

## CSR Initiatives Made by Listed Companies towards India

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**Abstract:** This paper is proposed to disclose the various CSR (Corporate Social Responsibility) practices / initiative by the listed companies toward the Indian Economy and peoples either directly or indirectly. Corporate is mostly doing its operations as on Three basic line segment called Triple bottom lines, they include **People, Planet and Profit**. Nearly there are 200 Listed companies are actively participated in the towards the CSR practices in India.

Most of the researches have disclosed that the Government (treasury / development department) is the major contributor of the Economic or Structural or Educational or Financial development of the Country, but the CSR practices by the listed companies also play a vital role in the contribution to the country's development.

Corporate Social Responsibility (CSR) practices in India helps the government in the development process & Welfare activities especially in the Covid-19 relief movement and also helps in the development of reputation of the company in the present and future conditions.

**Keywords:** Corporate Social Responsibility (CSR), Initiatives, Stakeholders, NSE & BSE, Listed Companies, etc.

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### 1. Introduction:

In this 21<sup>st</sup> Century, Modern business have a serious effect on the consumers, shareholders, suppliers, employees (simply Stakeholders of the Company) and also on the society to develop them. There is an ethical duty to the business to contribute towards to the society for its action taken.

The Corporate Social Responsibility (CSR) is business term which means the responsibilities of business (corporate world) towards the society & environment. The Corporate Social Responsibility (CSR) is defined as *Ideology of Give and Take* and which is derived by American Economist, Howard Bowen (Father of CSR) in the year 1953 in his Book.

Corporate Social Responsibility (CSR) is official or ethical commitment of the business towards the Social and Environmental Surrounding. CSR is a massively debated topic in the corporate world, it is easy to understand but hard to define (as per the requirement).

**“The Obligation of Businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of Society”**

- **Howard Bowen (1953)**

The Journey of the Business from the Micro Level to the Macro Level makes the CSR Initiatives more effective and sustainable. CSR is a strategy of the Business addressing the unique needs of various communities either directly or partnering the state or Central Government or Agencies. Spending on CSR is not new activity in India, it has raised lots of expectations and gained growing recognition of brand in the stakeholders Environment.

The social responsibility of business will cover the economic, legal, ethical and environmental expectations society has placed on organizations at a given point of time. This can be explained with the equation given below.

**Total Corporate Social Responsibility = Economic Responsibilities + Legal Responsibilities + Ethical Responsibilities + Philanthropic Responsibilities.**

## 2. Review of Literature:

- 1) According to Sudipta Saha Roy (October, 2021), suggested in his research paper “A Study of CTBL Reporting” with a comparison to Traditional reporting framework and their evolution in the Reporting Framework. Highlighted various CTBL Reporting indicators in India such as Environmental, Social and Economic indicators. And also suggested few guidelines for the Corporate Triple Bottom Lines reporting in the India with the indicators.
- 2) According to Dr.Parvat. R. Patel (December, 2020), suggested in his paper “Corporate Social Responsibility in India – A Path to Achieve Sustainable Development Goal”, that CSR is the major contributor of the Economic Sustainable development with the achievement of Goal. And also explained the indirect services of the Corporate towards the Sustainable Development Goals in India and shows some examples of the contribution by the Listed Corporate in India towards to the CSR in the year 2018-19 and 2019-20.
- 3) According to Niteesh Kumar Upadyay1 Mahak Rathee, in their paper “An Analysis of Corporate Social Responsibility in India with Special Reference to Covid-19 Situation” explained about the supportive measures taken by the Corporate’s under CSR to the Recovery of Pandemic Situation in the Economy. This paper expressed the discussion about CSR, its history, Legal framework and also recovery of the companies in the unusual socio-economic circumstances in the Economy.
- 4) As per Mallen Baker (2012) in his article on “Four emerging trends in Corporate Responsibility” explained the three basic things about the trends of CSR that have evolved form after Industrial revolution. Firstly, the relationship between Business and society has changed. Secondly, the strategy of the businessman to develop business meanwhile it also affected the society a lot. Finally, the changes of CSR are also affected by other parties like outside agencies and the firm’s own goals that interfere the firm’s activity.
- 5) According to Kishor Neelakandan, the enactment of the company act 2013 will create a big regulatory push for CSR activities and this is mandatory for all company operating in India. So, it is good for economic development but how Shareholders think about it while evaluating company? So according to author suggests that framework for investors to evaluate companies’ CSR efforts which is based on four key parameters-Integrity, strategic orientation, efficiency and transparency.

