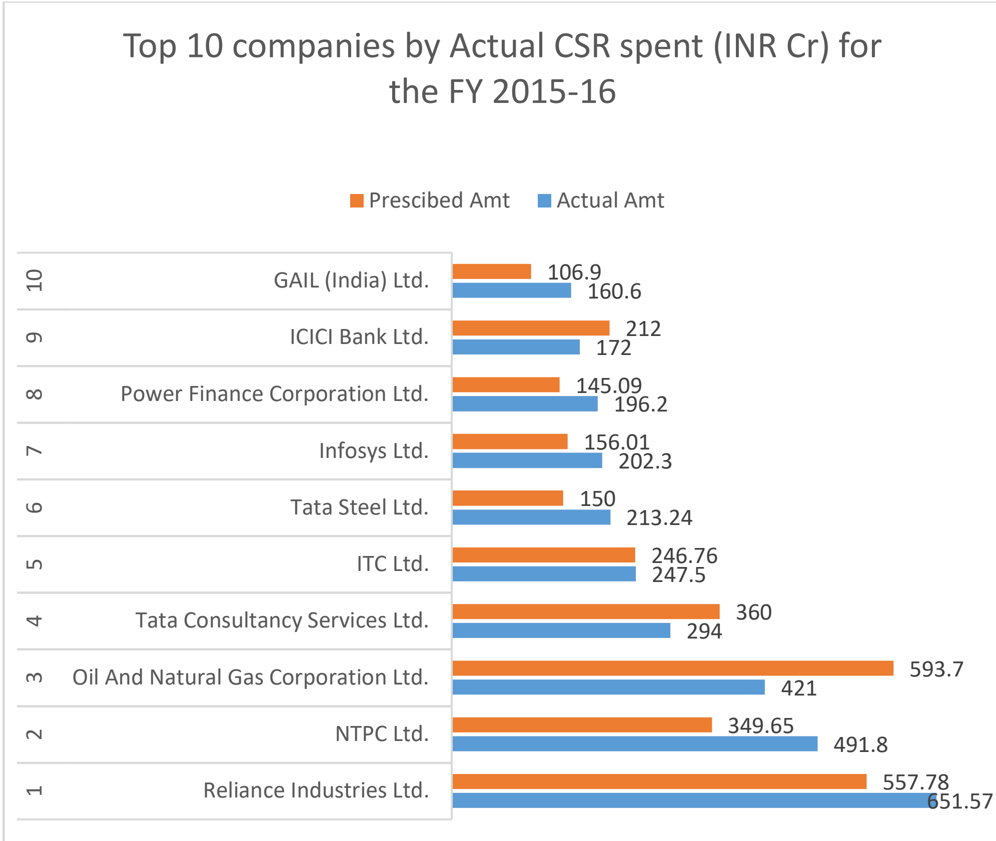

Figure 4.11. Actual CSR spent by top 10 companies for the FY 2015-16

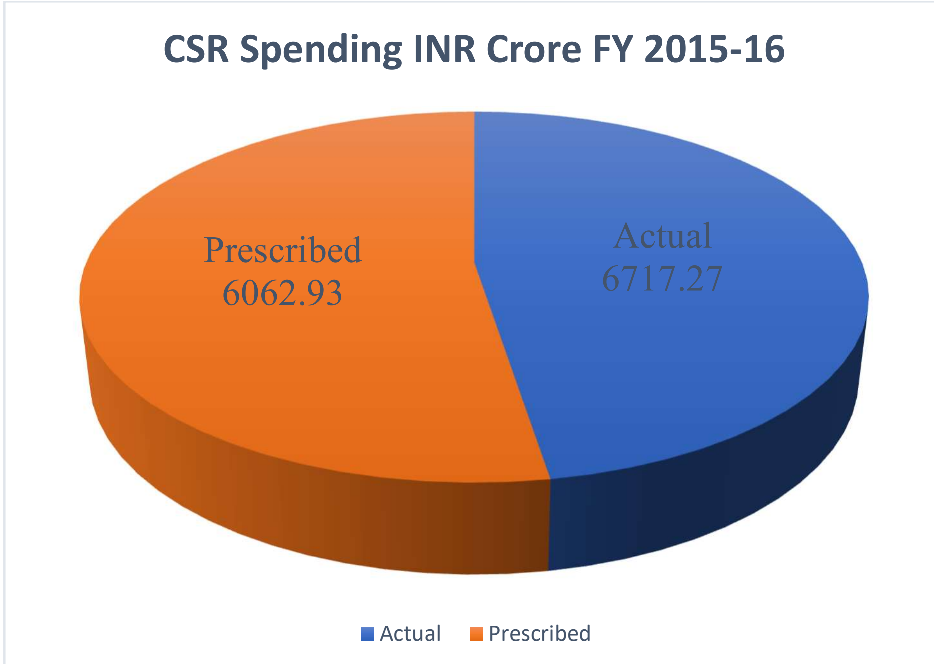

Figure 4.12 . CSR spending for the FY 2015-16

Table 4.16

Sector-wise Actual and Prescribed CSR spending for FY 2015-16

2015 -16	Public		Private	
	Actual	Prescribed	Actual	Prescribed
Manufacturing	1749.75	1913.63	2334.21	2773.07
Service	585.25	614.64	1393.72	1915.93
Total	2335	2528.27	3727.93	4689

<u>Highlights of CSR Spend in FY 2015-16</u>

1. The actual CSR spent for 2015-16 was Rs. 6062.93 crore as against the prescribed amount of Rs. 6717.27 crore.

2. The manufacturing sector spent Rs. 4083.96 crore as against the prescribed amount of Rs. 4186.70 crore.
3. The service sector spent Rs. 1978.98 crore as against the prescribed amount of Rs. 2530.57 crore.
4. The public sector spent Rs. 2335.00 crore as against the prescribed amount of Rs. 2528.27 crore.
5. The private sector spent Rs. 3727.93 crore as against the prescribed amount of Rs. 4189.00 crore.
6. Forty-five companies have complied with 2% prescribed CSR. Out of which thirty-three companies have spent more than 2%, and twelve companies have spent an exact 2% of the prescribed amount.
7. Tata Motor Ltd. had zero prescribed amount. However, the company had spent Rs. 20.6 crore towards CSR activities.
8. Three companies namely Oil India Ltd. had a prescribed CSR of Rs. 89.48 crore, India Bulls Housing Finance Ltd had Rs. 40.25 crore and Rashtriya Chemicals and Fertilizers Ltd had Rs. 8.39 crores. All the companies have not complied with the CSR spending from which two companies belong to the public sector and one to the private sector.
9. Five companies out of thirty-three companies belonged to the public sector and the remaining to the private sector.
10. Three companies out of twelve companies belonged to the public sector and the remaining belonged to the private sector out of forty-five companies.

11. Seven companies belonged to the service sector, and thirty-eight companies belonged to the manufacturing sector.
12. The three public sector companies were State Bank Of India, Coal India Ltd., Rural Electrification Corporation Ltd.
13. The five companies were India Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., NTPC Ltd., Steel Authority of India (SAIL) Ltd, NHPC Ltd.
14. Seven service sector companies were State Bank Of India, Wipro Ltd, Tech Mahindra Ltd, Rural Electrification Corporation Ltd, Bajaj Finserv Ltd, IL & FS Transportation Network Ltd and Adani Ports and Special Economics Zone.
15. In the State and zone- wise CSR spending, West Zone states like Maharashtra, Gujarat and Rajasthan gave the highest preference to CSR.
16. In the South Zone, Karnataka and Tamil Nadu were the preferred states.
17. The Central Zone managed to gain project in FY 2015 – 16.
18. In the South Zone, Karnataka and Tamil Nadu were the preferred states.
19. The North zone and North-east zone states were neglected.
20. The CSR initiatives as per schedule VII were most preferred by sixty-five companies on health and wellness, followed by sixty companies in education, fifty companies spending on environment and fifty companies on vocational training.
21. The private sector companies spent more than the prescribed amount in the manufacturing sector.

22. Similarly in the public sector, manufacturing was better than the service sector.

Several other interesting observations have been noted about state-wise, zone-wise and Schedule VII wise CSR initiatives, the details of which are given below.

Table 4.17

State-wise and Zone-wise CSR initiatives

S .No.	States and Zone-wise	2013-14	2014-15	2015-16
North Zone				
1	Jammu and Kashmir	6	7	5
2	Himachal Pradesh	2	1	3
3	Punjab	2	4	2
4	Uttarakhand	3	2	2
5	Uttar Pradesh	9	8	8
6	Haryana	6	4	7
East Zone				
7	Bihar	2	1	1
8	Orissa	9	11	14
9	Jharkhand	4	5	6
10	West Bengal	7	8	16
West Zone				
11	Rajasthan	6	9	17
12	Gujarat	14	16	19
13	Goa	2	2	2
14	Maharashtra	55	62	70
South Zone				
15	Andhra Pradesh	13	11	9
16	Karnataka	16	18	24
17	Kerala	3	1	4
18	Tamil Nadu	15	21	30
19	Telangana	3	4	6
Central Zone				
20	Madhya Pradesh	6	9	12
21	Chhattisgarh	7	9	15
North-East Zone				
22	Assam	4	1	6
23	Sikkim	0	.001	0.003
24	Nagaland	0	.1	0.005
25	Meghalaya	0.1	0.1	0.1
26	Manipur	0	0	0.1
27	Mizoram	0	0	0.002
28	Tripura	1	0.1	0.001
29	Arunachal Pradesh	1	1	0.7

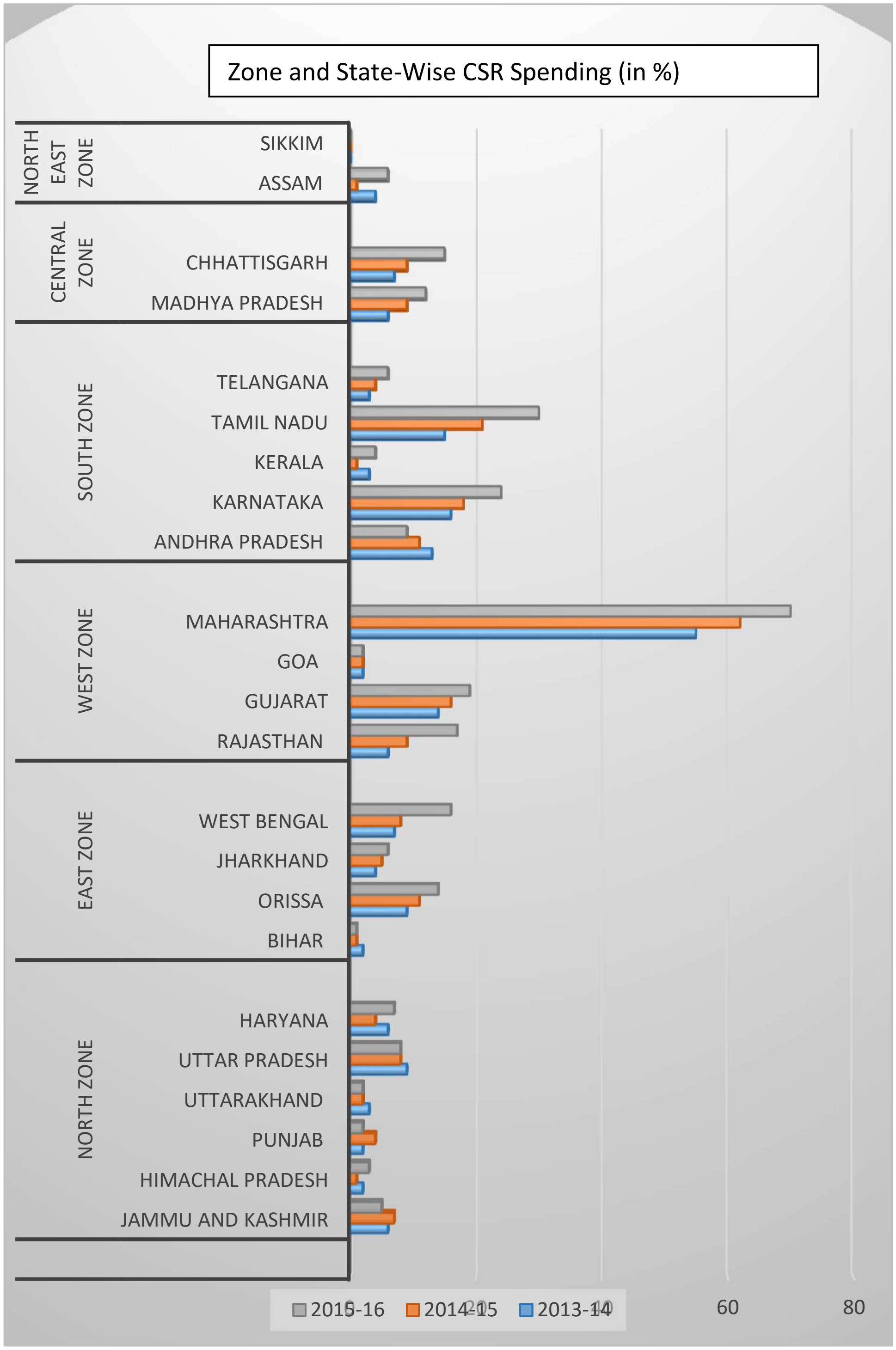

Figure 4.13. Zone and State-wise CSR spending

It can be concluded from the above diagram that many states have been neglected the North-Eastern region particularly. Maharashtra has been given the highest preference, followed by Tamil Nadu and Karnataka.

Table 4.18

Schedule VII wise CSR Initiative of Companies for FY 2012-13, 2013-14, 2014-15 and 2015-16

CSR Initiatives as per Schedule VII	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Armed forces	0	0.1	1	0
capacity building	0	70	30	20
Donations/charity	68	49	38	30
Drinking water	5	40	41	10
Education initiatives	71	65	85	60
Environment	38	62	69	56
Eradicating hunger and poverty	0	25	39	12
Health and wellness	65	70	76	65
Livelihood	44	59	48	20
Others	45	50	12	15
Prime Minister Relief Fund	0	4	2	7
Protect national heritage	0	8	12	10
Rural development	10	59	61	50
Senior citizen	0	25	13	15
Slum development	5	20	3	5
Sports Promotion	6	22	23	30
Support during natural calamities	12	34	39	12
Swachh Bharat	0	30	20	14
Techinical incubation	0	2	3	4
Vocational Training	10	52	56	50
Women empowerment	25	34	40	27

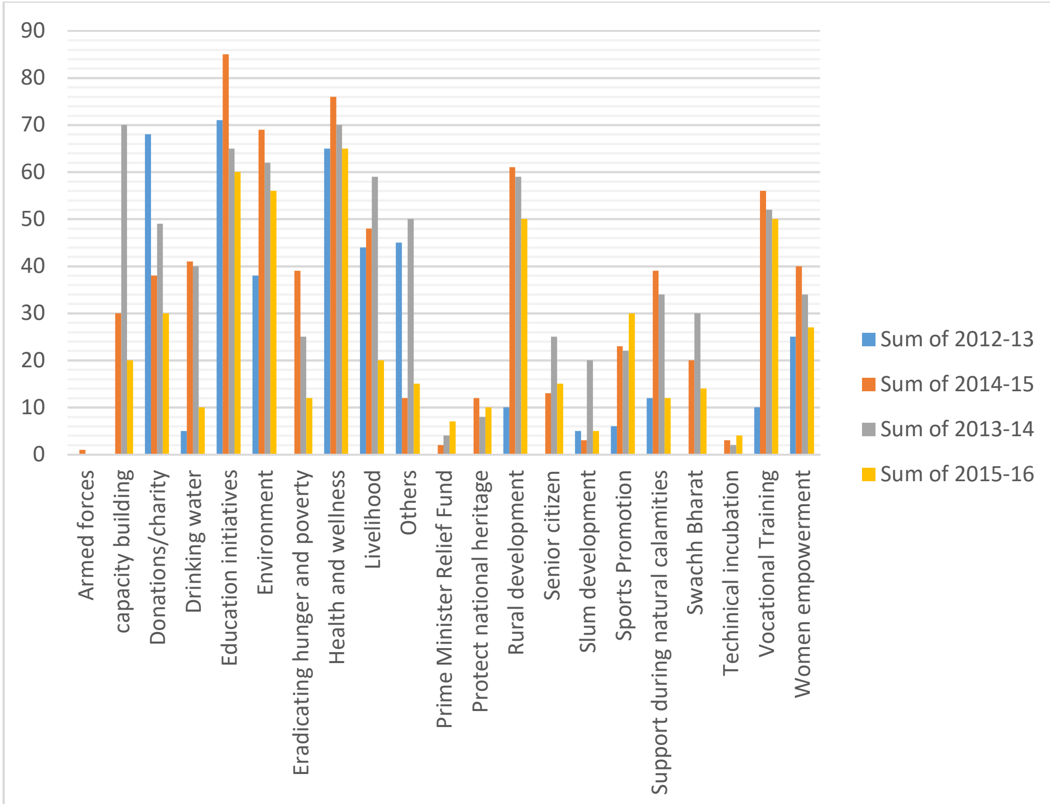

Figure 4.14. Schedule VII wise CSR initiatives for 2012-13, 2013-14, 2014-15 and 2015-16

For the financial years 2012-13 and 2014-15, education was given primary importance while during the financial years 2013-14 and 2015-16 health-related CSR initiatives were undertaken. It will be an enormous task to establish that such initiatives of the companies can be counted towards discharging of CSR activities that fall under Schedule VII of the Act.

4.3 Conclusion

Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13, 2013-14, 2014-15 and 2015-16 although the CSR compliance had improved in the FY 2015-16.

Chapter V

CORPORATE SOCIAL RESPONSIBILITY IN PRIVATE AND PUBLIC SECTORS

5.1 Introduction

The concept of corporate social responsibility when emerged was a utopian one. During the years, this notion has turned from a model activity to a necessary activity. The Government of India today has ventured in many business ventures through its many undertakings in the public sector. These public sector undertakings are controlling many vital resources of the economy (oil, coal, steel, etc). They account for 22% of the country's GDP. It is not just the responsibility of the government to take care of sustainable development, but it is also the responsibilities of the private companies. The latter has the potential to have a tremendous positive effect on sustainable development, with the sort of technical expertise and monetary resources the companies possess.

This research explores if the private sector is spending significantly higher than the public sector for each of these financial years – 2012-13, 2013-14, 2014-15 and 2015-16. Also, since the banking sector is considered the backbone of an economy, this research also tries to analyze the performance of the Indian private and public banks in Corporate Social Responsibility (CSR) spending.

5.2 Results and discussion

Objective 2: To make a comparative analysis of corporate social responsibility among different sectors.

Hypothesis 2: Private sector companies were spending significantly higher than public sector companies.

The main hypothesis has been subdivided into four sub-hypotheses for each of the financial years.

Hypothesis 2.1: Private sector companies were spending significantly higher than public sector companies for the financial year 2012-13.

The first sub-hypothesis 'Private sector companies were spending significantly higher than public sector companies for the financial year 2012-13' was tested by conducting the independent samples t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 5.1

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Sectors for the FY 2012-13

Sector	Mean	Standard deviation
Private	71.17	60.58
Public	41.76	37.50

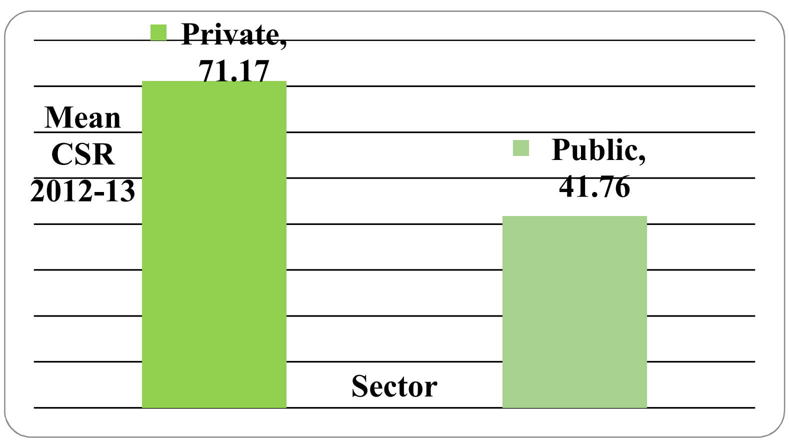

Figure 5.1. Bar graph of the sector-wise means of Corporate Social Responsibility for the FY 2012-13

Table 5.2

Independent samples t-test for Corporate Social Responsibility in Private and Public Sectors for the FY 2012-13

Sector	**n**=96	**Df**	**t**	**P**
Private	58	93.76	-2.93*	.00
Public	38			

Note. * p<0.05

The first sub-hypothesis that 'Private sector companies were spending significantly higher than public sector companies for the financial year 2012-13' was confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the private and public sector for the financial year 2012-13. A total of 96 companies were taken. Private companies totaled to 58 while public sector companies were 38. The mean of Corporate Social Responsibility in private companies (M= 71.17, SD= 60.58) was found to be significantly higher than in public companies (M= 41.76, SD= 37.50). The results of the independent samples t-test were expressed as t (93.76) = -2.93, p= 0.00 (one-tailed). The results showed that these private companies were spending significantly higher on Corporate Social Responsibility than the companies in the public sector.

Although it was not mandatory for the firms to spend on CSR, private firms were found to be spending significantly higher than the public companies. Before the Act, the public sector was asked to make at least .5% to 5% on CSR. Private firms had to prove their existence; so they garnered more attention by making significant spends on CSR and building their image.

In a CSR report, Jayashankar, Paul and Bhat (Forbes India, March 18, 2013) had said that what can't be measured can't be improved. That was the spirit behind the researchers to gather data on how much-listed firms were spending on CSR. This exercise turned out to be the most difficult one. They realized that many among the top 100 firms were not disclosing their CSR nor were they declaring what social causes they were supporting. That was because they were not required to do so by law at that point in time.

One can note the top 10 private and public companies in CSR for FY 2012-13 from the table 5.3. Five companies in the private sector have spent more than the public sector. None of the top CSR spenders in the public sector have complied with the prescribed amount.

Table 5.3

Top 10 Private and Public Companies in CSR for FY 2012-13

S. no.	Private companies	Actual	Prescribed	Public companies	Actual	Prescribed
1	Reliance Industries Ltd.	357.05	377.07	Chennai Petroleum Corporation Ltd.	391	450
2	Tata Chemicals Ltd.	200	135	Hindustan Petroleum Corporation Ltd.	270	350
3	Tata Steel Ltd.	170.59	124.05	Oil and Natural Gas Corporation Ltd.	261.58	405.42
4	GMR Infrastructure Ltd.	120	150	Mangalore Refinery and Petrochemicals Ltd.	240	350
5	ICICI Bank Ltd.	116.55	104.27	State Bank of India	123.27	194.25
6	Infosys Ltd.	100	249	Indian Oil Corporation Ltd.	80.08	144.13
7	Jindal Steel & Power Ltd.	99.14	37.69	NTPC Ltd.	79.53	180.35
8	Jindal Stainless Ltd.	88	89	United Bank of India	76	113
9	ITC Ltd.	82.34	101.41	GAIL (India) Ltd.	64.65	69.03
10	Larsen & Toubro Ltd.	73.16	85.26	Bharat Heavy Electricals Ltd.	63	115.75

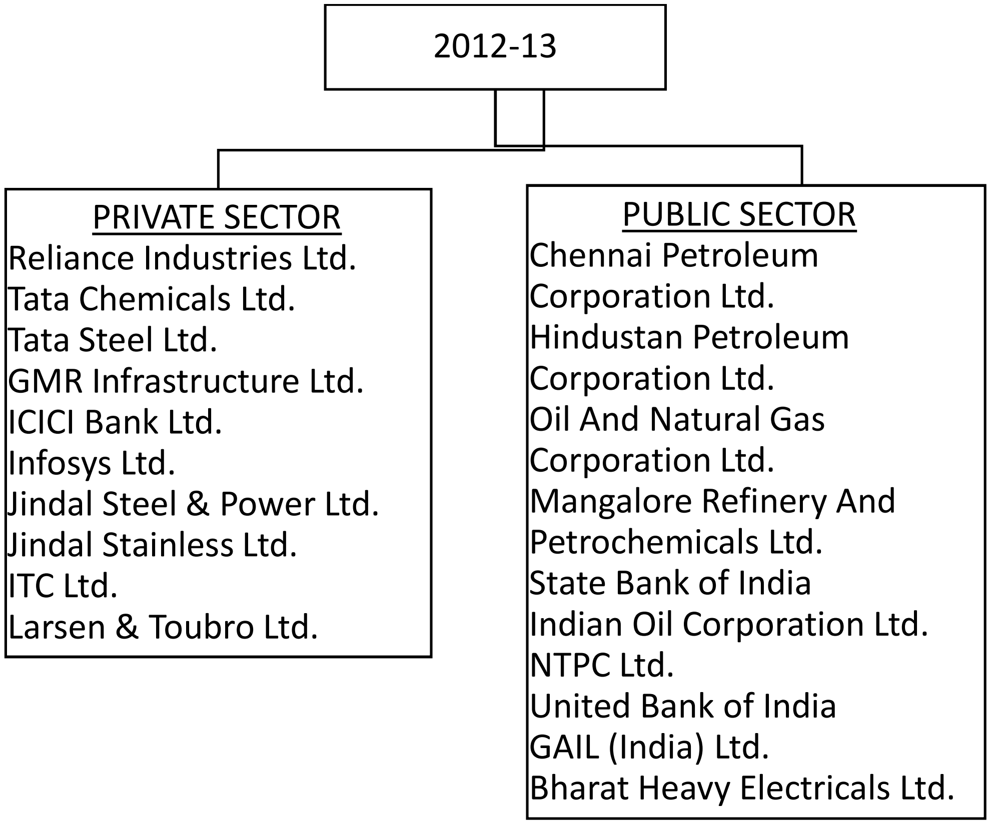

Figure 5.2. Top 10 private and public companies for FY 2012-13

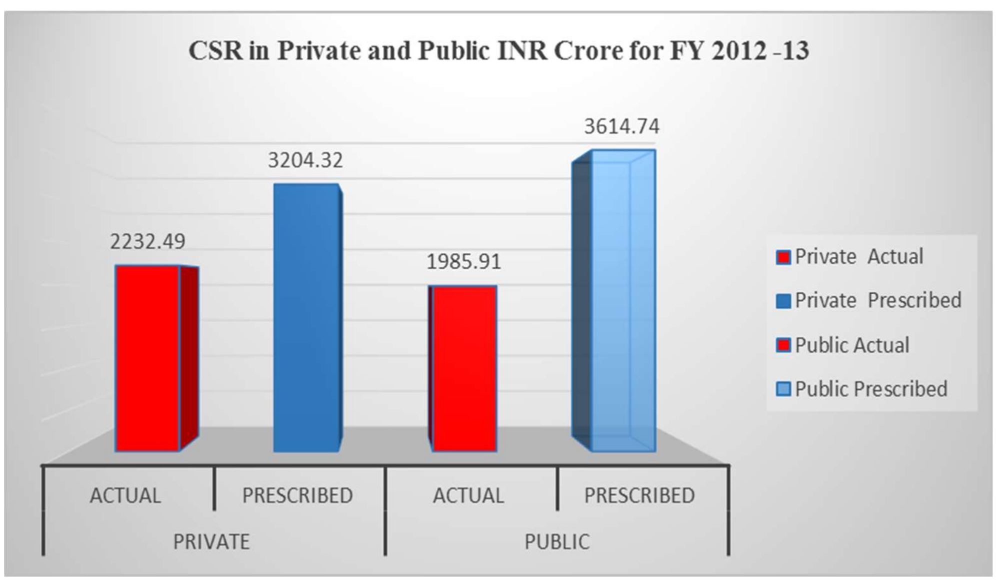

Figure 5.3. CSR in private and public sector for FY 2012-13

Hypothesis 2.1.1: Private banks were spending significantly higher than public banks for the financial year 2012-13.

Table 5.4

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Banks for the FY 2012-13

Sector	Mean	Standard deviation
Private	61.95	30.43
Public	16.64	20.79

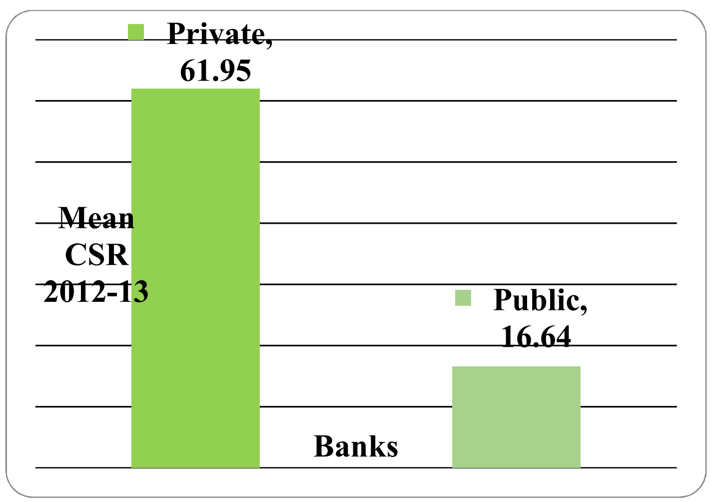

Figure 5.4. Bar graph of the means of Corporate Social Responsibility of private and public banks for the FY 2012-13

Table 5.5

Independent samples t-test for Corporate Social Responsibility in Private and Public Banks for the FY 2012-13

Sector	**n=**22	**df**	**t**	**P**
Private	6	20	4.01*	.00
Public	16			

Note. * p<0.05

The sub-hypothesis that ‘Private banks were spending significantly higher than public banks for the financial year 2012-13’ was confirmed. An independent samples test was conducted to compare the means of Corporate Social Responsibility in private and public banks for the financial year 2012-13. A total of 22 banks were taken. Private banks totaled to 6 while public banks were 16. The mean of Corporate Social Responsibility in private banks (M=61.95, SD= 30.43) was found to be significantly higher than in public banks (M= 16.64, SD= 20.79). The results of the independent samples t-test were expressed as t (20) = 4.01, p= 0.00 (one-tailed). The results showed that these private banks were spending significantly higher on Corporate Social Responsibility than the public banks. It was not mandatory for banks to spend on CSR in 2012-13. Private banks wanted to prove their existence and build goodwill among its customers; this can be observed in their higher CSR spends.

There is not much awareness of CSR in our country. The need for sustainable developmental efforts by financial institutions in India assumes urgency and the banks can play a significant role in this particular issue (RBI, 2008). Sharma (2011) analyzed that CSR practices and reporting in India concerning the banking sector that was showing interest in integrating sustainability in business models, but CSR reporting practices were not satisfactory. The CSR practices started a long time ago, but the implementation and its awareness in India was slow. This credit goes to RBI, in focusing the CSR practices in Indian Banking sector by passing a circular in the year 2007 that mandated banks to undertake CSR initiatives for sustainable development (Singh, Srivastava, and Rastogi, 2013). The banks make a tremendous contribution to the country's GDP growth, meeting the demand of the growing middle class reaching out to the semi-urban and rural areas. The Reserve Bank of India (RBI, 2011) highlighted and suggested the need for CSR and to pay attention towards environmental and social concerns in business for sustainable development. Also RBI suggested starting the Non-Financial Reporting (NFR) for the work done by the banks for the betterment of the community and development.

Hypothesis 2.2: Private sector companies were spending significantly higher than public sector companies for the financial year 2013-14.

The second sub-hypothesis 'Private sector companies were spending significantly higher than public sector companies for the financial year 2013-14' was tested by conducting the independent samples t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 5.6

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Sectors for the FY 2013-14

Sector	Mean	Standard deviation
Private	60.25	40.26
Public	45.85	38.96

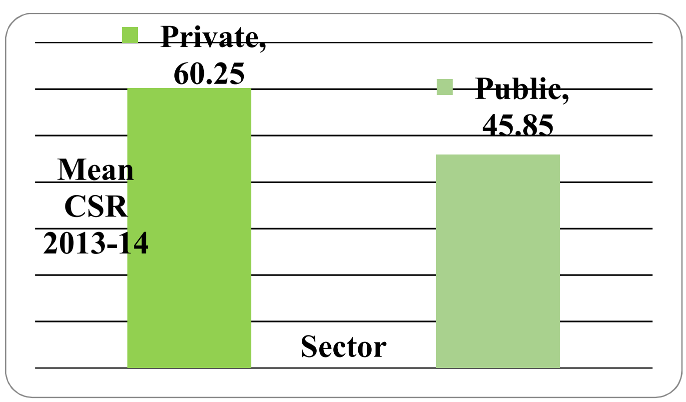

Figure 5.5. Bar graph of the sector-wise means of Corporate Social Responsibility for the FY 2013-14

Table 5.7

Independent samples t-test for Corporate Social Responsibility in Private and Public Sectors for the FY 2013-14

Sector	**n**=81	**df**	**T**	**p**
Private	46	79	1.61	.055
Public	35			

Note. p>0.05

The hypothesis that 'Private sector companies were spending significantly higher than public sector companies for the financial year 2013-14' was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the private and public sector for the financial year 2013-14. A total of 81 companies were taken. Private companies totaled to 46 while public sector companies were 35. The mean of Corporate Social Responsibility in private companies (M= 60.25, SD= 40.26) was found to be higher than that of public companies (M= 45.85, SD= 38.96). The results of the independent samples t-test were expressed as t (79) =1.61, p= .055 (one-tailed). The results showed that the difference in means was not statistically significant.

Since long-term sustainability is a critical factor that will decide the success of CSR programs, a steady and cautionary approach was adopted by the private and public companies so that sufficient platform/expertise was built to carry forward the companies' CSR activities in the future. The companies were in the process of evaluating strategic avenues for CSR expenditure to deliver optimal impact.

One can note the top 10 private and public companies in CSR for FY 2013-14 from the table 5.8. Two companies in the private sector and one company in the public sector have spent more than the prescribed amount.

Table 5.8

Top 10 Private and Public Companies in CSR for FY 2013-14

S. no.	Private companies	Actual	Prescribed	Public companies	Actual	Prescribed
1	Reliance Industries Ltd.	712	532.34	Oil And Natural Gas Corporation Ltd.	420.1	639.86
2	Tata Steel Ltd.	212	184.75	Coal India Ltd.	409.37	229.06
3	ICICI Bank Ltd.	164	227.78	NMDC Ltd.	152.85	199.93
4	Infosys Ltd.	143	249.15	State Bank of India	148.93	369.59
5	Wipro Ltd.	128.3	151.55	NTPC Ltd.	128.35	312.25
6	ITC Ltd.	107	214.93	Bharat Heavy Electricals Ltd.	105.56	165.16
7	Tata Consultancy Services Ltd.	93.58	421.79	Hindustan Zinc Ltd.	93	151.96
8	Larsen & Toubro Ltd.	76.91	129.27	GAIL (India) Ltd.	91	116.37
9	HDFC Bank Ltd.	70.36	200.25	Indian Oil Corporation Ltd.	81.91	167.33
10	Axis Bank Ltd.	62.1	154.6	Oil India Ltd.	60.52	98.63

2013-14

PRIVATE SECTOR

Reliance Industries Ltd.
Tata Steel Ltd.
ICICI Bank Ltd.
Infosys Ltd.
Wipro Ltd.
ITC Ltd.
Tata Consultancy Services Ltd.
Larsen & Toubro Ltd.
HDFC Bank Ltd.
Axis Bank Ltd.

PUBLIC SECTOR

Oil And Natural Gas Corporation Ltd.
Coal India Ltd.
NMDC Ltd.
State Bank of India
NTPC Ltd.
Bharat Heavy Electricals Ltd.
Hindustan Zinc Ltd.
GAIL (India) Ltd.
Indian Oil Corporation Ltd.
Oil India Ltd.

Figure 5.6. Top 10 private and public companies in CSR for FY 2013-14

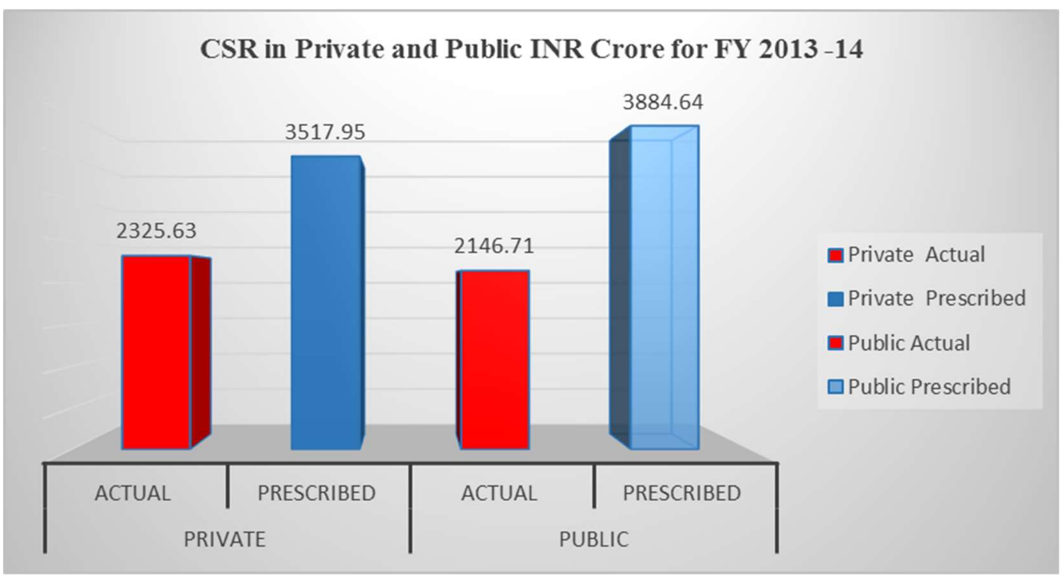

Figure 5.7. CSR in private and public sector for FY 2013-14

Hypothesis 2.2.1: Private banks were spending significantly higher than public banks for the financial year 2013-14.

Table 5.9

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Banks for the FY 2013-14

Banks	Mean	Standard deviation
Private	31.89	20.82
Public	18.19	15.65

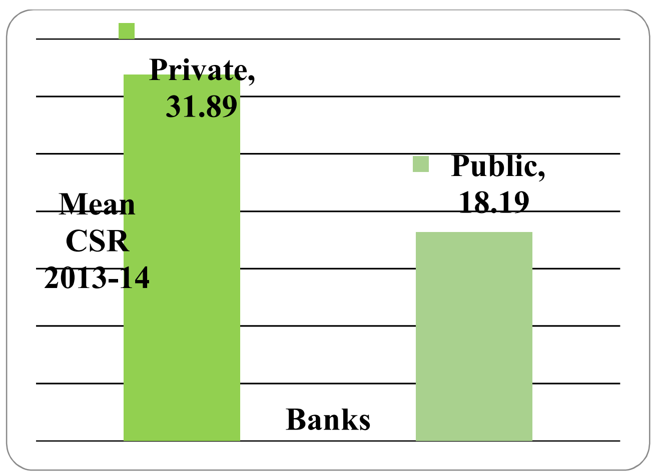

Figure 5.8. Bar graph of the means of Corporate Social Responsibility of private and public banks for the FY 2013-14

Table 5.10

Independent samples t-test for Corporate Social Responsibility in Private and Public Banks for the FY 2013-14

Banks	**n=**21	**df**	**T**	**p**
Private	8	19	1.71	.051
Public	13			

Note. $p>0.05$

The sub-hypothesis 'Private banks were spending significantly higher than public banks for the financial year 2013-14' was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results. The outcome of the analysis showed that the sub-hypothesis that 'Private banks were spending significantly higher than public banks for the financial year 2013-14' was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in private and public banks for the financial year 2013-14. A total of 21 banks were taken. Private banks totaled to 8 while public banks were 13. The mean of Corporate Social Responsibility in private banks ($M=31.89$, $SD= 20.82$) was found to be higher than in public banks ($M= 18.19$, $SD= 15.65$). The results of the independent samples t-test were expressed as $t\ (19) = 1.71$, $p= 0.051$ (one-tailed). The results showed that these private banks were spending higher on Corporate Social Responsibility than the public banks, but the difference in means was not statistically significant.

These findings were contrary to Sharma and Mani's study (2013) that public sector banks were more involved in CSR activities. Singh, Sristava and Rastogi (2013) found that a maximum number of banks whether related to the private sector or public sector were performing CSR activities as per their priority but most of the banks were still not disclosing their amount for CSR initiatives on their websites. Dhingra and Mittal (2014) found that there was an attempt initiated in the banking sector to make sure the socially responsible performance of banks was in a particular manner. Also, the banks were in the process of evaluating areas where they could start CSR projects/programs.

Hypothesis 2.3: Private sector companies were spending significantly higher than public sector companies for the financial year 2014-15.

The third sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2014-15’ was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results. The outcome of the analysis is given in the tables below:

Table 5.11

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Sectors for the FY 2014-15

Sector	Mean	Standard deviation
Private	119.70	295
Public	41.36	33.66

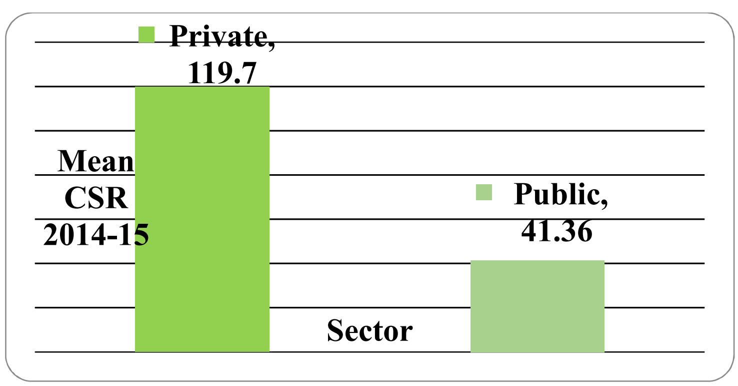

Figure 5.9. Bar graph of the sector-wise means of Corporate Social Responsibility for the FY 2014-15

Table 5.12

Independent samples t-test for Corporate Social Responsibility in Private and Public Sectors for the FY 2014-15

Sector	**n=**119	**df**	**T**	**p**
Private	81	117	1.62	0.053
Public	38			

Note. $p>0.05$

The third sub-hypothesis 'Private sector companies were spending significantly higher than public sector companies for the financial year 2014-15' was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 enabled to get the results. The outcome of the analysis was tabulated and showed that the hypothesis that 'Private sector companies were spending significantly higher than public sector companies for the financial year 2014-15' was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the private and public sector for the financial year 2014-15. A total of 119 companies were taken. Private companies totaled to 81 while public sector companies were 38. The mean of Corporate Social Responsibility in private companies (M= 119.70, SD= 295) was found to be higher than that of public companies (M= 41.36, SD= 33.66). The results of the independent samples t-test were expressed as t (117) = 1.62, p= 0.053

(one-tailed). The results showed that the difference in means was not statistically significant.

The public companies were asked to spend at least 0.5 to 5% on CSR five years before the Companies Act 2013. However, they were still lagging behind if the means are compared. Some of them lacked the prior expertise to execute CSR projects/programs and there was ample delay in project identification. For public sector companies, the customers' perception of their companies did not hold any weightage as much as it did for a private company. This led to a degree of complacency in meeting the 2% criterion.

Private sector spent twice more than the public sector on CSR (Vijith, Narada News, August 1, 2016). For FY 2014-15, 2,351 companies did not spend on CSR at all (Ministry of Corporate Affairs). Ramanathan (2015) reported on Livemint that private sector companies had spent 82% of the prescribed CSR in FY 15 while the public sector firms had spent less – 66.7%. Similarly, Zee Business reported that the public companies (nearly Rs. 2,400 crore) had spent less on CSR as compared to the private companies (nearly Rs. 5,700 crore) in FY 2014-15. Ranjan and Tiwary (2017) in their comparative study of selected private and public sector organizations suggested that the role of government regarding CSR activities should be active.

One can note the top 10 private and public companies in CSR for FY 2014-15 from the table 5.13. Four companies from the private sector have spent more than the prescribed amount and none from the public sector.