## 3. Objective of the Study:

The following points are to address the basic objectives of the Listed company initiatives towards CSR development and improvement in India;

- To develop an understanding of ideology and development of CSR in India.
- To study the prevailing status of Corporate Social Responsibility practices and initiatives by Indian (Listed) companies.
- To improve knowledge in Legal framework on CSR in India.
- To understand the contribution of the Listed Companies and CSR attempts to help the Government in the Covid-19 situation.
- To provide the various new CSR project Idea to the Business.

## 4. Methodology:

The Research paper is an attempt of *EXPLORATORY RESEARCH*. The Data of this research/study is Secondary data which have been collected from different sources such as official websites of Department of Corporate Sectors, Ministry of Corporate Affairs, Newspaper articles, Journals, Research Paper, Media Reports and Research Magazine’s that has been published on the topic. This research does not observe with any statistical tools and techniques for exploratory note. This Research is based on the observation from the student circle and local area general public for the various data implementation with it.

## 5. Nature and Scope of the Study:

The following are Nature and Scope of the Corporate Social Responsibility (CSR) in India;

1. CSR in Environment Improvement
2. CSR in Society and Social development
3. CSR in Power and Energy Management
4. CSR in Ethical and Legal Business Practices
5. CSR in Stakeholders Management

## 6. Definitions:

1. According to **ISO 26000**, “The Responsibility of an organization for the impact its Decision and activities on society and environment through transparent and ethical behaviour”.

2. According to **World Bank**, “Corporate Social Responsibilities is commitments of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life in ways that are both good for business and good for development”.

### 7. Is CSR Mandatory or Voluntary?

We have raging Debate for the past twenty years in the National and International Arena of Corporate sector on the Question that, “**Should CSR to be Mandatory or Voluntary**”. Historically the Nature of the CSR in the Dynamic Corporate world is Voluntary, but since 1990s, the governments of the various countries had taken an initiative to make the CSR Mandatory.

**“No act of kindness, Nomatter how small, is ever wasted”**

In the year 2013, the Government of India made the CSR as Mandatory under the Section 135 of Indian Companies Act-2013. CSR is mandatory in India because the many of the listed and unlisted companies in India, have not contributed the minimum requirement of the society in which it operates, as a voluntary contribution. India is the first country in the world to make CSR mandatory under a Regulatory Law board.

### 8. Canons of CSR followed in India:

The Legal framework under the CSR initiatives and activities in India implemented by the Government of the India, Ministry of Corporate Affairs, etc for monitoring the Corporates. The following are the regulations by the Government towards Indian (listed) Companies in the CSR activities;

#### ➤ 8.1 Indian Companies Act-2013:

Regulation under Section 135 (1) of Indian Companies Act-2013, which is applicable to the companies register under this Act with an annual turnover of more than Rs.1000 Crores (or) a net worth of Rs.500 Crores (or) an annual net profit of Rs.5 Crores and above, has to spend **atleast 2%** of their Average net profit accrued over the last 3 financial year on their CSR activities.

#### ➤ 8.2 CSR Committee:

- ❖ In India, the Ministry of Corporate Affairs has issued various rules and regulations for the formulation of CSR committee and monitor of CSR policy with includes the undertaking of CSR activities regularly, roles of Board members (Board of Directors) in the CSR committee, disclosure of CSR report, etc. which came into effect on 1<sup>st</sup> April 2014.
- ❖ Section 135 (2) of Companies Act – 2013 explains the composition for the discloser of CSR committee to the Government and Society.
- ❖ And Section 135 (3) of Companies Act – 2013 recommends the Companies about the CSR policy, amount of expenditure to be incurred and also monitor the CSR policy of the company time to time.
- ❖ CSR committee constituted with minimum of 3 or more directors in a company, among these 3 directors, atleast one director must by be independent director. (Exceptions; for the Private Company and Unlisted public company can form there CSR committee without independent director)