Table 5.13

Top 10 Private and Public Companies in CSR for FY 2014-15

S. no.	Private companies	Actual	Prescribed	Public companies	Actual	Prescribed
1	Reliance Industries Ltd.	760.58	533	Oil And Natural Gas Corporation Ltd.	495.23	660.61
2	Infosys Ltd.	239.54	243	NTPC Ltd.	205.18	283.48
3	Tata Consultancy Services Ltd.	219.00	285	NMDC Ltd.	188.65	210.56
4	ITC Ltd.	214.06	212.92	Oil India Ltd.	133.3	98.64
5	Tata Steel Ltd.	171.46	168.26	State Bank of India	115.8	364.1
6	ICICI Bank Ltd.	156.00	172	Indian Oil Corporation Ltd.	113.79	133.4
7	Wipro Ltd.	132.70	128	Bharat Heavy Electricals Ltd.	102.06	164.45
8	Axis Bank Ltd.	123.22	133.22	GAIL (India) Ltd.	71.89	118.67
9	HDFC Bank Ltd.	118.55	197.13	Cairn India Ltd.	70.36	129.8
10	Mahindra & Mahindra Ltd.	83.24	83.03	Hindustan Zinc Ltd.	59.28	152.64

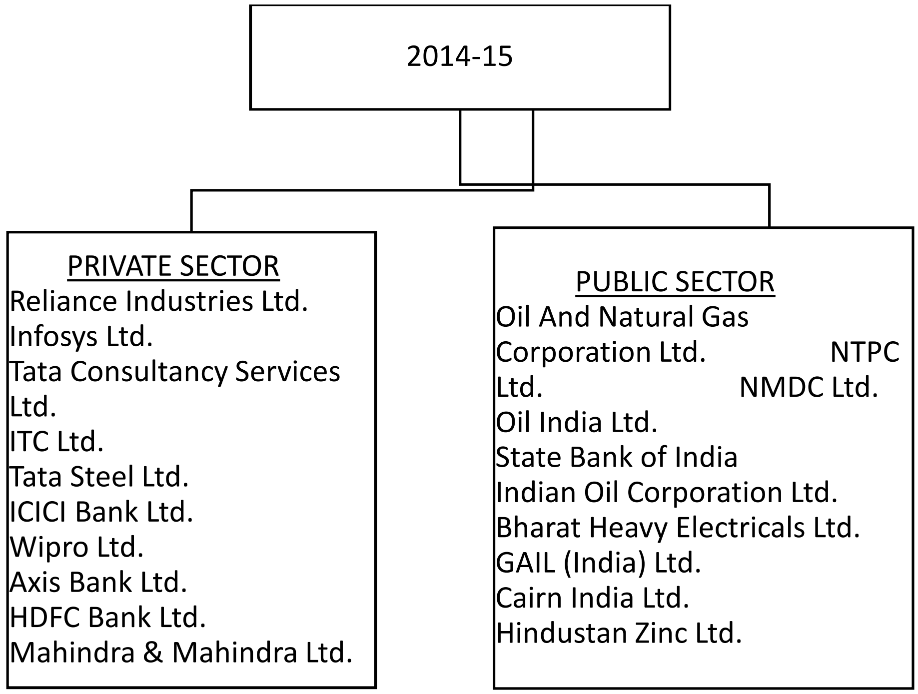

Figure 5.10. Top 10 private and public companies in CSR for FY 2014-15

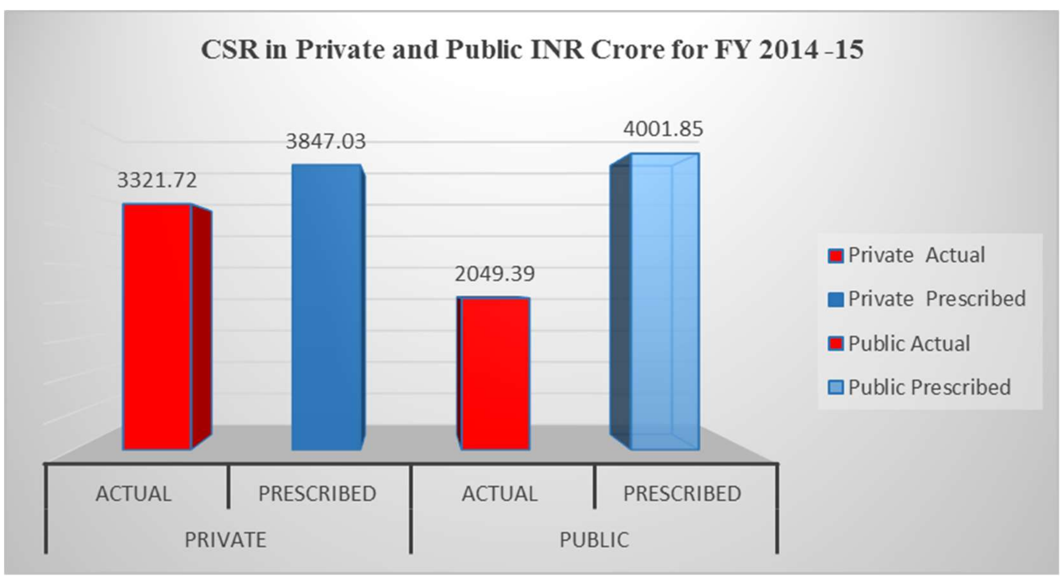

Figure 5.11. CSR in private and public sector for FY 2014-15

Hypothesis 2.3.1: Private banks were spending significantly higher than public banks for the financial year 2014-15.

Table 5.14

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Banks for the FY 2014-15

Banks	Mean	Standard deviation
Private	65.42	26.28
Public	26.54	22.95

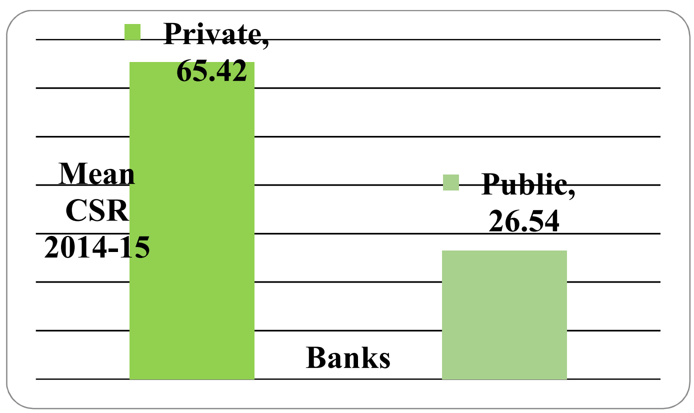

Figure 5.12. Bar graph of the means of Corporate Social Responsibility of private and public banks for the FY 2014-15

Table 5.15

Independent samples t-test for Corporate Social Responsibility in Private and Public Banks for the FY 2014-15

Bank	**n=**20	**df**	**T**	**p**
Private	5	18	3.17*	0.00
Public	15			

Note. *p<0.05

The sub-hypothesis that 'Private banks were spending significantly higher than public banks for the financial year 2013-14' was confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in private and public banks for the financial year 2014-15. A total of 20 banks were taken. Private banks totaled to 5 while public banks were 15. The mean of Corporate Social Responsibility in private banks (M=65.42, SD= 26.28) was found to be significantly higher than in public banks (M= 26.54, SD= 22.95). The results of the independent samples t-test were expressed as t (18) = 3.17, p= 0.00 (one-tailed). The results showed that these private banks were spending significantly higher on Corporate Social Responsibility than the public banks.

These findings were in line with Singh, Srivastava and Rastogi's study (2015) where a more in-depth analysis of 19 banks revealed that the 12 public sector banks were lagging behind with regard to CSR spending as compared to the seven private sector banks.

Saxena's study (2016) which found that public banks were mainly involved in the fields of environmental care, education and health and some were also involved with village adoption, whereas private banks were involved with many more areas like education, housing, healthcare, environment, welfare and community involvement, so the contribution to CSR from private banks was higher. Also, CSR rules were not mandatory for government-owned State Bank of India as it came under the purview of the SBI Act; so the SBI banks would comply voluntarily about being responsible towards the society.

However, Yadav and Singh (2016) found that trend of CSR expenditure in two public and two private banks (State Bank, Punjab National Bank, Axis Bank and ICICI Bank) was increasing.

Hypothesis 2.4: Private sector companies were spending significantly higher than public sector companies for the financial year 2015-16.

The fourth sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2015-16’ was tested by conducting the independent samples t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 5.16

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Sectors for the FY 2015-16

Sector	Mean	Standard deviation
Private	84.27	42.90
Public	85.83	46.87

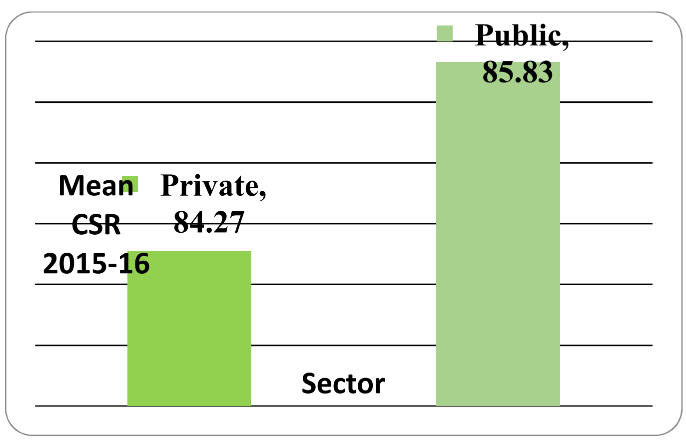

Figure 5.13. Bar graph of the sector-wise means of Corporate Social Responsibility for the FY 2015-16

Table 5.17

Independent samples t-test for Corporate Social Responsibility in Private and Public Sectors for the FY 2015-16

Sector	**n=**101	**df**	**T**	**p**
Private	79	99	-.14	0.44
Public	22			

Note. $p>0.05$

The fourth sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2015-16’ was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results. The outcome of the analysis was tabulated and showed that the hypothesis that ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2015-16’ was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the private and public sector for the financial year 2015-16. A total of 101 companies were taken. Private companies totaled to 79 while public sector companies were 22. The mean of Corporate Social Responsibility in private companies ($M= 84.27$, $SD= 42.90$) was found to be lower than that of public companies ($M= 85.83$, $SD= 46.87$). The results of the independent samples t-test were expressed as $t\ (99) = -.14$, $p= 0.44$ (one-tailed). The results showed that the difference in means was not statistically significant.

These findings were not in consonance with the report wherein 2015-16, a total of 5,097 companies incurred a corporate social responsibility expenditure of Rs. 9,822.30 crore with private sector spending the most (Live Mint, February 3, 2017). Also, no stringent action is taken on companies that do not spend on CSR. Encouraged by this, even private companies wonder that if the public sector is least interested in making CSR spends, why should they? So this research showed that there was no significant difference between the CSR spending of the private and public sector.

One can note the top 10 private and public companies in CSR for FY 2015-16 from the table 5.18. Six companies from the private and public sector have spent the prescribed amount in comparison to the earlier years.

Table 5.18

Top 10 Private and Public Companies in CSR for FY 2015-16

S. no.	Private company	Actual	Prescribed	Public company	Actual	Prescribed
1	Reliance Industries Ltd.	651.57	557.78	NTPC Ltd.	491.80	349.65
2	Tata Consultancy Services Ltd.	294.00	360.00	Oil And Natural Gas Corporation Ltd.	421.00	593.7
3	ITC Ltd.	247.50	246.76	Power Finance Corporation Ltd.	196.20	145.09
4	Tata Steel Ltd.	213.24	150.00	GAIL (India) Ltd.	160.60	106.90
5	Infosys Ltd.	202.30	156.01	Indian Oil Corporation Ltd.	156.68	141.50
6	ICICI Bank Ltd.	172.00	212.00	State Bank of India	143.92	143.92
7	Wipro Ltd.	159.80	156.00	Rural Electrification Corporation Ltd.	128.20	128.00
8	Axis Bank Ltd.	137.41	163.03	Bharat Petroleum Corporation Ltd.	112.6.00	116.00
9	HDFC Bank Ltd.	120.72	127.28	Housing Development Finance Corporation Ltd.	85.70	150.90
10	Larsen & Toubro Ltd.	119.50	101.46	Steel Authority of India (SAIL) Ltd.	76.16	57.20

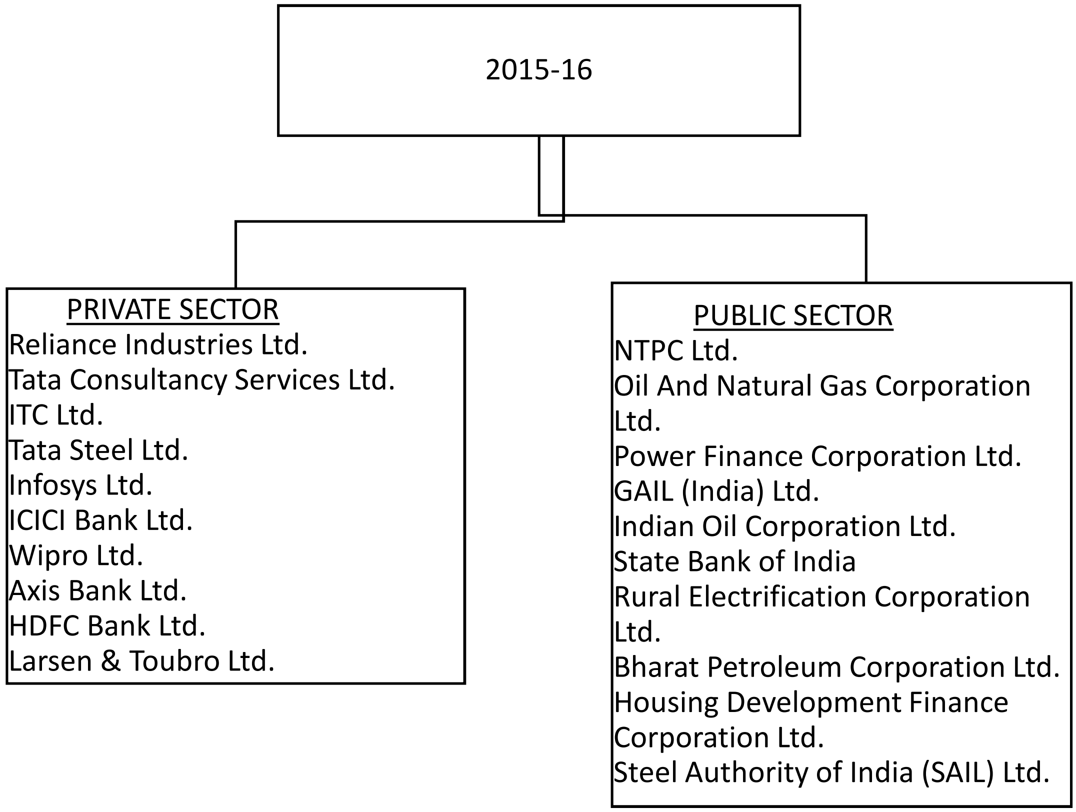

Figure 5.14. Top 10 private and public companies in CSR for FY 2015-16

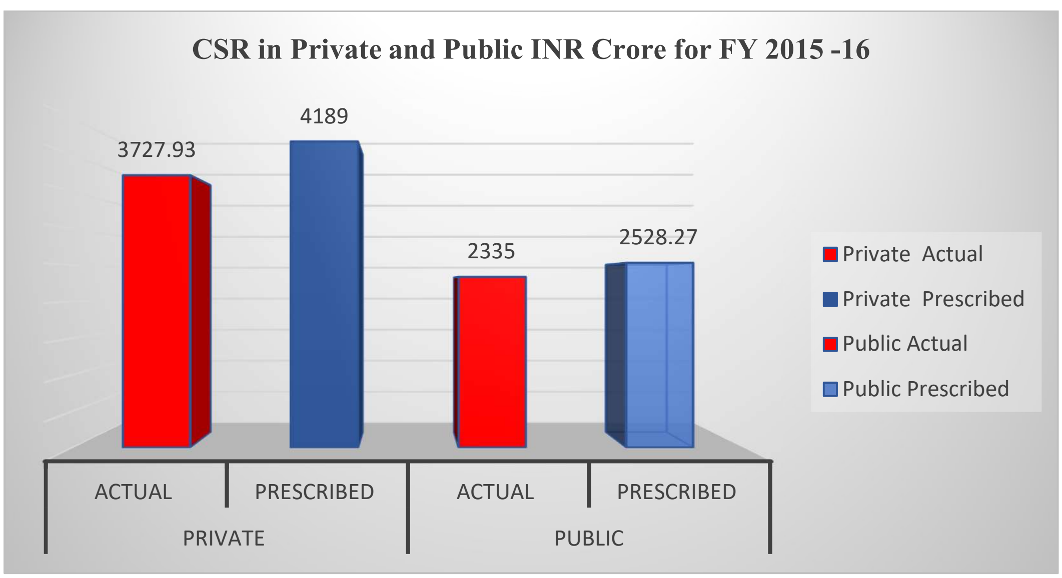

Figure 5.15. CSR in private and public sector for FY 2015-16

2.4.1: Private banks were spending significantly higher than public banks for the financial year 2015-16.

Table 5.19

Means and Standard Deviations of Corporate Social Responsibility in Private and Public Banks for the FY 2015-16

Bank	Mean	Standard deviation
Private	68.22	25.30
Public	95.40	6.49

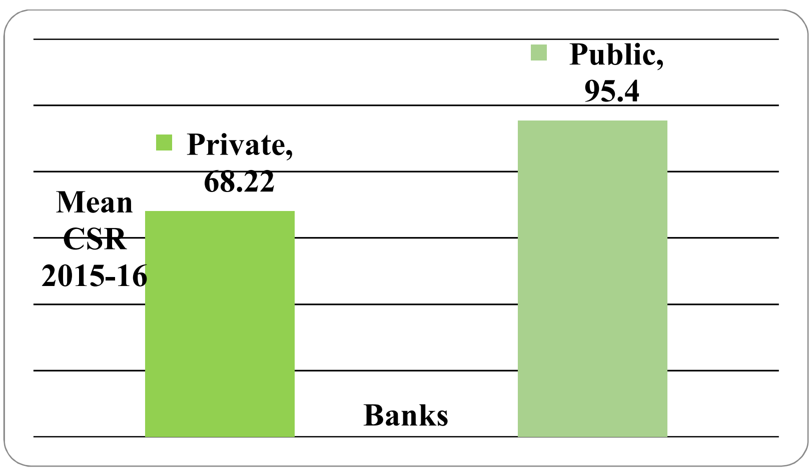

Figure 5.16. Bar graph of the means of Corporate Social Responsibility of private and public banks for the FY 2015-16

Table 5.20

Independent samples t-test for Corporate Social Responsibility in Private and Public Banks for the FY 2015-16

Sector	**n=**8	**df**	**T**	**p**
Private	6	6	-1.43	0.10
Public	2			

Note. p>0.05

The sub-hypothesis that 'Private banks were spending significantly higher than public banks for the financial year 2015-16' was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in private and public banks for the financial year 2015-16. A total of 8 banks were taken. Private banks totaled to 6 while public banks were 2. The mean of Corporate Social Responsibility in private banks (M=68.22, SD= 25.30) was found to be lower than in public banks (M= 95.40, SD= 6.49). The results of the independent samples t-test were expressed as t (6) = -1.43, p= 0.10 (one-tailed). The results showed that these public banks were spending higher on Corporate Social Responsibility than the private banks, but the difference in means was not statistically significant.

As per Indian Banks Association, MCA has advised that in so far as banks not registered as companies and nationalized banks are concerned, provisions relating to CSR do not apply as they are not registered under Companies Act. Nationalised banks (Public Sector Banks-PSBs) are incorporated under the Nationalised Bank Act. Though it is not clear if banks in the public sector also need to spend on CSR activities - Reserve Bank of India laws allows them to make donations of up to 1% of the profit. Most of the PSBs have reported 1% of the profit of the previous year as their prescribed CSR budget. However, in this research study, no significant difference was noted between private and public banks although the private banks work to build goodwill with their stakeholders. These findings agreed with Chopra and Arju's study (2017) which showed no significant difference in CSR of public sector banks and private sector banks.

5.3 Conclusion

Mixed findings have been obtained for different financial years. It is not just the private sector that needs to spend on CSR but also the public sector. Similar is the case with private and public banks. Both the private and public sector organizations need to work hand-in-hand and serve the communities and society at large.

Chapter VI

CORPORATE SOCIAL RESPONSIBILITY ACROSS INDUSTRIAL SUB-SECTORS

6.1 Introduction

Corporate social responsibility is emerging as one of the most vital areas for companies big or small. Indian companies are now expected to shoulder societal and stakeholder responsibilities coupled with maximizing wealth of their shareholders. Nearly all leading corporates in India are involved in CSR programmes in areas like education, health, livelihood creation, skill development, and empowerment of underprivileged sections of the society.

The corporate social responsibility of nine industrial sub-sectors namely automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power and finance has been compared for each of the financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

6.2 Results and discussion

Objective 3: To make a comparative analysis of corporate social responsibility among industrial sub-sectors.

Hypothesis 3: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors.

The third hypothesis was sub-divided into four sub-hypotheses:

Hypothesis 3.1: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2012-13.

A one-way analysis of variance (ANOVA) was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. Table 6.1 indicates the mean and standard deviation of corporate social responsibility concerning industrial sub-sector for the financial year 2012-13.

Table 6.1

Industrial sub-sector-wise Mean and Standard Deviations of Companies in Corporate Social Responsibility for the FY 2012-13

	Corporate social responsibility		
Industrial Sub-sectors	**n** =20	**M**	**SD**
Automobiles	7	44.84	31.29
Banking	22	29.00	30.92
Computer hardware and software	4	26.72	15.78
Refineries, oil and drilling, mining and minerals	11	76.90	35.30
Steel	6	101.38	91.31
Pharmaceuticals	5	56.92	31.23
Construction and infrastructure	4	67.10	35.28
Power	6	70.70	85.40
Finance	5	54.02	47.32

Table 6.2

Summary of One-Way ANOVA on Industrial Sub-Sector-Wise Differences in Corporate Social Responsibility for the FY 2012-13

	Sum of Squares	df	Mean square	F	p
Between groups	38950.53	8	4868.81	2.21*	0.03
Within groups	133920.44	61	2195.41		
Total	172870.98	69			

Note. p<0.05*

Table 6.3

Post-hoc Multiple Comparisons on Means of Corporate Social Responsibility for Different Industrial Sub-Sectors for the FY 2012-13

Corporate Social Responsibility

Industrial sub-sectors (I)	(J)	Mean difference (I-J)	p
Automobiles	Banking	15.84	p>.05
	Computer hardware and software	18.12	p>.05
	Refineries, oil and drilling, mining and minerals	-32.05	p>.05
	Steel	-56.53	p>.05
	Pharmaceuticals	-12.07	p>.05
	Construction and infrastructure	-22.26	p>.05
	Power	-25.85	p>.05
	Finance	-9.17	p>.05
Banking	Computer hardware and software	2.27	p>.05
	Refineries, oil and drilling, mining and minerals	-47.89	p<.05
	Steel	-72.38	p>.05
	Pharmaceuticals	-27.92	p>.05

	Construction and infrastructure	-38.1	p>.05
	Power	-41.7	p>.05
	Finance	-25.02	p>.05
Computer Hardware and Software	Refineries, oil and drilling, mining and minerals	-50.17	p>.05
	Steel	-74.66	p>.05
	Pharmaceuticals	-30.19	p>.05
	Construction and infrastructure	-40.38	p>.05
	Power	-43.98	p>.05
	Finance	-27.30	p>.05
Refineries, Oil and Drilling Mining And Minerals	Steel	-24.48	p>.05
	Pharmaceuticals	19.97	p>.05
	Construction and infrastructure	9.79	p>.05
	Power	6.19	p>.05
	Finance	22.87	p>.05
Steel	Pharmaceuticals	44.46	p>.05
	Construction and infrastructure	34.27	p>.05
	Power	30.68	p>.05
	Finance	47.35	p>.05
Pharmaceuticals	Construction and infrastructure	-10.18	p>.05
	Power	-13.78	p>.05
	Finance	2.89	p>.05
Construction And infrastructure	Power	-3.59	p>.05
	Finance	13.08	p>.05
Power	Finance	16.67	p>.05

Note. p>0.05

A one-way analysis of variance was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. A total of 70 companies across nine industrial sub-sectors were taken. The analysis showed that there was statistically significant difference at the $p<0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles (M=44.84, SD=31.29), banking (M=29, SD=30.92), computer hardware and software (M=26.72, SD=15.78), refineries, oil drilling, mining and minerals (M=76.90, SD=35.30), steel (M=101.38, SD=91.31), pharmaceuticals (M=56.92, SD=31.23), construction and infrastructure (M=67.10, SD=35.28), power (M=70.70, SD=85.40), finance (M=54.02, SD=47.32) : $F_{8,61}=2.21$, $p=0.03$. This showed that corporate social responsibility differed among the nine industrial sub-sectors. Scheffe's post-hoc analysis was done to explore the differences among means of corporate social responsibility and find out which means were significantly different from each other. However, none of the pair-wise comparisons (Scheffe's Post Hoc test) showed significance. The mean difference in corporate social responsibility between automobiles and banking (15.84,p>.05), automobiles and computer hardware and software (18.12, p>.05), automobiles, refineries, oil drilling, mining and minerals (-32.05, p>.05), automobiles and steel (-56.53, p>.05), automobiles and pharmaceuticals (-12.07, p>.05), automobiles, construction and infrastructure (-22.26, p>.05), automobiles and power (-25.85, p>.05), automobiles and finance (-9.17, p>.05), banking and computer hardware and software (2.27, p>.05), banking and refineries, oil drilling, mining and minerals (-47.89, p>.05), banking and steel (-72.38, p>.05), banking and pharmaceuticals (-27.92, p>.05), banking and construction and infrastructure (-38.10, p>.05), banking and power (-41.70, p>.05), banking and finance (-25.02, p>.05), computer hardware and software, and refineries, oil drilling, mining and minerals (-50.17, p>.05), computer hardware and software, and steel (-74.66, p>.05), computer hardware and software, and pharmaceuticals (-30.19, p>0.05), computer hardware and software, and construction and infrastructure (-40.38, $p>.05$), computer hardware and software, and power (-43.98, $p>.05$), computer hardware and software, and finance (-27.30, $p>0.05$), refineries, oil drilling, mining and minerals, and steel (-24.48, $p>.05$), refineries, oil drilling, mining and minerals, and pharmaceuticals (19.97, $p>.05$), refineries, oil drilling, mining and minerals, and construction and infrastructure (9.79, $p>.05$), refineries, oil drilling, mining and minerals, and power (6.19, $p>.05$), refineries, oil drilling, mining and minerals, and finance (22.87, $p>.05$), steel and pharmaceuticals (44.46, $p>.05$), steel and construction and infrastructure (34.27, $p>.05$), steel and power (30.68, $p>.05$), steel and finance (47.35, $p>.05$), pharmaceuticals and construction and infrastructure (-10.18, $p>.05$), pharmaceuticals and power (-13.78, $p>.05$), pharmaceuticals and finance (2.89, $p>.05$), construction and infrastructure and power (-3.59, $p>.05$), construction and infrastructure and finance (13.08, $p>.05$), power and finance (16.67, $p>.05$) did not approach significance. The hypothesis was confirmed.

Before 2012-13, many firms were involved in philanthropic activities with a primary focus on community development and environmental conservation. However, the Securities and Exchange Board of India (SEBI) circular passed in August 2012 mandated the inclusion of business responsibility report annually by all top 100 listed companies. Since then, companies have started CSR programmes and projects.

Rai and Bansal (2014) compared the CSR spends for three years of various companies. They found that there was a rise in CSR expenditure after the Companies Act came into force. Until 2013, many companies have conducted many activities, however the amount spent on each activity was not revealed by the companies.

Hypothesis 3.2: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2013-14.

A one-way analysis of variance (ANOVA) was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. Table 6.4 indicates the mean and standard deviation of corporate social responsibility regarding industrial sub-sector for the financial year 2013-14.

Table 6.4

Industrial Sub-sector-wise Mean and SD of companies in Corporate Social Responsibility for the FY 2013-14

	Corporate Social Responsibility		
Industrial Sub-sectors	**n**=63	**M**	**SD**
Automobiles	5	56.98	57.98
Banking	21	23.41	18.58
Computer hardware and software	5	60.79	32.62
Refineries, oil and drilling, mining and minerals	15	77.75	50.74
Steel	4	74.81	53.39
Pharmaceuticals	2	37.74	0.87
Construction and infrastructure	2	85.58	47.51
Power	4	36.32	18.86
Finance	5	40.8	12.88

Table 6.5

Summary of One-Way ANOVA on Industrial Sub-sector-wise differences in Corporate Social Responsibility for the FY 2013-14.

	Sum of Squares	**df**	**Mean square**	**F**	**p**
Between groups	33697.11	8	4212.13	3.10 *	.00
Within groups	73202.20	54	1355.59		
Total	106899.31	62			

Note. p>0.05

Table 6.6

Post-hoc Multiple Comparisons on Means of Corporate Social Responsibility for Different Industrial Sub-Sectors for the FY 2013-14

Corporate Social Responsibility

Industrial sub-sectors (I)	**(J)**	**Mean difference (I-J)**	**p**
Automobiles	Banking	33.56	p>.05
	Computer hardware and software	-3.81	p>.05
	Refineries, oil and drilling, mining and minerals	-20.77	p>.05
	Steel	-17.83	p>.05
	Pharmaceuticals	19.24	p>.05
	Construction and infrastructure	-28.6	p>.05
	Power	20.65	p>.05
	Finance	16.17	p>.05
Banking	Computer hardware and software	-37.38	p>.05
	Refineries, oil and drilling, mining and minerals	-54.34*	p<.05
	Steel	-51.4	p>.05
	Pharmaceuticals	-14.32	p>.05
	Construction and infrastructure	-62.17	p>.05
	Power	-12.91	p>.05
	Finance	-17.39	p>.05
Computer Hardware and Software	Refineries, oil and drilling, mining and minerals	-16.96	p>.05
	Steel	-14.02	p>.05
	Pharmaceuticals	23.05	p>.05
	Construction and infrastructure	-24.79	p>.05
	Power	24.46	p>.05
	Finance	19.98	p>.05
Refineries, Oil and Drilling Mining And Minerals	Steel	2.94	p>.05
	Pharmaceuticals	40.01	p>.05
	Construction and infrastructure	-7.82	p>.05
	Power	41.43	p>.05
	Finance	36.95	p>.05

Steel	Pharmaceuticals	37.07	p>.05
	Construction and infrastructure	-10.77	p>.05
	Power	38.48	p>.05
	Finance	34	p>.05
Pharmaceuticals	Construction and infrastructure	-47.84	p>.05
	Power	1.41	p>.05
	Finance	-3.06	p>.05
Construction And infrastructure	Power	49.25	p>.05
	Finance	44.77	p>.05
Power	Finance	-4.47	p>.05

Note. *p<0.05

A one-way analysis of variance was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. A total of 63 companies across nine industrial sub-sectors were taken. The analysis showed that there was statistically significant difference at the p<0.05 level in the corporate social responsibility for the nine industrial sub-sectors – automobiles (M=56.98, SD=57.98), banking (M=23.41, SD=18.58), computer hardware and software (M=60.79, SD=32.62), refineries, oil drilling, mining and minerals (M=77.75, SD=50.74), steel (M=74.81, SD=53.39), pharmaceuticals (M=37.74, SD=.87), construction and infrastructure (M=85.58, SD=47.51), power (M=36.32, SD=18.86), finance (M=40.80, SD=12.88) : $F_{8,54}$=3.10, p=0.00. This showed that corporate social responsibility differed among the nine industrial sub-sectors. Scheffe's post-hoc analysis was done to explore the differences among means of corporate social responsibility and find out which means were significantly different from each other. Only the mean difference between banking and refineries, oil and drilling, mining and minerals approached significance (-54.34, $p<.05$). The mean difference in corporate social responsibility between automobiles and banking (33.56, $p>.05$), automobiles and computer hardware and software (-3.81, $p>.05$), automobiles, refineries, oil drilling, mining and minerals (-20.77, $p>.05$), automobiles and steel (-17.83, $p>.05$), automobiles and pharmaceuticals (19.24, $p>.05$), automobiles, construction and infrastructure (-28.60, $p>.05$), automobiles and power (20.65, $p>.05$), automobiles and finance (16.17, $p>.05$), banking and computer hardware and software (-37.38, $p>.05$), banking and steel (-51.40, $p>.05$), banking and pharmaceuticals (-14.32, $p>.05$), banking and construction and infrastructure (-62.17, $p>.05$), banking and power (-12.91, $p>.05$), banking and finance (-17.39, $p>.05$), computer hardware and software, and refineries, oil drilling, mining and minerals (-16.96, $p>.05$), computer hardware and software, and steel (-14.02, $p>.05$), computer hardware and software, and pharmaceuticals (23.05, $p>0.05$), computer hardware and software, and construction and infrastructure (-24.79, $p>.05$), computer hardware and software and power (24.46, $p>.05$), computer hardware and software, and finance (19.98, $p>0.05$), refineries, oil drilling, mining and minerals, and steel (2.94, $p>.05$), refineries, oil drilling, mining and minerals, and pharmaceuticals (40.01, $p>.05$), refineries, oil drilling, mining and minerals, and construction and infrastructure (-7.82, $p>.05$), refineries, oil drilling, mining and minerals, and power (41.43, $p>.05$), refineries, oil drilling, mining and minerals, and finance (36.95, $p>.05$), steel and pharmaceuticals (37.07, $p>.05$), steel and construction and infrastructure (-10.77, $p>.05$), steel and power (38.48, $p>.05$), steel and finance (34, $p>.05$), pharmaceuticals and construction and infrastructure (-47.84, $p>.05$), pharmaceuticals and power (1.41, $p>.05$), pharmaceuticals and finance (-3.06, $p>.05$), construction and infrastructure and power (49.25, $p>.05$), construction and infrastructure and finance (44.77, $p>.05$), power and finance (-4.47, $p>.05$) did not approach significance. The hypothesis was confirmed.

The significant mean differences in corporate social responsibility were observed only between banking sub-sector and refineries, oil and drilling, mining and minerals sub-sector. Although the effectiveness of CSR in various sectors such as oil, gas and mining has been questioned (Frynas, 2005), the CSR programs nevertheless tend to focus on community initiatives as their impact on economic, social and environmental terms is felt greatest at the local level (Jenkins and Obara, 2011). Walker and Howard (2002) outlined the reasons as to why CSR and other voluntary activities were integral to the mining sector. Public opinion of the sector as a whole was poor. Opinion of natural resource extraction industries was influenced more by concerns over environmental and social performance than by performance in areas such as product pricing, quality and safety. Pressure groups have targeted the sector at local and international levels, testing the industry's authenticity. Maintaining a 'license to operate' is a constant challenge. Mining companies, therefore, needed to focus on three dimensions namely economic, environmental and social.

In 2013, the corporates were already anticipating change about the CSR initiatives with the passage of the New Companies Act which was implemented in April 2014. The refineries, oil and drilling, mining and minerals were more dependent on primary resources and had maximum negative impact on the environment, economy and society; hence this sub-sector was more concerned with CSR activities as compared to the banking sub-sector which had already gained goodwill of the general public by upgrading the economy of the country not only by lending money or increasing the liquidity in the country but also by undertaking CSR initiatives for sustainable development. However, Singh, Srivastava and Rastogi (2013) found that most of the banks were still not disclosing their amount for CSR initiatives on their websites.

Hypothesis 3.3: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2014-15.

A one-way analysis of variance (ANOVA) was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. Table 6.7 indicates the mean and standard deviation of corporate social responsibility concerning industrial sub-sector for the financial year 2014-15.

Table 6.7

Industrial Sub-sector-wise Mean and SD of Companies in Corporate Social Responsibility for the FY 2014-15.

	Corporate Social Responsibility		
Industrial Sub-sectors	**n**=86	**M**	**SD**
Automobiles	10	264.13	677.79
Banking	20	36.26	28.84
Computer hardware and software	8	78.27	48.57
Refineries, oil and drilling, mining and minerals	15	66.17	38.75
Steel	7	75.49	30.86
Pharmaceuticals	6	55.5	29.77
Construction and infrastructure	4	86.89	12.39
Power	10	76.74	45.52
Finance	6	38.17	33.6

Table 6.8

Summary of One-Way ANOVA on Industrial Sub-sector-wise Differences in Corporate Social Responsibility for the FY 2014-15

	Sum of Squares	**df**	**Mean square**	**F**	**p**
Between groups	393616.98	8	49202.12	.89	0.52
Within groups	4222920.20	77	54843.12		
Total	4616537.19	85			

Note. $p>0.05$

A one-way analysis of variance was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. A total of 86 companies across nine industrial sub-sectors were taken. The analysis showed that there was no statistically significant difference at the $p>0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles (M=264.13, SD=677.79), banking (M=36.26, SD=28.84), computer hardware and software (M=78.27, SD=48.57), refineries, oil drilling, mining and minerals (M=66.17, SD=38.75), steel (M=75.49, SD=30.86), pharmaceuticals (M=55.50, SD=29.77), construction and infrastructure (M=86.89, SD=12.39), power (M=76.74, SD=45.52), finance (M=38.17, SD=33.60) : $F_{8,77}=.89$, $p=0.52$. This showed that corporate social responsibility did not differ among the nine industrial sub-sectors. The hypothesis was not confirmed.

Although the New Companies Act 2013 came into force, the various industrial sub-sectors did not undertake CSR initiatives as per the Act. At the time India's policy-makers said the law would release much-needed funds for social development, while critics warned of a tick-box mentality and efforts at evasion. Also, there were no stringent legal measures adopted for those who defaulted against the law. With the Government of India showing a lackadaisical attitude towards violators of the mandatory Act, the industries avoided spending for social causes.

Hypothesis 3.4: There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2015-16.

A one-way analysis of variance (ANOVA) was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. Table 6.9 indicates the mean and standard deviation of corporate social responsibility concerning industrial sub-sector for the financial year 2015-16.

Table 6.9

Industrial Sub-sector-wise Mean and SD Of Companies in Corporate Social Responsibility for the FY 2015-16.

	Corporate Social Responsibility		
Industrial Sub-sectors	**n=64**	**M**	**SD**
Automobiles	10	69.18	42.62
Banking	8	75.02	24.93
Computer hardware and software	6	78.98	35.59
Refineries, oil and drilling, mining and minerals	10	86.74	44.54
Steel	4	121.21	19.67
Pharmaceuticals	5	72	26.88
Construction and infrastructure	3	82.93	16.67
Power	9	125.16	79.01
Finance	9	70.71	38.56

Table 6.10

Summary of One-Way ANOVA on Industrial Sub-sector-wise Differences in Corporate Social Responsibility for the FY 2015-16

	Sum of Squares	**df**	**Mean square**	**F**	**p**
Between groups	25967.02	8	3245.87	1.60	.14
Within groups	111352.80	55	2024.59		
Total	137319.82	63			

Note. $p>0.05$

A one-way analysis of variance was conducted to explore the mean industrial sub-sector-wise differences in corporate social responsibility. A total of 64 companies across nine industrial sub-sectors were taken. The analysis showed that there was no statistically significant difference at the $p>0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles (M=69.18, SD=42.62), banking (M=75.02, SD=24.93), computer hardware and software (M=78.98, SD=35.59), refineries, oil drilling, mining and minerals (M=86.74, SD=44.54), steel (M=121.21, SD=19.67), pharmaceuticals (M=72, SD=26.88), construction and infrastructure (M=82.93, SD=16.67), power (M=125.16, SD=79.01), finance (M=70.71, SD=38.56) : $F_{8,55}=1.60$, $p=0.14$. This showed that corporate social responsibility did not differ among the nine industrial sub-sectors. The hypothesis was not confirmed.

Two years after the law passed, more corporate money was getting to charities, but critics pointed to low ambitions and evasion. "Charitable giving used to be a big reputation builder for us," said a sustainability director in one of the firms, "now it is just about legal compliance." In some cases, he observed, companies which were giving more than 2% have scaled back their charitable spend (The Guardian, April 5, 2016). One of the many challenges for the corporate sector was finding credible partners and sound projects that they could support. There was also a geographic bias under the 2% law, with companies funding projects closer to where they were based. Politics can skew priorities too, with some companies looking to gain goodwill by backing government-led projects rather than independent initiatives (KPMG's report, 2015).

6.3 Conclusion

To conclude, significant differences in corporate social responsibility among different industrial sub-sectors were noted for the financial years 2012-13 and 2013-14; however, no significant differences in corporate social responsibility among different industrial sub-sectors were seen for the financial years 2014-15 and 2015-16.

Chapter VII

CORPORATE SOCIAL RESPONSIBILITY IN MANUFACTURING AND SERVICE SECTORS

7.1 Introduction

The manufacturing, as well as service sectors, can together serve as India's lead growth sectors. Thus manufacturing and services can be considered as complementary rather than competing for policy priority. India's manufacturing sector includes all foods, chemicals, textiles, machines, and equipment. India is expected to become the fifth largest manufacturing country in the world by the end of the year 2020. India's service sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, business services, insurance, real estate, community, social and personal services, , and services associated with construction. The service sector is not only the dominant sector in India's GDP but has also been the key driver in its economic growth. It has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. Both the sectors operate in the same economic environments and under similar government regulations. The corporate social responsibility of the manufacturing and service sector has been compared for each of the financial years – 2012-13, 2013-14, 2014-15 and 2015-16 to find out which sector has higher corporate social responsibility spends.

7.2 Results and discussion

Objective 4: To make a comparative analysis of corporate social responsibility among manufacturing and service sectors.

Hypothesis 4: Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies.

The fourth main hypothesis was sub-divided into four sub-hypotheses:

4.1 **Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2012-13.**

The first sub-hypothesis ‘Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2012-13’ was tested by conducting the independent samples t-test. The results of the Statistical Package for Social Sciences (SPSS) version 20 were as follows:

Table 7.1

Means and Standard Deviations of Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2012-13

Sector	Mean	Standard deviation
Manufacturing	73.00	52.87
Service	37.08	49.90

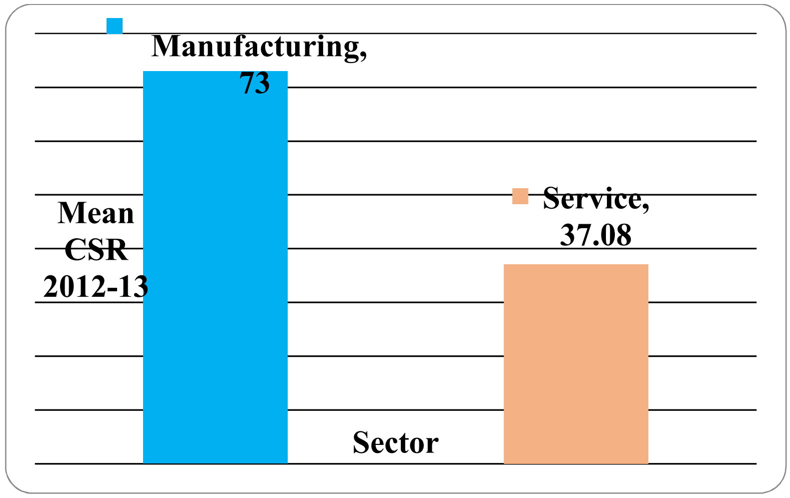

Figure 7.1. Bar graphs of the means of the manufacturing and service sector for Corporate Social Responsibility for FY 2012-13

Table 7.2

Independent samples t-test for Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2012-13

Sector	**n=96**	**Df**	**T**	**P**
Manufacturing	60	94	3.29*	0.00
Service	36			

Note. * $p<0.05$

The outcome of the analysis showed that the first sub-hypothesis that 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2012-13' was confirmed. An independent samples t-test was conducted to compare the means of Corporate Social

Responsibility in the manufacturing and service sector for the financial year 2012-13. A total of 96 companies were taken. Manufacturing companies totaled to 60 while service sector companies were 36. The mean of Corporate Social Responsibility in manufacturing companies (M= 73, SD=52.87) was found to be significantly higher than in service companies (M= 37.08, SD= 49.90). The results of the independent samples t-test were expressed as t (94) = 3.29, p= 0.00 (one-tailed). The results showed that these manufacturing companies were spending significantly higher on Corporate Social Responsibility than the companies in the service sector.

The results can be explained by the fact that the manufacturing companies were long-standing and well-established in the trade market. Hence their CSR activities have shown an increase as compared to the service sector. In the studies published by King and Lenox (2002), and Klassen and Whybark (1999), it was stated that the manufacturing companies contributed more towards environment-related factors in order to reduce the negative impact that was faced through the activities of the company, thus they could increase the profitability, financial gain, and competitiveness, and also the consequence in betterment to the society.

One can note the top 10 manufacturing and service companies in CSR for FY 2012-13 from the table 7.3. Two companies from the service and three companies of the top spenders have spent more than the prescribed amount.