#### ➤ 8.3 Securities Exchange Board of India’s (SEBI):

As per the Circulars of Securities Exchange Board of India (SEBI’s) as on August 2012 addressing that the top 100 listed companies of the Market capitalization have to take ESG initiatives (Environmental, Social and Governance) and should be reported in the form of BRR (Business Responsibility Report) with a part of Annual report. (SEBI LODR - Listing Obligations and Discourse Requirement). SEBI has mandated that the BRSR will be applicable to the top 1000 listed companies (of the Market capitalization) for reporting on a voluntary basis for financial year 2021-2022 and 2022-2023.

### 9. Triple bottom lines:

The “triple bottom line” (TBL) concept was evolved by Elkington in 1994 to expand the environmentalist agenda of those working towards sustainability so that it more explicitly incorporates a Social dimension, published in his book “*Cannibals with Forks*” in 1998 Corporate Triple Bottom Line (CTBL) disclosure items are handpicked from the annual reports / Corporate Social Responsibility reports of the Sample unit like examinations in the Corporate Sector, but the disclosures are not structure and have no regulatory requirement. The analysis was used to place information within following 3 dimensions or indicators.

- ❖ Environment: Environmental Indictors cover performance related to inputs (includes the Material, Energy, Water, etc..) and outputs (includes the emissions, effluents, wastage, etc..). And also includes the performance of environmental and bio diversity towards the corporate.
- ❖ Economic: The Economic dimension concerns an organisation’s impacts on the economic circumstances of its stakeholders and an economic system at the Local, National and Global levels.

❖ **Social:** The Social dimensions concerns an organisation's impacts on the social systems within which it operates.

a) **9.1 Profit Bottom Line:**

In the Corporate sector, the firm's success depends on the **Profit** or Financial performance generated towards its Shareholders as well as Stakeholders.

b) **9.2 People Bottom Line:**

In the Corporate sector the second important component of triple bottom line is Commitment towards **People**.

c) **9.3 Planet Bottom Line:**

Final important component of triple bottom line in the corporate sector is concerned with making a positive resolution to **Planet**.

### 10. Advantages of CSR for the Business:

In India, there are several factors determining the CSR which are helps in the driving the responsibilities

- Reduce the Governmental and Public Pressure(\*).
- Improves the Ecological sustainability in the operating area.
- Helps in the Brand building(\*).
- Provides the Cost Management environment.
- Reduce the Taxation (or Tax payment) against the Turnover obtained (\*).
- Increases the Customer preference and demand (\*).
- Improves the Corporate Value in the Business world.
- Increases the Stakeholders engagement towards the Corporate.

### 11. Key drivers of CSR:

In the 20<sup>th</sup> Century, there are several drivers in the Business world towards CSR as per reports of G250 companies by the KPMG Survey. The Following drivers are gained by the business based on its CSR activities and initiatives towards its Operating area or Environment or Society. Many companies of the India and other Indian Operating companies use the CSR activities as a tool to gain the key drive in the Dynamic business world.

They include...

- ✓ Reputation and Branding : 67% (\*)
- ✓ Ethical Considerations: 59%
- ✓ Employee Motivation: 44% (\*)
- ✓ Innovation and Learning: 44%
- ✓ Risk management or Risk Reduction: 35%`
- ✓ Access to Capital of increased Shareholder value: 32%
- ✓ Economic considerations: 32%
- ✓ Strengthened Supplier relationship: 22%
- ✓ Market position improvement: 22%
- ✓ Improved relationship with Government authorities: 18% (\*)
- ✓ Cost Saving: 10% (\*)

### 12. Voluntary initiative made by top Companies in 2022:

CSR Projects are large initiatives taken up by the large scale and medium scale companies to carry out the corporate social responsibility. Even though the CSR is mandatory in India, many companies are providing various voluntary services beyond the regulative measures.