Table 7.3

Top 10 Manufacturing and Service Companies in CSR for FY 2012-13

S no.	Manufacturing companies	Actual	Prescribed	Service companies	Actual	Prescribed
1	Chennai Petroleum Corporation Ltd.	391.00	450.00	State Bank of India	123.27	194.25
2	Reliance Industries Ltd.	357.05	377.07	ICICI Bank Ltd.	116.55	104.27
3	Hindustan Petroleum Corporation Ltd.	270.00	35.000	Infosys Ltd.	100.00	249.00
4	Oil & Natural Gas Corporation Ltd.	261.58	405.42	United Bank of India	76.00	113.00
5	Mangalore Refinery And Petrochemicals Ltd.	240.00	350.00	Tata Consultancy Services Ltd.	65.21	161.09
6	Tata Chemicals Ltd.	200.00	135.00	Axis Bank Ltd.	42.42	67.63
7	Tata Steel Ltd.	170.59	124.05	HDFC Bank Ltd.	39.01	80.27
8	GMR Infrastructure Ltd.	120.00	150.00	IDFC Ltd.	31.21	25.65
9	Jindal Steel & Power Ltd.	99.14	37.69	Bharti Airtel Ltd.	29.56	152.48
10	Jindal Stainless Ltd.	88.00	89.00	Power Finance Corporation Ltd.	22.10	57.88

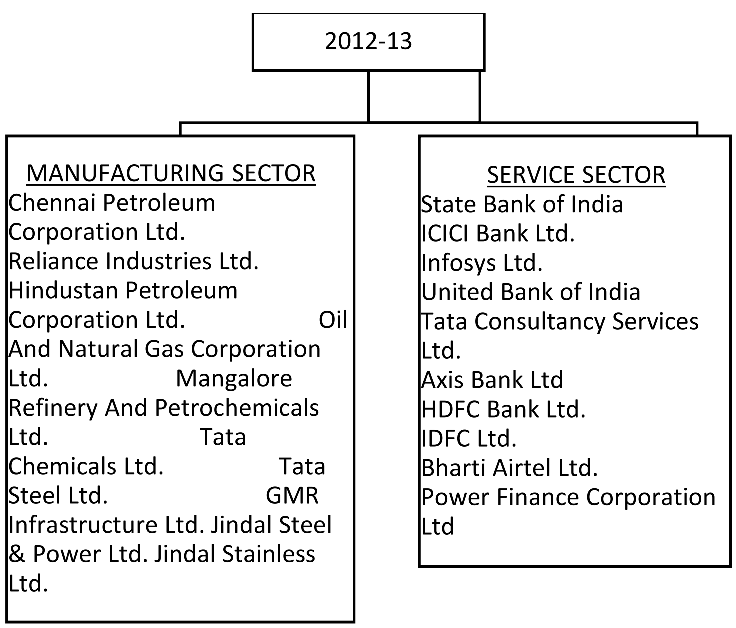

Figure 7.2. Top 10 manufacturing and service companies in CSR for FY 2012-13

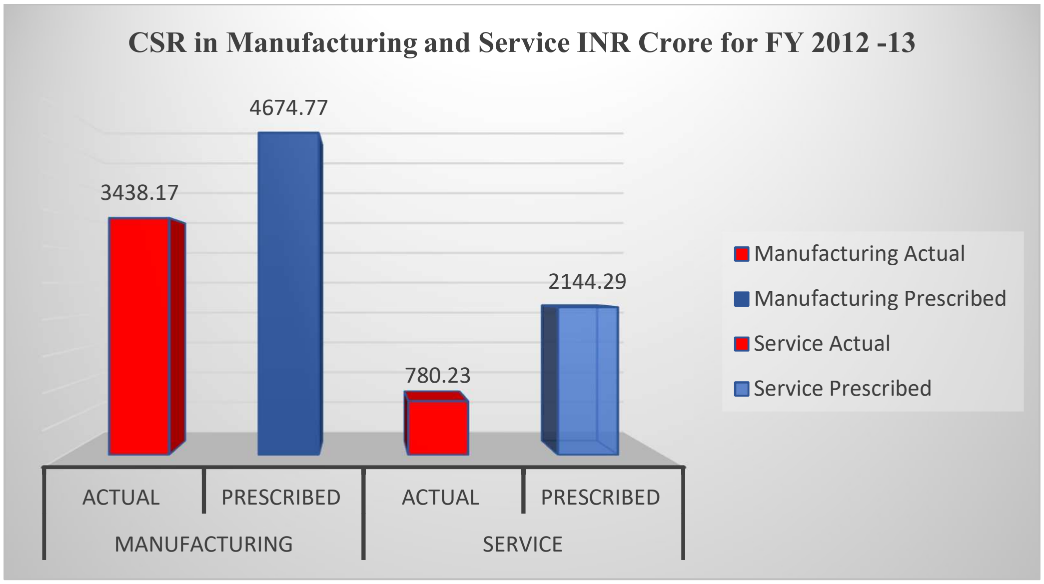

Figure 7.3. CSR in manufacturing and service sector for FY 2012-13

4.2 **Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2013-14.**

The second sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2013-14' was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results.

Table 7.4

Means and Standard Deviations of Corporate Social Responsibility in Manufacturing and Service Sectors for the FY 2013-14

Sector	Mean	Standard deviation
Manufacturing	69.73	42.99
Service	33.40	23.79

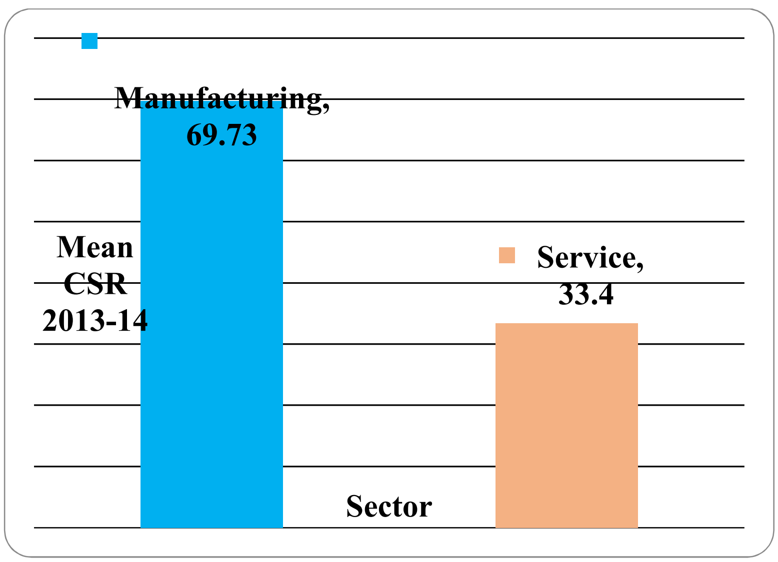

Figure 7.4. Bar graphs of the means of the manufacturing and service sector for Corporate Social Responsibility for FY 2013-14

Table 7.5

Independent samples t-test for Corporate Social Responsibility in Manufacturing and Service Sectors for the FY 2013-14

Sector	n=81	Df	T	p
Manufacturing	46	72.89	4.83*	0.00
Service	35			

Note. *p<0.05

The outcome of the analysis showed that the second sub-hypothesis stating that 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2013-14' was confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the manufacturing and service sector for the financial year 2013-14. A total of 81 companies were taken. Manufacturing companies totaled to 46 while service companies were 35. The mean of Corporate Social Responsibility of manufacturing companies (M= 69.73, SD=42.99) was found to be significantly higher than of service companies (M= 33.40, SD= 23.79). The results of the independent samples t-test were expressed as t (72.89) = 4.83, p= 0.00 (one-tailed). The results showed that these manufacturing companies were spending significantly higher on Corporate Social Responsibility than the companies in the service sector.

The findings of this research were in consonance with Majumdar, Rana and Sanan's study (2015) which found significant differences between spending patterns of manufacturing, and service companies in CSR for the year 2014. The sample consisted of 143 companies from the manufacturing sector and 71 from the service sector out of 214 total companies. For absolute spends, they found that manufacturing spent more and was relatively more widely dispersed. Service sector spent relatively much lower amounts. They also analyzed spends as a percentage of profit where the same trend got replicated - with manufacturing being more widely dispersed than either services or consumer goods.

The new thrust towards 'Make in India' shifts the focus from services to manufacturing. It includes both Indian as well as foreign companies catering to both domestic as well as international demand. This has a number of implications:

a. Manufacturing companies require larger investments and are more likely to fall in the mandatory CSR bracket.

b. The CSR lifecycle for manufacturing typically starts with local community-driven innovations. This is likely to see a surge as 'Make in India' picks up steam.

c. International markets demand greater focus on social interventions. This is manifested in no child labour, humane working conditions, environmental safeguards, etc. This will force companies to spend more on CSR in India.

The top 10 manufacturing and service companies in CSR for FY 2013-14 can be seen from the table 7.6. Only three companies from the manufacturing sector have spent more than 2%.

Table 7.6

Top 10 Manufacturing and Service Companies in CSR for FY 2013-14

S no.	Manufacturing companies	Actual	Prescribed	Service companies	Actual	Prescribed
1	Reliance Industries Ltd.	712.00	532.34	ICICI Bank Ltd.	164.00	227.78
2	Oil And Natural Gas Corporation Ltd.	420.10	639.86	State Bank of India	148.93	369.59
3	Coal India Ltd.	409.37	229.06	Infosys Ltd.	143.00	249.15
4	Tata Steel Ltd.	212.00	184.75	Wipro Ltd.	128.30	151.55
5	NMDC Ltd.	152.85	199.93	Tata Consultancy Services Ltd.	93.58	421.79
6	NTPC Ltd.	128.35	312.25	HDFC Bank Ltd.	70.36	200.25
7	ITC Ltd.	107.00	214.93	Axis Bank Ltd.	62.10	154.60
8	Bharat Heavy Electricals Ltd.	105.56	165.16	Housing Development Finance Corporation Ltd.	54.85	131.20
9	Hindustan Zinc Ltd.	93.00	151.96	Power Finance Corporation Ltd.	44.00	117.46
10	GAIL (India) Ltd.	91.00	116.37	Canara Bank	41.97	72.12

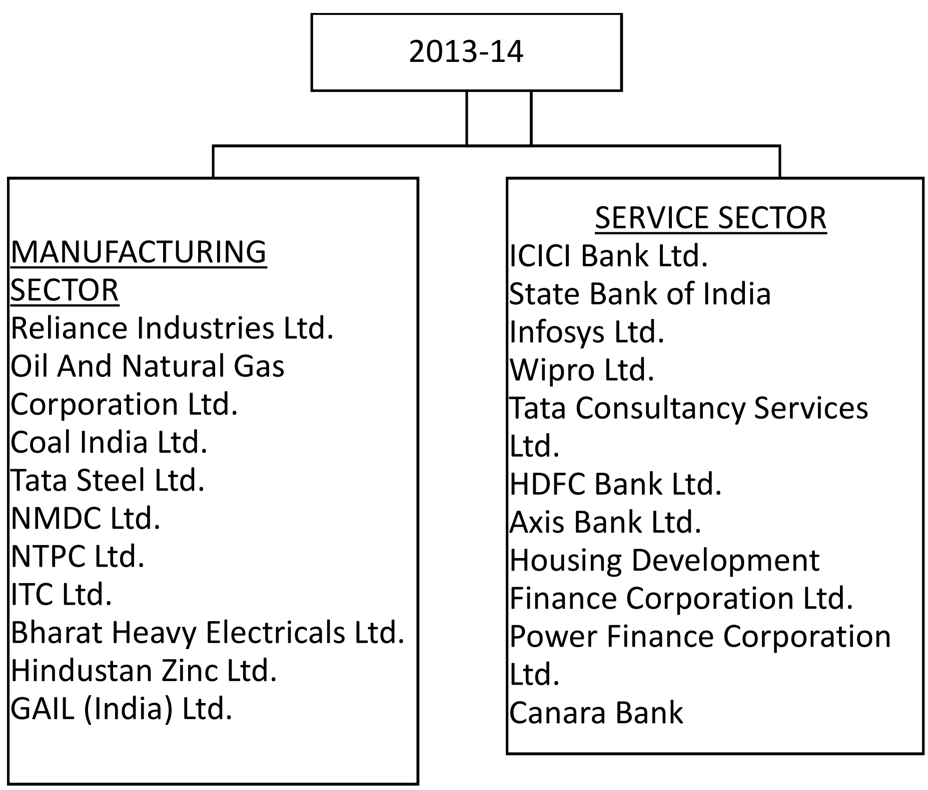

Figure 7.5. Top 10 manufacturing and service companies for FY 2013-14

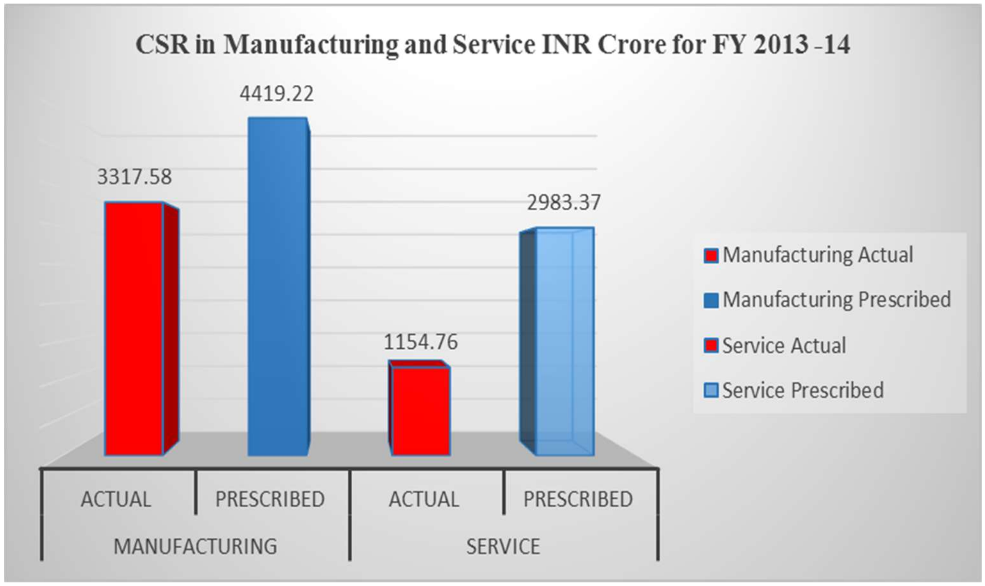

Figure 7.6. CSR in manufacturing and service sector for FY 2013-14

4.3 **Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2014-15.**

The third sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2014-15' was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results.

Table 7.7

Means and Standard Deviations of Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2014-15

Sector	**Mean**	**Standard deviation**
Manufacturing	113.82	293.16
Service	52.28	53.89

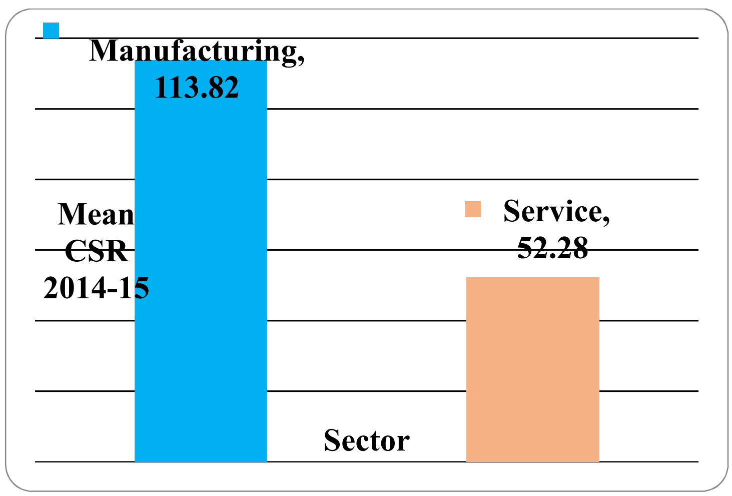

Figure 7.7. Bar graphs of the means of the manufacturing and service sector for Corporate Social Responsibility for FY 2014-15

Table 7.8

Independent samples t-test for Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2014-15

Sector	**n=119**	**df**	**T**	**p**
Manufacturing	82	117	1.26	0.10
Service	37			

Note. p>0.05

The outcome of the analysis showed that the third sub-hypothesis stating that 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2014-15' was not confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the manufacturing and service sector for the financial year 2014-15. A total of 119 companies were taken. Manufacturing companies totaled to 82 while service companies were 37. The mean of Corporate Social Responsibility in manufacturing companies (M= 113.82, SD=293.16) was found to be higher than that of service companies (M= 52.28, SD= 53.89). The results of the independent samples t-test were expressed as t (117) = 1.26, p= 0.10 (one-tailed). The results showed that these manufacturing companies were spending higher on Corporate Social Responsibility than the companies in the service sector, but the difference in means was not statistically significant.

Both the sectors function under similar economic conditions and Indian government norms. Thus no significant difference in CSR spending was noted between the manufacturing and service sector through the mean of CSR in manufacturing companies was higher than the mean of CSR in service companies. Also with Companies Act coming into force, the firms were trying to find projects for CSR, and there was a delay period of planning, policy formulation, and implementation. However, Majumdar, Rana and Sanan (2015) found that there were substantial differences between the spending of the manufacturing and services companies in 2014. Witek-Hajduk and Zaborek ‘s study (2015) found that CSR could be a universal phenomenon in that it appears similarly in Polish manufacturing and service companies of different industries and sizes.

One can note the top 10 manufacturing and service companies in CSR for FY 2014-15 from the table 7.9. Five companies from the manufacturing sector and two from the service sector have spent more than the top spender.

Table 7.9

Top 10 Manufacturing and Service Companies in CSR for FY 2014-15

S no.	Manufacturing companies	Actual	Prescribed	Service companies	Actual	Prescribed
1	Reliance Industries Ltd.	760.58	533.00	Infosys Ltd.	239.54	243.00
2	Oil And Natural Gas Corporation Ltd.	495.23	660.61	Tata Consultancy Services Ltd.	219.00	285.00
3	ITC Ltd.	214.06	212.92	ICICI Bank Ltd.	156.00	172.00
4	NTPC Ltd.	205.18	283.48	Wipro Ltd.	132.70	128.00
5	NMDC Ltd.	188.65	210.56	Axis Bank Ltd.	123.22	133.22
6	Tata Steel Ltd.	171.46	168.26	HDFC Bank Ltd.	118.55	197.13
7	Oil India Ltd.	133.30	98.64	State Bank of India	115.80	364.10
8	Indian Oil Corporation Ltd.	113.79	133.40	Tech Mahindra Ltd.	53.21	30.88
9	Bharat Heavy Electricals Ltd.	102.06	164.45	Power Finance Corporation Ltd.	51.68	117.49
10	Mahindra & Mahindra Ltd.	83.24	83.03	Rural Electrification Corporation Ltd.	46.04	103.25

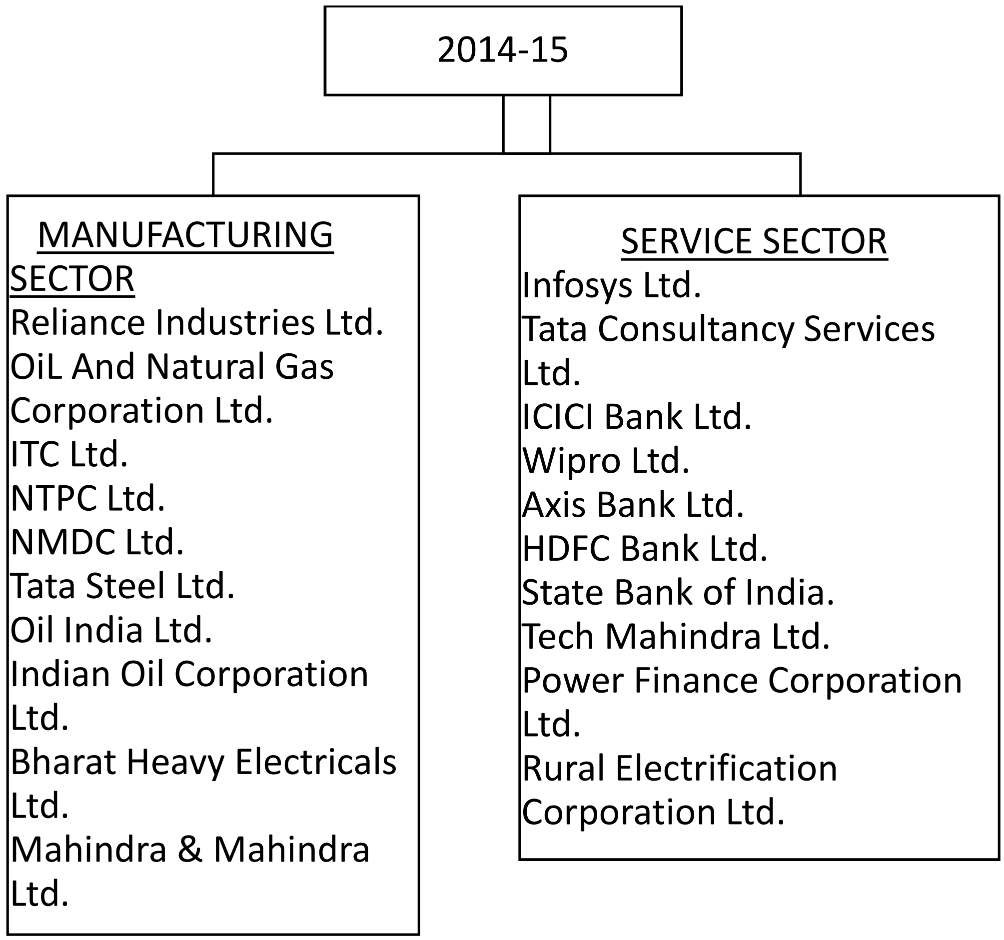

Figure 7.8. Top 10 manufacturing and service companies in CSR for FY 2014-15

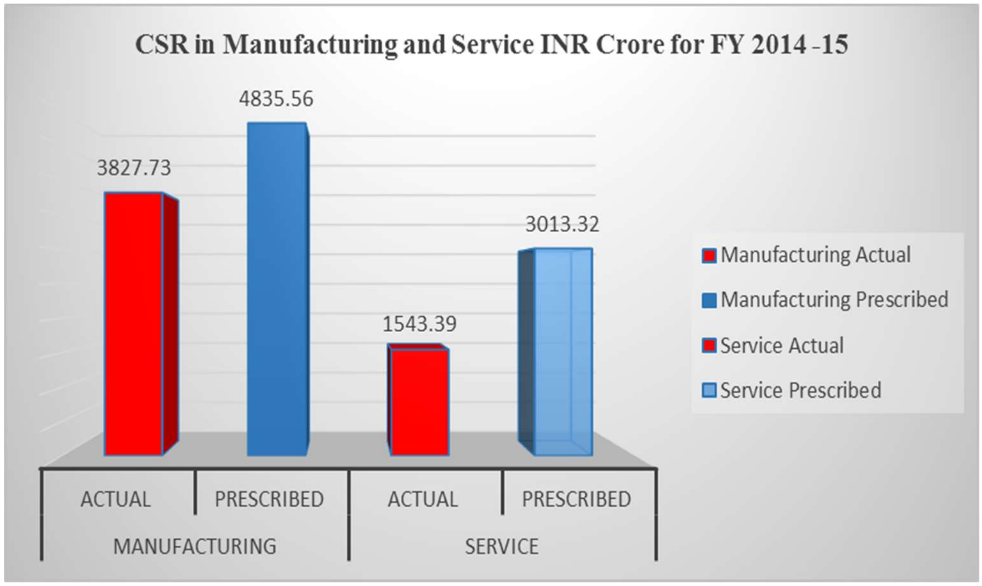

Figure 7.9. CSR in manufacturing and service sector for FY 2014-15

4.4 **Manufacturing sector companies were spending significantly higher in Corporate Social Responsibility than service sector companies for the financial year 2015-16.**

The fourth sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2015-16' was tested by conducting the independent samples t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to give the results.

Table 7.10

Means and Standard Deviations of Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2015-16

Sector	**Mean**	**Standard deviation**
Manufacturing	89.76	46.65
Service	71.82	31.93

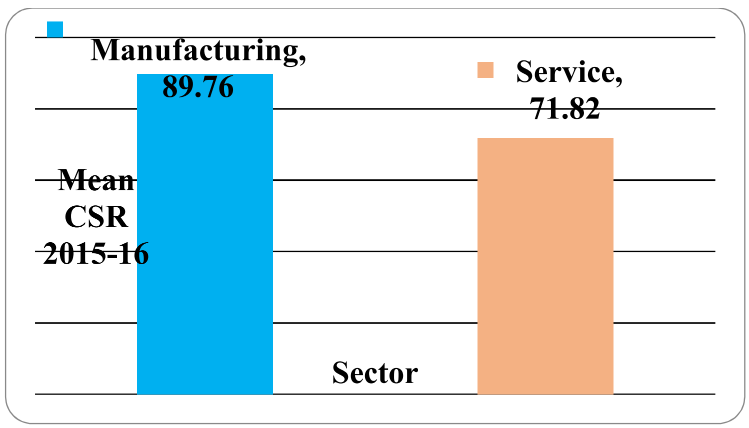

Figure 7.10. Bar graphs of the means of the manufacturing and service sector for Corporate Social Responsibility for FY 2015-16

Table 7.11

Independent samples t-test for Corporate Social Responsibility in the Manufacturing and Service Sectors for the FY 2015-16

Sector	**n=101**	**df**	**T**	**p**
Manufacturing	72	99	1.89*	0.03
Service	29			

Note. * p<0.05

The outcome of the analysis showed that the fourth sub-hypothesis stating that 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2015-16' was confirmed. An independent samples t-test was conducted to compare the means of Corporate Social Responsibility in the manufacturing and service sector for the financial year 2015-16. A total of 101 companies were taken. Manufacturing companies totaled to 72 while service companies were 29. The mean of Corporate Social Responsibility in manufacturing companies (M= 89.76, SD=46.65) was found to be higher than that of service companies (M= 71.82, SD= 31.93). The results of the independent samples t-test were expressed as t (99) = 1.89, p= 0.03 (one-tailed). The results showed that these manufacturing companies were spending significantly higher on Corporate Social Responsibility than the companies in the service sector.

These results were in line with Krishnan's study (2018) which found that the budget allocated in manufacturing industries was more and also the industry spent more on the environment as compared to the service industries for the FY 2015-16. The fact that the manufacturing sector can impact the environment negatively could have compelled this sector to spend higher on CSR as compared to the service sector.

One can note the top 10 manufacturing and service companies in CSR for FY 2015-16 from the table 7.12. Eight companies from the manufacturing sector and five from service sector have spent the prescribed amount.

Table 7.12

Top 10 Manufacturing and Service companies in CSR for FY 2015-16

S no.	Manufacturing companies	Actual	Prescribed	Service companies	Actual	Prescribed
1	Reliance Industries Ltd.	651.57	557.78	Tata Consultancy Services Ltd.	294.00	360.00
2	NTPC Ltd.	491.80	349.65	Infosys Ltd.	202.30	156.01
3	Oil and Natural Gas Corporation Ltd.	421.00	593.70	Power Finance Corporation Ltd.	196.20	145.09
4	ITC Ltd.	247.50	246.76	ICICI Bank Ltd.	172.00	212.00
5	Tata Steel Ltd.	213.24	150.00	Wipro Ltd.	159.80	156.00
6	GAIL (India) Ltd.	160.6	106.90	State Bank of India	143.92	143.92
7	Indian Oil Corporation Ltd.	156.68	141.50	Axis Bank Ltd.	137.41	163.03
8	Larsen & Toubro Ltd.	119.50	101.46	Rural Electrification Corporation Ltd.	128.20	128.00
9	Bharat Petroleum Corporation Ltd.	112.60	116.00	HDFC Bank Ltd.	120.72	127.28
10	Hindustan Unilever Ltd.	92.12	91.94	Housing Development Finance Corporation Ltd.	85.70	150.90

2015-16

MANUFACTURING SECTOR

Reliance Industries Ltd.
NTPC Ltd.
Oil And Natural Gas Corporation Ltd.
ITC Ltd.
Tata Steel Ltd.
GAIL (India) Ltd.
Indian Oil Corporation Ltd.
Larsen & Toubro Ltd.
Bharat Petroleum Corporation Ltd.
Hindustan Unilever Ltd.

SERVICE SECTOR

Tata Consultancy Services Ltd.
Infosys Ltd.
Power Finance Corporation Ltd.
ICICI Bank Ltd.
Wipro Ltd.
State Bank of India
Axis Bank Ltd.
Rural Electrification Corporation Ltd.
HDFC Bank Ltd.
Housing Development Finance Corporation Ltd.

Figure 7.11. Top 10 manufacturing and service companies in CSR for FY 2015-16

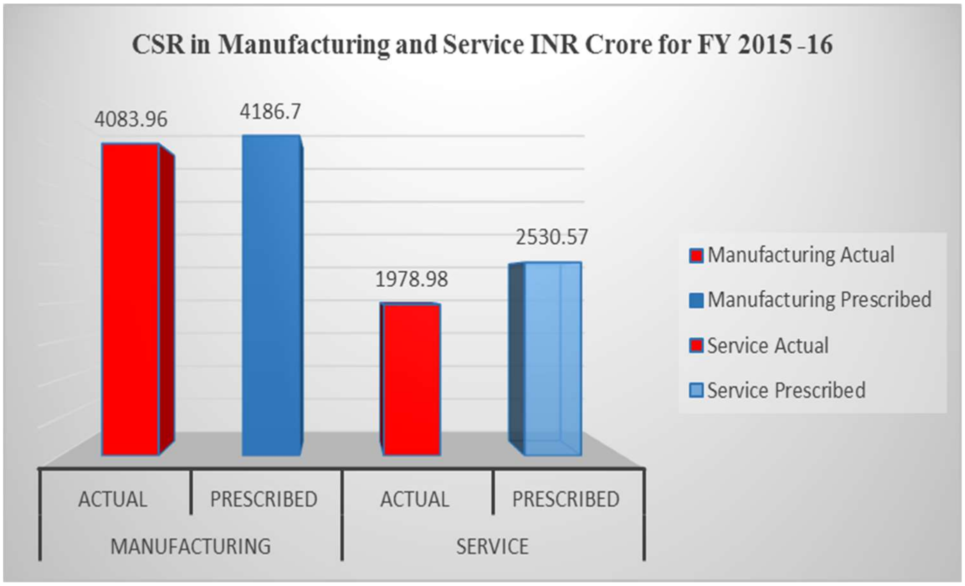

Figure 7.12. CSR in manufacturing and service sector for FY 2015-16

7.3 Conclusion

The manufacturing sector was found to spend significantly higher than the service sector for the FY 2012-13, 2013-14 and 2015-16, whereas no significant difference was noted for CSR spends between manufacturing and service sector for the FY 2014-15. Both the manufacturing and the service sector have enormous potential to drive growth by meeting the aspirations of a growing consuming class.

Chapter VIII

PRE AND POST-EFFECT OF COMPANIES ACT 2013 ON CORPORATE SOCIAL RESPONSIBILITY

8.1 Introduction

The year 2013 is historical in India because of the amendments brought by the Government in Companies Act 1956 whereby CSR spending by companies was made mandatory through the Companies Act 2013. With effect from April 1, 2014, "every company, private or public, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities" (Ministry of Company Affairs). The CSR activities should be undertaken as per the Schedule VII of the 2013 Act. Contribution to any political party cannot be considered as CSR activity and only activities in India would be considered for computing CSR expenditure.

The law has undoubtedly given a platform to companies to strategically align their CSR policy but there is also an apprehension regarding the implications of CSR law on Indian businesses. A debate has started following amid the companies, stakeholders and NGOs regarding the implications of such law. Business leaders have also expressed concerns from the corporate perspective. Ratan Tata, the former chairman of Tata Sons, has stated that CSR phenomenon which is meant to be good for the society is turning to be somewhat chaotic. He added his concerns about CSR monitoring and usage of the money. Azim Premji, head of Wipro opined his concerns about the motives and implementation of the new mandate. He felt that 2% on CSR was quite huge, especially for companies that were trying to scale up in tough times.

This research studied the pre and post-effect of Companies Act 2013 with regard to corporate social responsibility for 75 companies. The CSR was compared for two financial years – FY 2012-13 and FY 2014-15 for private, public, manufacturing and service companies separately.

8.2 Results and discussion

Objective 5: To study the pre and post-effect of CSR guidelines (framed under the Companies Act 2013) on companies.

Hypothesis 5: There is a significant difference in Corporate Social Responsibility prior to the Companies Act 2013 and after its implementation.

The fifth hypothesis 'There is a significant difference in Corporate Social Responsibility prior to the Companies Act 2013 and after its implementation' was tested by conducting the repeated measures t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to furnish the results. The outcome of the analysis is given in the tables below:

Table 8.1

Means and Standard Deviations of Corporate Social Responsibility for FY 2012-13 and FY 2014-15

CSR%	Mean	Standard deviation
FY 2012-13	67.45	56.53
FY 2014-15	63.05	34.84

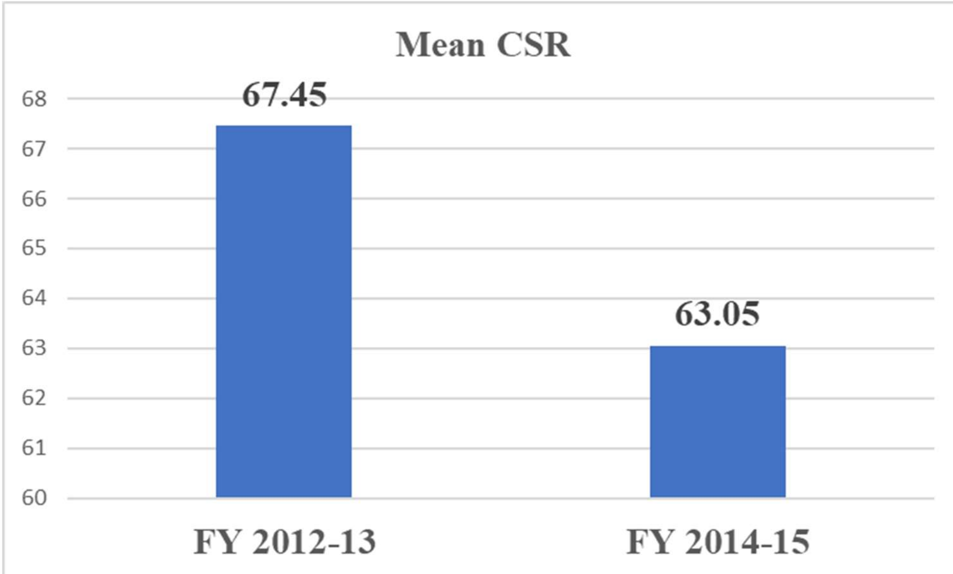

Figure 8.1. Bar graph of the means of Corporate Social Responsibility for FY 2012-13 and FY 2014-15

Table 8.2

Repeated measures t-test for Corporate Social Responsibility for FY 2012-13 and FY 2014-15

CSR %	**n=75**	**df**	**t**	**p**
FY 2012-13	75	74	.70	.48
FY 2014-15	75			

Note. $p>0.05$

The hypothesis that ‘There is a significant difference in Corporate Social Responsibility prior to the Companies Act 2013 and after its implementation’ was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-13 and financial year

2014-15. The Corporate Social Responsibility % of 75 companies was compared. The mean of Corporate Social Responsibility for FY 2012-13 (M= 67.45, SD= 56.53) was found to be higher than the mean of Corporate Social Responsibility for FY 2014-15 (M= 63.05, SD= 34.84). The results of the repeated measures t-test were expressed as t (74) = .70, p= 0.48 (two-tailed). The results showed that the companies were spending lower after the Companies Act 2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

Additional observations that were noted during this research study were:

Adani Enterprises Ltd recorded the highest CSR spending 264.35% followed by Jindal Steel & Power Ltd. (263.04%) and Adani Power Ltd (244.63%) in 2012-13, while Union Bank of India was found to have 1.91% CSR spending. For the FY 2014-15, it was observed that Oil India Ltd spent the highest (135.13%) on CSR followed by NHPC Ltd. (109.66%) and Tata Power Company Ltd. (104.46%) while Motherson Sumi Systems Ltd. spent a negligible 1.28%.

Cairn India Ltd. spent 22% in the FY 2012-13 despite incurring a loss of – 98.76 crores in the 2011-12 year and -213.17 crores in the 2010-11, and earned a profit of 6745.1 crores in 2012-13.

The companies have spent voluntarily in FY 2012-13. It is also to be noted that some companies who were ranked as per CSR spending in 2012-13 may not have figured in the FY 2014-15, this being the reason for the 75 companies to be taken for this research study.

Although the CSR spending increased after the mandatory 2%, the difference that was noted was found to be statistically insignificant. This is line with what other researchers have said regarding CSR spending. Maira (2013) raised doubts about the legitimacy of spending of 2% of companies' profit on CSR. He concluded that the mandatory CSR spending was both meagre and one whose time has passed. Further, Venkatesan (2013) argued that the problem with the Bill was that it did not seek to change corporate behaviors and make business operations more ethically, socially and environmentally responsible. Chawak and Dutta (2014) evaluated the common mistakes in CSR execution by companies as lack of vision, non-participative management, lack of co-operation from employees and local communities.

Sai (2017) observed that during the 'before 2013' period, many of the studies mentioned that companies had not paid the required attention for CSR projects. However, the situation was not thoroughly improved even after the amendment of Companies Act 2013. The companies were not able to completely spend 2% of their net profits for CSR. It was observed that Indian corporates still needed some time to understand the legal implications and tune their practices accordingly.

The CSR spending in 2012-13 was 33.59%, which was voluntary spending. This figure rose to 34.57% in 2014-15 but the increase was marginal and insignificant. This showed the lackadaisical attitude of the companies towards corporate social responsibility. Besides those companies which have been spending on CSR have been busy investing in developing the necessary institutional machinery to undertake and implement activities in line with Schedule VII and Section 135 of the Companies Act 2013.

The fifth main hypothesis was sub-divided into four sub-hypotheses:

Hypothesis 5.1: There is a significant difference in Corporate Social Responsibility of private companies prior to the Companies Act 2013 and after its implementation.

The first sub-hypothesis 'There is a significant difference in the Corporate Social Responsibility of private companies prior to the Companies Act 2013 and after its implementation' was tested by conducting the repeated measures t-test. Statistical Package for Social Sciences (SPSS) version 20 was used to furnish the results. The outcome of the analysis is given in the tables below:

Table 8.3

Means and Standard Deviations of Corporate Social Responsibility (FY 2012-13 and FY 2014-15) for Private Companies

CSR%	**Mean**	**Standard deviation**
FY 2012-13	78.39	63.10
FY 2014-15	69.91	33.93

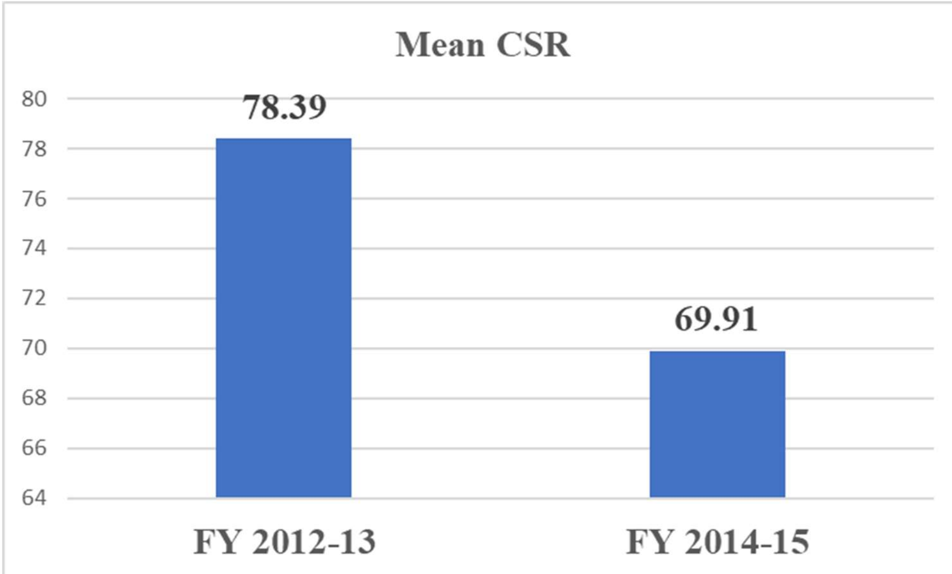

Figure 8.2. Bar graph of the means of Corporate Social Responsibility of private companies for FY 2012-13 and FY 2014-15

Table 8.4

Repeated measures t-test for Corporate Social Responsibility for FY 2012-13 and FY 2014-15 for Private Companies

CSR %	**n=49**	**df**	**t**	**p**
FY 2012-13	49	48	.99	.32
FY 2014-15	49			

Note. $p>0.05$

The hypothesis that 'There is a significant difference in Corporate Social Responsibility of private companies prior to the Companies Act 2013 and after its implementation' was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-

13 and financial year 2014-15. The Corporate Social Responsibility % of 49 private companies was compared. The mean of Corporate Social Responsibility for FY 2012-13 (M= 78.39, SD= 63.10) was found to be higher than the mean of Corporate Social Responsibility for FY 2014-15 (M= 69.91, SD= 33.93) for private companies. The results of the repeated measures t-test were expressed as t (48) = .99, p= 0.32 (two-tailed). The results showed that the private companies were spending higher prior to the Companies Act 2013 (FY 2012-13) as compared to after its implementation (FY 2014-15) but the difference was not significant.

Srivastava and Goyal's study (2015) studied the pre and post legislative implications of CSR on Mahindra's policy framework. Mahindra and Mahindra since its inception has been a socially committed organization and has been effectively framing and implementing Corporate Social Responsibility policy within its precincts. The Mahindra's have been functioning beyond statutory and legal requirements to fulfil their social obligations. Apart from Nanhi Kali, there are many corporate social responsibility policy initiatives akin to scholarships and grants, Project Haryali, ESOPs, disaster relief and rehabilitation, etc. The Mahindra Group has always been supportive and conscious of its Corporate Social Responsibility. However, in the list of 20 Indian companies that the researchers studied, their findings showed that the actual spend of companies on CSR activities has been far below the minimum requirement after the Act, Mahindra group being one of them. These results were in line with the findings of the current research study. In a report by Dubbudu dated March 10, 2017, it was found that the CSR spending by private companies had increased only marginally from Rs 6306 crore in 2014-15 to Rs 6462 crore in 2015-16.

Besides the Companies Act 2013 being taken very lightly and the Indian Government not taking adequate measures to penalize those companies who were not adhering to the 2% norm, many other reasons have been cited. Since the Act came into force on April 1, 2014, and it being the first year of implementation, procedural difficulties were faced by the companies, and without CSR policies in place, the outcomes were not too clear.

Hypothesis 5.2: There is a significant difference in Corporate Social Responsibility of public companies prior to the Companies Act 2013 and after its implementation.

The second sub-hypothesis 'There is a significant difference in Corporate Social Responsibility of public companies prior to the Companies Act 2013 and after its implementation' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 8.5

Means and Standard Deviations of Corporate Social Responsibility (FY 2012-13 and FY 2014-15) for Public Companies

CSR%	Mean	Standard deviation
FY 2012-13	46.84	33.74
FY 2014-15	50.10	33.43

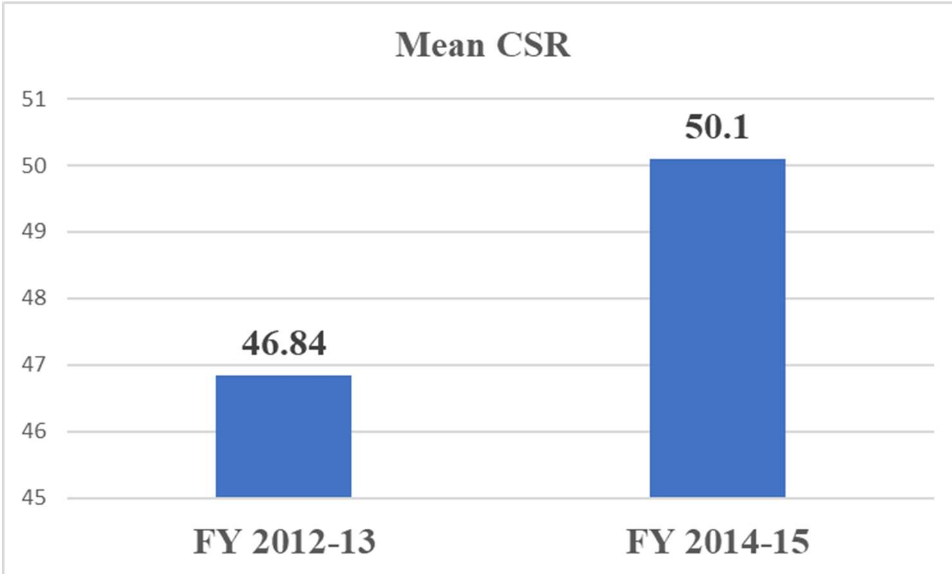

Figure 8.3. Bar graph of the means of Corporate Social Responsibility of public companies for FY 2012-13 and FY 2014-15

Table 8.6

Repeated measures t-test for Corporate Social Responsibility for FY 2012-13 and FY 2014-15 for Public Companies

CSR %	**n=26**	**df**	**t**	**P**
FY 2012-13	26	25	-.40	.69
FY 2014-15	26			

Note. $p>0.05$

The hypothesis that 'There is a significant difference in Corporate Social Responsibility of public companies prior to the Companies Act 2013 and after its implementation' was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-13 and financial year 2014-15. The Corporate Social Responsibility % of 26 public companies was compared. The mean of Corporate Social Responsibility for FY 2012-13 (M= 46.84, SD= 33.74) was found to be lower than the mean of Corporate Social Responsibility for FY 2014-15 (M= 50.10, SD= 33.43). The results of the repeated measures t-test were expressed as t (25) = -.40, p= 0.69 (two-tailed). The results showed that the public companies were spending higher after the Companies Act 2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

Singh and Ahuja (1983) conducted the first study in India on CSR of 40 Indian public sector companies for the years 1975-76 and found that 40 percent of the companies disclosed more than 30 percent of total disclosure items included in their survey. However, in 'India CSR Outlook Report' (ICOR) for FY 2016-17, it was found that public sector companies spent more than the prescribed CSR.

In this research study, the insignificant difference in CSR before and after the implementation of Companies Act 2013 could be reasoned out by the careless approach on the part of the Government.

Hypothesis 5.3: There is a significant difference in Corporate Social Responsibility of manufacturing companies prior to the Companies Act 2013 and after its implementation.

The third sub-hypothesis 'There is a significant difference in the Corporate Social Responsibility of manufacturing companies prior to the Companies Act 2013 and after its implementation' was tested by conducting the repeated measures t-test.

Statistical Package for Social Sciences (SPSS) version 20 was used to furnish the results. The outcome of the analysis is given in the tables below:

Table 8.7

Means and Standard Deviations of Corporate Social Responsibility (FY 2012-13 and FY 2014-15) for Manufacturing Companies

CSR%	**Mean**	**Standard deviation**
FY 2012-13	71.30	54.35
FY 2014-15	73.70	33.29

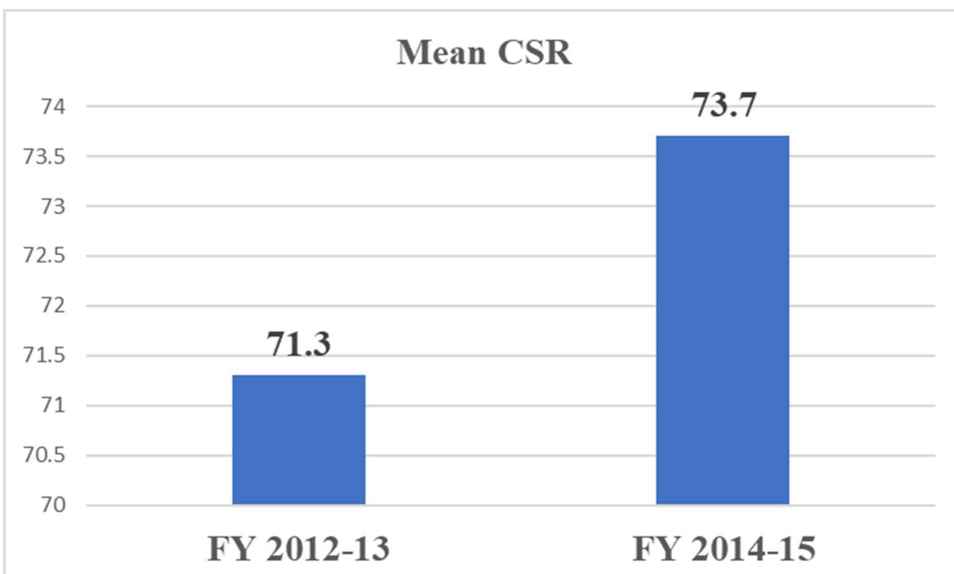

Figure 8.4. Bar graph of the means of Corporate Social Responsibility of manufacturing companies for FY 2012-13 and FY 2014-15

Table 8.8

Repeated measures t-test for Corporate Social Responsibility for FY 2012-13 and FY 2014-15 for Manufacturing Companies

CSR %	**n=47**	**df**	**T**	**P**
FY 2012-13	47	46	-.32	.74
FY 2014-15	47			

Note. $p>0.05$

The hypothesis that 'There is a significant difference in Corporate Social Responsibility of manufacturing companies prior to the Companies Act 2013 and after its implementation' was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-13 and financial year 2014-15. The Corporate Social Responsibility % of 47 manufacturing companies was compared. The mean of Corporate Social Responsibility for FY 2012-13 (M= 71.30, SD= 54.35) was found to be lower than the mean of Corporate Social Responsibility for FY 2014-15 (M= 73.70, SD= 33.29). The results of the repeated measures t-test were expressed as $t(46) = -.32$, $p= 0.74$ (two-tailed). The results showed that the manufacturing companies were spending higher after the Companies Act 2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

As per the Tata Energy Research Institute report of 2001-02, all companies with different sizes of business and from different sectors have an awareness of

CSR and its potential benefits. Many companies were serving the society by having collaboration with NGOs, and by drafting labour and environmental policy guidelines. A survey jointly conducted in 2002 by CII, United Nations Development Program (UNDP), British Council (BC) and Price Water Coopers (PWC) concluded that all the respondents unanimously agreed that CSR was very much a part of the domain of corporate action and the passive philanthropy was no longer sufficient. Although many companies felt that CSR was much needed, no significant difference was noted in their CSR spends before (2012-13) and after the implementation of Companies Act (2014-15), the reasons being CSR spending and reporting was not mandatory. So donations were the most common form of CSR activities and most of these CSR activities were token gestures. Kotler, Chang, Lee and Jones (2005) defined CSR as a commitment by business organizations for the improvement of community through voluntary execution of corporate resources. Rana and Majumdar's study (2016) found that 16% of manufacturing companies participated in industry-specific sustainability initiatives based on 2014-15 reports.

Hypothesis 5.4: There is a significant difference in Corporate Social Responsibility of service companies prior to the Companies Act 2013 and after its implementation.

The fourth sub-hypothesis 'There is a significant difference in Corporate Social Responsibility of service companies prior to the Companies Act 2013 and after its implementation' was tested by conducting the repeated measures t-test. The outcome of the Statistical Package for Social Sciences (SPSS) analysis is given in the tables below:

Table 8.9

Means and Standard Deviations of Corporate Social Responsibility (FY 2012-13 and FY 2014-15) for Service Companies

CSR%	Mean	Standard deviation
FY 2012-13	61	60.46
FY 2014-15	45.16	30.17

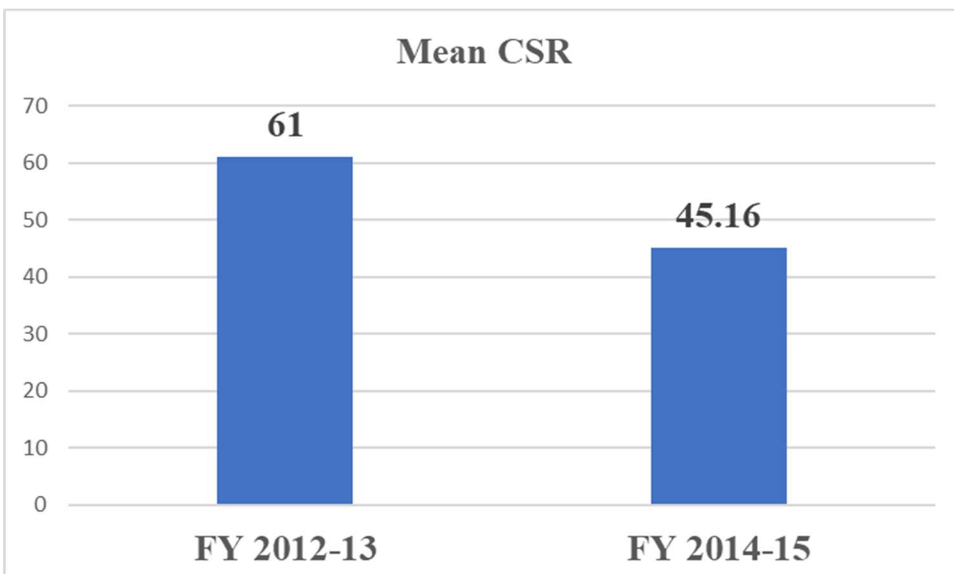

Figure 8.5. Bar graph of the means of Corporate Social Responsibility of service companies for FY 2012-13 and FY 2014-15

Table 8.10

Repeated measures t-test for Corporate Social Responsibility for FY 2012-13 and FY 2014-15 for Service Companies

CSR %	**n=28**	**df**	**t**	**P**
FY 2012-13	28	27	1.43	.16
FY 2014-15	28			

Note. $p>0.05$

The hypothesis that 'There is a significant difference in Corporate Social Responsibility of service companies prior to the Companies Act 2013 and after its implementation' was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-13 and financial year 2014-15. The Corporate Social Responsibility % of 28 public companies was compared. The mean of Corporate Social Responsibility for FY 2012-13 (M= 61, SD= 60.46) was found to be higher than the mean of Corporate Social Responsibility for FY 2014-15 (M= 45.16, SD= 30.17). The results of the repeated measures t-test were expressed as $t(27) = 1.43$, $p= 0.16$ (two-tailed). The results showed that the service companies were spending higher prior to the Companies Act 2013 (FY 2012-13) as compared to after its implementation (FY 2014-15), but the difference was not significant.

Financial restructuring required by these service companies, non-formation of CSR committees, delay in board approval for projects, non-finalization of the location of CSR projects, non-execution of necessary documents to release the amount on CSR activities or CSR spending would commence in due course of time were cited as some of the reasons for the poor impact of Companies Act 2013. A study was conducted by IIM Udaipur in partnership with Futurescape looking at top companies of India in CSR for the FY 2016. Although the study covered service as well as manufacturing units, it was found that the CSR disclosure was only 15% for these companies. Rana and Majumdar's study (2016) found that 14% of service companies participated in industry-specific sustainability initiatives based on 2014-15 reports.

8.3 Conclusion

No significant differences were observed for CSR before (2012-13) and after the implementation of the Companies Act 2013 (2014-15) for 75 companies in general, and private, public, manufacturing and service companies in particular.

Chapter IX

FINDINGS AND CONCLUSION

9.1 Findings and Conclusion

The study was conducted in the state of Goa and relied on the secondary data collected from various sources - financial reports of the companies, internet, books, academic journals, newspapers, and magazines. Five objectives were framed. Statistical Package for Social Sciences (SPSS) was used to test the five hypotheses and their sub-hypotheses.

The first objective was to appraise the policies of corporate social responsibility and its implication in India. The first hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount' was divided into four sub-hypotheses for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

The first sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2012-13' was confirmed by the statistical analysis of repeated measures t-test.

Similarly, the second sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2013-14' was confirmed by the statistical analysis of repeated measures t-test.

The third sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2014-15' was also confirmed by repeated measures t-test. This shows that the companies were spending significantly lower than the mandatory 2% as indicated by the Companies Act 2013.

The fourth sub-hypothesis 'Companies were spending significantly lower in Corporate Social Responsibility than the prescribed amount for the financial year 2015-16' was also confirmed by the results of repeated measures t-test.

To verify the second objective 'to make a comparative analysis of corporate social responsibility among different sectors,' the alternate hypothesis 'Private sector companies were spending significantly higher than public sector companies' was tested using independent samples t-test. The mean, standard deviation, t value and p-value were found out. The second main hypothesis was sub-divided in four sub-hypotheses for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

The first sub-hypothesis 'Private sector companies were spending significantly higher than public sector companies for the financial year 2012-13' was confirmed. The sub-hypothesis 'Private banks were spending significantly higher than public banks for the financial year 2012-13' was also confirmed.

The second sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2013-14’ tested by conducting the independent samples t-test was not confirmed. Although the mean of Corporate Social Responsibility in private companies was found to be higher than that of public companies, the difference in means was not statistically significant. Another sub-hypothesis ‘Private banks were spending significantly higher than public banks for the financial year 2013-14’ was also not confirmed. Private banks were spending higher on Corporate Social Responsibility than the public banks, but the difference in means was not statistically significant

The third sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2014-15’ tested by conducting the independent samples t-test was not confirmed. Although the mean of Corporate Social Responsibility in private companies was found to be higher than that of public companies, the difference in means was not statistically significant. However, the sub-hypothesis ‘Private banks were spending significantly higher than public banks for the financial year 2014-15’ was confirmed.

The fourth sub-hypothesis ‘Private sector companies were spending significantly higher than public sector companies for the financial year 2015-16’ tested by conducting the independent samples t-test was not confirmed. Here, the mean of Corporate Social Responsibility in private companies was found to be lower than that of public companies, but the difference in means was not statistically significant. The sub-hypothesis ‘Private banks were spending significantly higher than public banks for the financial year 2015-16’ was also not confirmed. The public banks were spending higher on Corporate Social Responsibility than the private banks, but the difference in means was not statistically significant.

The third objective ‘To make a comparative analysis of corporate social responsibility among industrial sectors’ was framed to form hypothesis ‘There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors’ which was further sub-divided into four sub-hypotheses for the financial years– 2012-13, 2013-14, 2014-15 and 2015-16. Each of the sub-hypotheses was verified by one-way ANOVA. The mean, standard deviation, F value and p-value were noted, and Scheffe’s Post Hoc Comparisons were carried out to find which differences in mean were significant.

The first sub-hypothesis ‘There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2012-13’ was confirmed. The results of the one-way ANOVA showed that there was statistically significant difference at the $p<0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power and finance. This showedthat corporate social responsibility differed among the nine industrial sub-sectors. However, none of the pair-wise Scheffe's Post Hoc comparisons approached significance.

Similarly, the second sub-hypothesis 'There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2013-14' was confirmed. The results of the one-way ANOVA showed that there was statistically significant difference at the $p<0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power and finance. This showed that corporate social responsibility differed among the nine industrial sub-sectors. Scheffe's Post-Hoc analysis was done to explore the differences among means of corporate social responsibility and find out which means were significantly different from each other. Only the mean difference between banking and refineries, oil and drilling, mining and minerals approached significance. The rest of the pair-wise comparisons did not approach significance.

Also, the third sub-hypothesis 'There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2014-15' showed that there was no statistically significant difference at the $p>0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power; and finance. The hypothesis was not confirmed.

The fourth sub-hypothesis 'There is a significant difference in Corporate Social Responsibility among different industrial sub-sectors for the financial year 2015-16' showed that there was no statistically significant difference at the $p>0.05$ level in the corporate social responsibility for the nine industrial sub-sectors – automobiles; banking; computer hardware and software; refineries, oil drilling, mining and minerals; steel; pharmaceuticals; construction and infrastructure; power and finance. This showed that corporate social responsibility did not differ among the nine industrial sub-sectors. The hypothesis was not confirmed.

To verify the fourth objective 'To make a comparative analysis of corporate social responsibility among manufacturing and service sectors, the alternate hypothesis 'Manufacturing sector companies were spending significantly higher in corporate social responsibility than service sector companies' was tested using independent samples t-test. The mean, standard deviation, t value and p-value were found out. The fourth main hypothesis was sub-divided in four sub-hypotheses for the four financial years – 2012-13, 2013-14, 2014-15 and 2015-16.

The first sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2012-13' was confirmed.

Similarly, the second sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2013-14' was also confirmed.

However, the third sub-hypothesis 'Manufacturing sector companies were spending significantly higher than service sector companies for the financial year 2014-15' was not confirmed. Manufacturing companies were spending higher on Corporate Social Responsibility than the companies in the service sector, but the difference in means was not statistically significant.

The fourth sub-hypothesis 'Manufacturing sector companies are spending significantly higher than service sector companies for the financial year 2015-16' was confirmed.

The fifth objective 'To study the pre and post-effect of CSR guidelines (framed under the Company Act 2013) on companies' was framed into the hypothesis 'There is a significant difference in Corporate Social Responsibility of companies prior to the Companies Act 2013 and after its implementation.' This was further tested by repeated measures t-test. Mean, standard deviation, t value and p-value were found out. The outcome of the analysis showed that the alternate hypothesis was not confirmed. The mean of Corporate Social Responsibility for FY 2012-13 was found to be higher than the mean of Corporate Social Responsibility for FY

2014-15. The results showed that the companies were spending lower after the Companies Act 2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

The fifth main hypothesis was sub-divided into four sub-hypotheses. The first sub-hypothesis 'There is a significant difference in the Corporate Social Responsibility of private companies prior to the Companies Act 2013 and after its implementation' was also tested by conducting the repeated measures t-test. The outcome of the analysis showed that the alternate hypothesis was not confirmed. The mean of Corporate Social Responsibility for FY 2012-13 was found to be higher than the mean of Corporate Social Responsibility for FY 2014-15 for private companies. The results showed that the private companies were spending higher prior to the Companies Act 2013 (FY 2012-13) as compared to after its implementation (FY 2014-15), but the difference was not significant.

The second sub-hypothesis 'There is a significant difference in Corporate Social Responsibility of public companies prior to the Companies Act 2013 and after its implementation was tested by conducting the repeated measures t-test. The outcome of the analysis showed that the alternate hypothesis was not confirmed. The mean of Corporate Social Responsibility for FY 2012-13 was found to be lower than the mean of Corporate Social Responsibility for FY 2014-15. The results showed that the public companies were spending higher after the Companies Act

2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

The third sub-hypothesis ‘There is a significant difference in Corporate Social Responsibility of manufacturing companies prior to the Companies Act 2013 and after its implementation’ was tested by conducting the repeated measures t-test. The outcome of the analysis showed that the alternate hypothesis was not confirmed. The mean of Corporate Social Responsibility for FY 2012-13 was found to be lower than the mean of Corporate Social Responsibility for FY 2014-15. This showed that the manufacturing companies were spending higher after the Companies Act 2013 (FY 2014-15) as compared to prior to its implementation (FY 2012-13) but the difference was not significant.

The fourth sub-hypothesis ‘There is a significant difference in Corporate Social Responsibility of service companies before the Companies Act 2013 and after its implementation was tested by conducting the repeated measures t-test. The outcome of the analysis showed that the alternate hypothesis was not confirmed. A repeated measures t-test was conducted to compare the means of Corporate Social Responsibility for the financial year 2012-13 and financial year 2014-15. The mean of Corporate Social Responsibility for FY 2012-13 was found to be higher than the mean of Corporate Social Responsibility for FY 2014-15. This means that the service companies were spending higher prior to the Companies Act 2013 (FY

2012-13) as compared to after its implementation (FY 2014-15), but the difference was not significant.

Additional observations can be noted. A zone-wise and state-wise comparison of the financial years 2013-14, 2014-15 and 2015-16, it can be seen that the North-Eastern Zone has neglected its CSR initiatives and Maharashtra has given the highest preference to CSR initiatives, followed by Tamil Nadu and Karnataka. More industrialized states were winning over the poorer. In the Schedule VII wise comparison of CSR initiatives indicated that education was given top priority in FY 2012-13 and FY 2014-15, whereas health and capacity building were given more preference in the FY 2013-14, and health-care CSR initiatives were more undertaken in FY 2015-16.

9.2 Recommendations

9.2.1 Recommendations for the Government

- The Government should amend the Companies Act 2013 to make CSR mandatory for all companies. This will create a sense of accountability among all companies without any discrimination.
    - The slab rate for each company should differ depending on business size and profile.
    - The areas (given under Schedule VII) of CSR wherein companies are expected to spend should be kept open. Companies should enjoy the freedom to spend their net profits appropriately in an area of their choice.

- The net profits and business size should not be the criterion to judge the company's performance. Instead, the stakeholders should give preference to companies involving in CSR activities and accordingly promote the company's business.
- An attempt should be made to spend the entire prescribed amount, i.e., 2% of the average net profit of 3 financial years during a particular year. The Government should question the companies who are not spending the 2%, and stringent legal measures should be implemented for non-compliance of 2% and false CSR disclosures.
- The rule of including 2% of net profit in the preceding three years should be amended to just one year to promote CSR activities among companies. The net profit in three years surmounts to a sizeable figure for which the 2% would be much higher than that the net profit of one year. The idea is to encourage CSR among all companies.
- It would be advisable if the Government calls for amendment in the Companies Act 2013 to include these areas so that issues such sexual harassment, workplace inequality, leadership, caste, disability, etc. are addressed at the workplace.

* The government should appoint an agency to monitor CSR initiatives and CSR disclosures of each company.
* The mandatory 2% CSR could be modified to 1% and gradually increase to make the Act more implementable and motivate companies to spend.
* The companies could be asked to adopt industrially backward states.

9.2.2 Recommendations for the Companies

- The companies should strengthen their CSR activities and simultaneously should take care in communicating the activities to the stakeholders for creating awareness among them which may help for long-term sustainability.
- Each stakeholder plays a vital role towards the company's growth. The role of all stakeholders should be recognized in the Corporate Social Responsibility initiatives.
- The companies should plan strategically to embed CSR concept in the organizations and also ensure various promotional strategies to take the concept among stakeholders for better performance. The inclusion of CSR as part of a company's mission and vision forms a significant aspect of promoting CSR. Awards/recognitions and mass publicity are required to promote CSR activities. The concept of CSR should be a continual process and be a part of organizational culture. Companies should work in the interest of the society and not just conduct CSR activities for the sake of it.
- The companies engaged in CSR activities should tie up with NGOs to address the issues in the society. Companies should ask NGOs for stringent reporting on existing projects and pooling of resources among top corporates to build more significant impact. Special training programmes have to be organized for personnel dealing with the CSR Committee to deal with social needs and issues of that area and location they are to work with.
- Corporate Social Responsibility should not be done as a mere mandatory exercise for the sake of spending the mandatory 2% and depleting the amount allocated for

CSR. However, the companies should make an in-depth study of the areas where they would like to spend. Such detailed observation will aid the companies to spend ethically, responsibly, socially and environmentally. Also, the welfare of employees and consumers has not been included in the areas of CSR as per Schedule VII.

- The corporate social responsibility initiatives are undertaken more in the regions where the head offices of the companies are located. The companies should also engage in CSR in other regions not only in the area where the central office is located.
- In this research study, it can be seen that private sector companies were significantly spending higher on CSR than public sector companies. Both private, as well as public companies, should make sincere efforts in contributing to corporate social responsibility. The public companies being giant companies have full-fledged governmental support and hence should work towards corporate social responsibility. The public-sector banks should also promote CSR activities along with the private sector banks.
- Each industrial sub-sector should also work towards promotion of CSR and contribute to the economic development of the country. It is not the task of few sub-sectors to shoulder the responsibility of CSR. The focus should balance their core business and CSR.
- The service sector which has a growth rate much higher than the manufacturing sector has to work towards building the social responsibility at a similar pace.

9.3 Suggestions for further research

- The current research study offers adequate scope for undertaking further research studies on related issues. Further studies can also be undertaken on Corporate Social Responsibility of companies in Goa.
- There is scope for future research to determine the possible association between social responsibility disclosure and firm characteristics such as performance, profitability, cost of capital, firm value, etc.
- Further research can be undertaken on the different areas of CSR and explore the areas where maximum and minimum funds are diverted. A more comprehensive comparison of CSR in all the industrial sub-sectors can be carried out. A state-wise detailed analysis of CSR can also be undertaken. A comparative study could be undertaken between Indian and MNCs. A study on women-led companies and CSR initiatives can be undertaken. A study on women empowerment through CSR can be undertaken.

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ANNEXURES

LIST OF COMPANIES TAKEN FOR THE STUDY

S.NO	Companies for FY 2012-13	Actual Amount INR crore	Prescribed Amount INR crore
1	Indian Oil Corporation Ltd.	80.08	144.13
2	Reliance Industries Ltd.	357.05	377.07
3	Bharat Petroleum Corporation Ltd.	17.88	29.3
4	Hindustan Petroleum Corporation Ltd.	270	350
5	State Bank of India	123.27	194.25
6	Tata Motors Ltd.	19.14	35.29
7	Oil & Natural Gas Corporation Ltd.	261.58	405.42
8	Tata Steel Ltd.	170.59	124.05
9	Hindalco Industries Ltd.	29.79	41.93
10	Bharti Airtel Ltd.	29.56	152.48
11	Larsen & Toubro Ltd.	73.16	85.26
12	ICICI Bank Ltd.	116.55	104.27
13	NTPC Ltd.	79.53	180.35
14	Mahindra & Mahindra Ltd.	33.52	50.85
15	Mangalore Refinery & Petrochemicals Ltd.	240	350
16	Tata Consultancy Services Ltd.	65.21	161.09
17	GAIL (India) Ltd.	64.65	69.03
18	Bharat Heavy Electricals Ltd.	63	115.75
19	Punjab National Bank	3.32	88.15
20	Steel Authority of India (SAIL) Ltd.	32.55	101.33
21	Maruti Suzuki India Ltd.	18.9	42.8
22	HDFC Bank Ltd.	39.01	80.27
23	Chennai Petroleum Corporation Ltd.	391	450

24	Infosys Ltd.	100	249
25	Bank of Baroda	7.17	82.03
26	Wipro Ltd.	14.13	93.29
27	JSW Steel Ltd.	24.85	37.72
27	Canara Bank	11.2	68.87
29	Housing Development Finance Corporation Ltd.	3	72
30	Bank of India	1.1	46.04
31	Axis Bank Ltd.	42.42	67.63
32	Tata Power Company Ltd.	7.88	20.38
33	ITC Ltd.	82.34	101.41
34	Petronet LNG Ltd.	3.68	13.87
35	Grasim Industries Ltd.	25.3	29.67
36	IDBI Bank Ltd.	7.56	31
37	Hindustan Unilever Ltd.	69.09	47.99
38	Union Bank of India	0.76	39.61
39	HCL Technologies Ltd.	4	36
40	Motherson Sumi Systems Ltd.	1	6
41	Hero MotoCorp Ltd.	1.27	43.58
42	Reliance Infrastructure Ltd.	6.4	28.21
43	Central Bank of India	0.01	19
44	Indian Overseas Bank	5	19
45	Idea Cellular Ltd.	1	17
46	Reliance Communications Ltd.	2.62	48
47	UltraTech Cement Ltd.	43.4	32.95
48	Adani Enterprises Ltd.	15.57	5.89
49	Bajaj Auto Ltd.	51.73	53.63
50	Jindal Steel & Power Ltd.	99.14	37.69
51	Oriental Bank of Commerce	1.1	25

52	Jaiprakash Associates Ltd.	28.81	26.01
53	Allahabad Bank	4.26	30
54	Syndicate Bank	1.47	21
55	UCO Bank	6	20
56	Power Finance Corporation Ltd.	22.1	57.88
57	Corporation Bank	1.99	27
58	Kotak Mahindra Bank Ltd.	4.08	16.43
59	Tata Chemicals Ltd.	200	135
60	Indian Bank	2.19	34
61	Hindustan Zinc Ltd.	42.8	151.9
62	Andhra Bank	2.28	34
63	Alok Industries Ltd.	1	4
64	Power Grid Corporation of India Ltd.	21.75	53.27
65	Lanco Infratech Ltd.	4	9
66	Ranbaxy Laboratories Ltd.	4.26	5.67
67	Dr. Reddy's Laboratories Ltd.	16.82	17.67
68	Sun Pharmaceutical Industries Ltd.	4.55	28.01
69	ACC Ltd.	25.6	27.01
70	Asian Paints Ltd.	0.98	16.71
71	Siemens Ltd.	1	13
72	GMR Infrastructure Ltd.	120	150
73	Oil India Ltd.	41.28	59.63
74	Jindal Stainless Ltd.	88	89
75	Welspun Corp Ltd.	25	230
76	United Spirits Ltd.	1.72	2.47
77	United Bank of India	76	113
78	Titan Company Ltd.	2.97	8.53
79	Ambuja Cements Ltd.	39.82	24.73

80	Lupin Ltd.	9.32	15.08
81	YES Bank Ltd.	6.5	14.54
82	JSW Energy Ltd.	32	31
83	DLF Ltd.	6.81	20.5
84	Bosch Ltd.	5.75	17.13
85	Cipla Ltd.	7.65	21.1
86	Nestle India Ltd.	24.54	16.29
87	IndusInd Bank Ltd.	9.12	11.53
88	IDFC Ltd.	31.21	25.65
89	NHPC Ltd.	15.73	46.85
90	LIC Housing Finance Ltd.	13.89	17
91	ABB India Ltd.	2.74	4.01
92	National Aluminium Company Ltd.	30.99	18.22
93	Godrej Industries Ltd.	3.07	8.58
94	Shriram Transport Finance Company Ltd.	5.58	22.39
95	Adani Power Ltd.	6.5	2.66
96	Bharat Electronics Ltd.	4.21	16.08

S.NO	Companies for FY 2013-14	Actual Amount INR crore	Prescribed Amount INR crore
1	Indian Oil Corporation Ltd.	81.91	167.33
2	Reliance Industries Ltd.	712	532.34
3	Bharat Petroleum Corporation Ltd.	34.38	79.13
4	Hindustan Petroleum Corporation Ltd.	14.59	35.03
5	Tata Motors Ltd.	21.3	13.54
6	State Bank of India	148.93	369.59
7	Oil & Natural Gas Corporation Ltd.	420.1	639.86

8	Tata Steel Ltd.	212	184.75
9	Hindalco Industries Ltd.	32.36	44.69
10	Larsen & Toubro Ltd.	76.91	129.27
11	Tata Consultancy Services Ltd.	93.58	421.79
12	NTPC Ltd.	128.35	312.25
13	ICICI Bank Ltd.	164	227.78
14	Coal India Ltd.	409.37	229.06
15	Mahindra & Mahindra Ltd.	41.07	81.14
16	Mangalore Refinery & Petrochemicals Ltd.	2.97	7.31
17	Vedanta Ltd.	17.3	10.75
18	GAIL (India) Ltd.	91	116.37
19	Adani Enterprises Ltd.	1.4	2.89
20	Infosys Ltd.	143	249.15
21	HDFC Bank Ltd.	70.36	200.25
22	Punjab National Bank	2.94	109.83
23	Steel Authority of India (SAIL) Ltd.	44.87	73.11
24	Bank of Baroda	15.3	109.02
25	Wipro Ltd.	128.3	151.55
26	Maruti Suzuki India Ltd.	23.28	58.64
27	Canara Bank	41.97	72.12
28	Bank of India	7.83	67.53
29	Bharat Heavy Electricals Ltd.	105.56	165.16
30	Housing Development Finance Corporation Ltd.	54.85	131.2
31	Axis Bank Ltd.	62.1	154.6
32	Petronet LNG Ltd.	31.7	29.19
33	ITC Ltd.	107	214.93
34	Tata Power Company Ltd.	31.11	32.51
35	Union Bank of India	3.77	52.29

36	IDBI Bank Ltd.	12.2	46.62
37	Idea Cellular Ltd.	16.89	31.45
38	Central Bank of India	1.59	6.47
39	Aditya Birla Nuvo Ltd.	10.37	12.34
40	Hero MotoCorp Ltd.	13.81	53.56
41	UltraTech Cement Ltd.	48.56	66.62
42	Power Finance Corporation Ltd.	44	117.46
43	Allahabad Bank	5.34	33.7
44	Oriental Bank of Commerce	7.59	30.28
45	Bajaj Auto Ltd.	10	87.06
46	Jaiprakash Associates Ltd.	15.78	13.24
47	Jindal Steel & Power Ltd.	52.6	44.48
48	Cairn India Ltd.	47.6	96.15
49	Tata Communications Ltd.	1.53	9.9
50	Corporation Bank	2.71	25.55
51	UCO Bank	3.32	28.86
52	Tech Mahindra Ltd.	30.88	30.38
53	Kotak Mahindra Bank Ltd.	3.63	38.96
54	Indian Bank	2.42	37.13
55	Andhra Bank	2.4	28.72
56	Tata Chemicals Ltd.	12.76	17.85
57	Power Grid Corporation of India Ltd.	21.66	110.13
58	Adani Power Ltd.	8.45	35.79
59	Alok Industries Ltd.	1	21.89
60	Hindustan Zinc Ltd.	93	151.96
61	NMDC Ltd.	152.85	199.93
62	Asian Paints Ltd.	3.7	30.58
63	YES Bank Ltd.	12.13	38.01

64	Lupin Ltd.	14.52	39.12
65	ACC Ltd.	27.45	27.2
66	Oil India Ltd.	60.52	98.63
67	Bharti Infratel Ltd.	12.14	23.35
68	Titan Company Ltd.	12.32	19.07
69	Cipla Ltd.	13.43	35.01
70	IndusInd Bank Ltd.	12.69	32.64
71	Bhushan Steel Ltd.	0.87	17.83
72	LIC Housing Finance Ltd.	10.79	29.01
73	IDFC Ltd.	28.94	47.13
74	NHPC Ltd.	34.75	57.03
75	Havells India Ltd.	4.9	9.69
76	Godrej Industries Ltd.	0.9	1.12
77	Godrej Consumer Products Ltd.	10.31	12.89
78	ING Vysya Bank Ltd	2.35	10.56
79	Karur Vysya Bank Ltd.	0.64	11.69
80	MMTC	6.34	3.69
81	Persistent Systems Ltd.	2.25	5.91

S.NO	Companies for FY 2014-15	Actual Amount INR crore	Prescribed Amount INR crore
1	Indian Oil Corporation Ltd.	113.79	133.4
2	Reliance Industries Ltd.	760.58	533
3	State Bank of India	115.8	364.1
4	Bharat Petroleum Corporation Ltd.	33.95	76.01
5	Hindustan Petroleum Corporation Ltd.	34.07	34.03

6	Oil & Natural Gas Corporation Ltd.	495.23	660.61
7	Tata Steel Ltd.	171.46	168.26
8	Hindalco Industries Ltd.	30.42	32.42
9	Tata Consultancy Services Ltd.	219	285
10	Bharti Airtel Ltd.	41.1	140
11	Larsen & Toubro Ltd.	76.54	106.21
12	ICICI Bank Ltd.	156	172
13	NTPC Ltd.	205.18	283.48
14	Coal India Ltd.	24.7	229
15	Vedanta Ltd.	25.5	32.25
16	Mahindra & Mahindra Ltd.	83.24	83.03
17	Adani Enterprises Ltd.	2.1	4.24
18	GAIL (India) Ltd.	71.89	118.67
19	HDFC Bank Ltd.	118.55	197.13
20	Mangalore Refinery & Petrochemicals Ltd.	0.5	21.9
21	Infosys Ltd.	239.54	243
22	Punjab National Bank	3.75	121.65
23	JSW Steel Ltd.	43.39	42.86
24	Maruti Suzuki India Ltd.	37.25	50.11
25	Rajesh Exports Ltd.	2.8	7.97
26	Bank of Baroda	17.83	109
27	Wipro Ltd.	132.7	128
28	Canara Bank	30.39	72.11
29	Housing Development Finance Corporation Ltd.	8.8	131.19
30	Bank of India	15.2	67.5
31	Steel Authority of India (SAIL) Ltd.	35.04	78
32	Axis Bank Ltd.	123.22	133.22
33	ITC Ltd.	214.06	212.92

34	Petronet LNG Ltd.	4.24	28.84
35	HCL Technologies Ltd.	7.2	94.7
36	Union Bank of India	11	52.3
37	Motherson Sumi Systems Ltd.	0.15	11.7
38	Tata Power Company Ltd.	31.13	29.8
39	Grasim Industries Ltd.	16.17	20
40	Hindustan Unilever Ltd.	82.35	79.82
41	Bharat Heavy Electricals Ltd.	102.06	164.45
42	IDBI Bank Ltd.	23.44	26.29
43	Ruchi Soya Industries Ltd.	0.46	3.46
44	Central Bank of India	0.4	7.2
45	Hero Motocorp Ltd.	2.37	44.04
46	Sun Pharmaceutical Industries Ltd.	4.7	20.69
47	Aditya Birla Nuvo Ltd.	9.61	9.41
48	Power Finance Corporation Ltd.	51.68	117.49
49	Ultratech Cement Ltd.	44.5	66.61
50	MMTC Ltd.	0.5	3.69
51	Tech Mahindra Ltd.	53.21	30.88
52	Bajaj Auto Ltd.	42.91	86.33
53	Allahabad Bank	8.54	35.68
54	Kotak Mahindra Bank Ltd.	11.97	39.2
55	Corporation Bank	6.16	25.55
56	Rural Electrification Corporation Ltd.	46.04	103.25
57	Reliance Infrastructure Ltd.	25.4	40.13
58	Jaiprakash Associates Ltd.	13.5	13.23
59	Tata Communications Ltd.	5.31	9.8
60	Jindal Steel & Power Ltd.	49.78	47.97
61	Andhra Bank	1.061	28.86

62	Power Grid Corporation Of India Ltd.	47.4	117.53
63	Hindustan Zinc Ltd.	59.28	152.64
64	Tata Chemicals Ltd.	10.2	11.66
65	Indian Bank	1.17	37.12
66	Cairn India Ltd.	70.36	129.8
67	Ashok Leyland Ltd.	1.77	1.72
68	Amtek Auto Ltd.	0.3	8.42
69	Dr. Reddy's Laboratories Ltd.	29.17	36.6
70	Asian Paints Ltd.	19.01	29.87
71	Alok Industries Ltd.	1.4	21.89
72	NMDC Ltd.	188.65	210.56
73	CG Power And Industrial Solutions Ltd.	6.6	7.9
74	EID Parry (India) Ltd.	1.2	1.3
74	PTC India Ltd.	0.2	4.68
76	YES Bank Ltd.	15.71	29.5
77	Lupin Ltd.	12.6	39.6
78	Apollo Tyres Ltd.	5.68	8.47
79	Aurobindo Pharma Ltd.	8.1	13.9
80	Bharti Infratel Ltd.	17.3	19.2
81	UPL Ltd.	10.62	6.93
82	Indusind Bank Ltd.	17.53	32.64
83	ACC Ltd.	27.9	27.7
84	Titan Company Ltd.	12.32	19.36
85	Gitanjali Gems Ltd.	1.1	3.27
86	Cipla Ltd.	13.4	33.09
87	Dena Bank	5.5	14.03
88	GMR Infrastructure Ltd.	2.9	3.5
89	Sundaram Clayton Ltd.	20.8	0.95

90	Coromandel International Ltd.	10.28	13.23
91	Oil India Ltd.	133.3	98.64
92	CESC Ltd.	15.16	15.16
93	Siemens Ltd.	0.3	9.12
94	LIC Housing Finance Ltd.	4	29.62
95	Torrent Power Ltd.	16.3	16.75
96	Bhushan Steel Ltd.	16.2	17.83
97	State Bank Of Travancore	2.72	14.54
98	Ambuja Cements Ltd.	41	26.36
99	TVS Motor Company Ltd.	6.4	6.3
100	Bosch Ltd.	10.3	27.85
101	Nestle India Ltd.	8.51	15.35
102	Chambal Fertilisers & Chemicals Ltd.	8.36	9.1
103	NHPC Ltd.	52.24	47.64
104	IDFC Ltd.	10.04	47
105	NCC Ltd.	0.9	1.24
106	Exide Industries Ltd.	3.6	14.07
107	JSW Energy Ltd.	15.83	15.72
108	Godrej Industries Ltd.	2.78	2.82
109	Shriram Transport Finance Company Ltd.	6.924	38.15
110	Havells India Ltd.	9.785	9.92
111	Ushdev International Ltd.	3.2	2.11
112	JBF Industries Ltd.	20	1.21
113	Reliance Capital Ltd.	11.8	11.93
114	United Spirits Ltd.	0.1	2.09
115	Cadila Healthcare Ltd.	10.8	10.8
116	KEC International Ltd.	0.4	3.13
117	Welspun Corp Ltd.	0.4	1.27

118	Bombay Burmah Trading Corporation Ltd.	0.7	0.25
119	Uttam Galva Steels Ltd.	1.2	2.21

S.NO	Companies for FY 2015-16	Actual Am**ount INR crore**	Prescribed Am**ount INR crore**
1	Indian Oil Corporation Ltd.	156.68	141.5
2	Reliance Industries Ltd.	651.57	557.78
3	Tata Motors Ltd.	20.6	0
4	State Bank of India	143.92	143.92
5	Bharat Petroleum Corporation Ltd.	112.6	116
6	Hindustan Petroleum Corporation Ltd.	71.76	53.92
7	Oil & Natural Gas Corporation Ltd.	421	593.7
8	Tata Steel Ltd.	213.24	150
9	Tata Consultancy Services Ltd.	294	360
10	Bharti Airtel Ltd.	42.15	198
11	Larsen & Toubro Ltd.	119.5	101.46
12	Icici Bank Ltd.	172	212
13	Hindalco Industries Ltd.	34.14	31
14	Coal India Ltd.	4.18	4.18
15	NTPC Ltd.	491.8	349.65
16	Mahindra & Mahindra Ltd.	85.9	89.71
17	HDFC Bank Ltd.	120.72	127.28
18	Infosys Ltd.	202.3	156.01
19	Maruti Suzuki India Ltd.	78.46	65.4
20	Gail (India) Ltd.	160.6	106.9
21	Wipro Ltd.	159.8	156

22	Housing Development Finance Corporation Ltd.	85.7	150.9
23	Axis Bank Ltd.	137.41	163.03
24	HCL Technologies Ltd.	12.4	130.3
25	JSW Steel Ltd.	51.36	51.22
26	ITC Ltd.	247.5	246.76
27	Steel Authority of India (Sail) Ltd.	76.16	57.2
28	Tata Power Company Ltd.	29.01	28.29
29	Motherson Sumi Systems Ltd.	2.26	13.6
30	Grasim Industries Ltd.	15.05	15.82
31	Union Bank of India	8.1	8.92
32	Idea Cellular Ltd.	18.47	34.88
33	Redington (India) Ltd.	2.85	4.92
34	Hindustan Unilever Ltd.	92.12	91.94
35	IDBI Bank Ltd.	9.44	14.41
36	Ruchi Soya Industries Ltd.	0.36	1.94
37	Hero Motocorp Ltd.	65	58.18
38	Bharat Heavy Electricals Ltd.	66.2	110.1
39	Kotak Mahindra Bank Ltd.	11.1	47.33
40	Power Finance Corporation Ltd.	196.2	145.09
41	Petronet LNG Ltd.	5.96	25.06
42	Tech Mahindra Ltd.	46.5	45.35
43	Ultratech Cement Ltd.	50.89	57.82
44	Rural Electrification Corporation Ltd.	128.2	128
45	Aditya Birla Nuvo Ltd.	7.4	7.01
46	Bajaj Auto Ltd.	86.72	86.46
47	Tata Communications Ltd.	13.85	13.85
48	Reliance Infrastructure Ltd.	32.5	33.58
49	Jindal Steel & Power Ltd.	26.71	24.42

50	Tata Chemicals Ltd.	14	12.34
51	Hindustan Zinc Ltd.	63.3	126.33
52	Asian Paints Ltd.	34.4	33.75
53	Yes Bank Ltd.	29.52	47.75
54	Dr. Reddy's Laboratories Ltd.	41.2	41.88
55	IndusInd Bank Ltd.	27.3	42.76
56	Lupin Ltd.	20.5	54.15
57	Gitanjali Gems Ltd.	1.1	1.95
58	Aurobindo Pharma Ltd.	18.5	28.22
59	PTC India Ltd.	1.3	5.79
60	Cipla Ltd.	20.5	35.79
61	Bajaj Finserv Ltd.	1.62	1.6
62	UPL Ltd.	11.56	7.88
63	Alok Industries Ltd.	0.1	21.2
64	Bharti Infratel Ltd.	20.9	25.5
65	Sundaram Clayton Ltd.	1.7	3.2
66	Eicher Motors Ltd.	9	8.89
67	CESC Ltd.	16.6	16.53
68	Torrent Power Ltd.	0.5	16.41
69	Apollo Tyres Ltd.	12.96	12.93
70	Coromandel International Ltd.	10.8	11.18
71	Titan Company Ltd.	17.4	20.88
72	Godrej Industries Ltd.	14.6	14.22
73	Oil India Ltd.	0	89.48
74	Reliance Power Ltd.	4	1.3
75	Bosch Ltd.	19.5	30.58
76	United Spirits Ltd.	6.1	6.51
77	Chambal Fertilisers & Chemicals Ltd.	9.7	8.45

78	Cairn India Ltd.	51.5	107.21
79	JSW Energy Ltd.	22.8	26.62
80	Shriram Transport Finance Company Ltd.	18.73	37.73
81	NHPC Ltd.	72.67	43.28
82	Zuari Agro Chemicals Ltd.	0.4	0.75
83	Reliance Capital Ltd.	9.8	13.41
84	Cadila Healthcare Ltd.	16.46	16.46
85	DLF Ltd.	10.4	10.4
86	Exide Industries Ltd.	4.52	14.89
87	Indiabulls Housing Finance Ltd.	0	40.25
88	Hindustan Construction Company Ltd.	0.4	0.06
89	IDFC Ltd.	13.69	23.4
90	Godrej Consumer Products Ltd.	14.57	14.22
91	Havells India Ltd.	11.48	11.48
92	JBF Industries Ltd.	0.6	2.38
93	Britannia Industries Ltd.	10.46	10.46
94	Rashtriya Chemicals & Fertilizers Ltd.	0	8.39
95	IL&FS Transportation Networks Ltd.	7.31	7.31
96	Dabur India Ltd.	17.44	17.25
97	Arvind Ltd	9.61	7.27
98	Tata Global Beverages Ltd	5.53	4.5
99	Welspun India Ltd.	5.72	5.72
100	Adani Ports & Special Economic Zone	40.81	40.4
101	Dewan Housing Finance Corp Ltd	7.03	15.19

S.No.	List of Companies taken for Pre and Post analysis
1	Indian Oil Corporation Ltd.
2	Reliance Industries Ltd.

3	Bharat Petroleum Corporation Ltd.
4	Hindustan Petroleum Corporation Ltd.
5	State Bank of India
6	Oil & Natural Gas Corporation Ltd.
7	Tata Steel Ltd.
8	Hindalco Industries Ltd.
9	Bharti Airtel Ltd.
10	Larsen & Toubro Ltd.
11	Tata Consultancy Services Ltd.
12	NTPC Ltd.
13	ICICI Bank Ltd.
14	Mahindra & Mahindra Ltd.
15	GAIL (India) Ltd.
16	Adani Enterprises Ltd.
17	Infosys Ltd.
18	JSW Steel Ltd.
19	HDFC Bank Ltd.
20	Punjab National Bank
21	Steel Authority of India (SAIL) Ltd.
22	Bank of Baroda
23	Wipro Ltd.
24	Maruti Suzuki India Ltd.
25	Canara Bank
26	Bank of India
27	Bharat Heavy Electricals Ltd.
28	Housing Development Finance Corporation Ltd.
29	Axis Bank Ltd.
30	Petronet LNG Ltd.
31	ITC Ltd.
32	Tata Power Company Ltd.
33	HCL Technologies Ltd.
34	Union Bank of India
35	Motherson Sumi Systems Ltd.
36	Hindustan Unilever Ltd.
37	Grasim Industries Ltd.
38	IDBI Bank Ltd.
39	UltraTech Cement Ltd.
40	Power Finance Corporation Ltd.
41	Allahabad Bank
42	Bajaj Auto Ltd.
43	Jindal Steel & Power Ltd.

44	Cairn India Ltd.
45	Tata Communications Ltd.
46	Kotak Mahindra Bank Ltd.
47	Rural Electrification Corporation Ltd.
48	Sun Pharmaceutical Industries Ltd.
49	Tata Chemicals Ltd.
50	Power Grid Corporation of India Ltd.
51	Adani Power Ltd.
52	Alok Industries Ltd.
53	Hindustan Zinc Ltd.
54	NMDC Ltd.
55	Asian Paints Ltd.
56	Dr. Reddy's Laboratories Ltd.
57	Jindal Stainless Ltd.
58	GMR Infrastructure Ltd.
59	YES Bank Ltd.
60	Lupin Ltd.
61	Oil India Ltd.
62	Bharti Infratel Ltd.
63	Titan Company Ltd.
64	Cipla Ltd.
65	IndusInd Bank Ltd.
66	DLF Ltd.
67	Bajaj Finserv Ltd.
68	LIC Housing Finance Ltd.
69	Nestle India Ltd.
70	JSW Energy Ltd.
71	IDFC Ltd.
72	NHPC Ltd.
73	Shriram Transport Finance Company Ltd.
74	Godrej Industries Ltd.
75	Welspun Corp Ltd.