Here we explained top **Five (5) listed companies** initiative measures taken on CSR in India.

a) **12.1 Tata Consultancy Services (TCS)** (Best CSR performer in India)

Tata Consultancy Services (TCS) provides empowerment for people and sustainability for the environment with various development measures like Implementing digital entrepreneurship, launching free online courses, Investing in IT research, providing various eco-efficient services like reduce carbon footprints, reusing processes to maintain sustainable management of resources, etc. TCS made collaborative initiation with Non-Governmental Organizations (NGOs) in the development of rural areas and their community. TCS also provides a fully integrated hospital management system free of cost to the Cancer Research Institute at Chennai and constructed various sanitation facilities to the public schools under Government's Swachh Bharat Abhiyan.

**b) 12.2 Infosys**

Infosys make various CSR projects to eliminate hunger, poverty and malnutrition in the areas of rural and providing education and empowerment of women. Besides these, it also aims at setting up of number of drives and initiatives towards the sustainable environment. Infosys also acting as a partner of various Non-Governmental Organizations (NGOs) by providing support to make a difference in societies. Infosys started its CSR activities in January,1999 with a donation of 2567 computers to various government institutions. Recently Infosys limited spends Rs.360 crores on Corporate Social Responsibility (CSR) programmes during FY 2019-20 as per annual report.

**c) 12.3 Ambuja Cement**

Ambuja cement's CSR activities are being handled by the Ambuja Cement foundation(ACF), Its objectives include water resource management, providing relief materials in disaster situations, empowering women, providing better scope for agro-based areas and also providing educational and health care facilities to needed once. ACF spent nearly Rs.117.9 crores to the Environmental protection as per report of 2018.

**“Energrise, Involve and Enable Communities to Realise their Potential”**

**d) 12.4 Havells India**

Havells India is a FMCG (Fast Moving Consumer Goods) manufacturer in India and a good performer in the CSR activities mainly towards the Environmental and Educational areas. Havells India have introduced non-radioactive and energy-efficient products as CSR projects in every year. The First CSR project was started during the construction of one of the plant projects, it was observed that the children in Alwar, Rajasthan were engaged in labour work instead of schooling, Havells India adopted (provide them mid-deal meals) all the children and made them as a student in the Government school in the same district. This initiative aimed at creating **“ZERO HUNGER”** in the Alwar region and also fulfilled two CSR goals: Child education and Malnutrition.

**e) 12.5 Reliance Industries Limited (RIL)**

Reliance Industries Limited is one of the largest (listed) companies in India with an impact on the Dynamic corporate world. RIL mainly contributes its CSR funding towards the Health Sector mostly in Reliance Foundation Hospital (RFH), whereas the treatment is provided at free of cost and subsidized treatment to the needed patient in very low cost.

**f) 12.6 Other contributors of CSR in India:**

- HDFC Bank – Healthcare promotion for Rs.3.29 Crores in 2020-21 and contributed Rs.5.64 Crores towards Project Swachha banking in 2020-21.
- Oil and Natural Gas Corporation Ltd (ONGC) – Contribution of Rs. 303.80 Crores towards Covid-19 relief activities in 2020-21.
- Indian Tobacco Company of India Ltd (ITC) – Women Empowerment (program) initiative in Madhya Pradesh in 2021.
- National Thermal Power Corporation Ltd (NPTC) – Capacity building programme and Sanhykta Mahila Samiti in 2022.
- Indian Oil Corporation Ltd (IOCL) - Established ICT-IOC Campus at Bhubaneswar to promote employability in collaboration with Institute of Chemical Technology (ICT) Mumbai

**13. Sample of Recent initiative made in Covid-19 situation (2020-2022)**

Listed companies of the India have contributed a **HUGE AMOUNT** to the fight against the Covid-19 pandemic and Relief measure for the Government and to various Welfare agencies in India as a CSR projects.

**Table 01:** Here are few samples of the contribution by the companies towards to the Covid-19 Relief measure and welfare movement in India.

S.No	Contributor in India (Among the listed Companies)	Contribution towards Covid-19
01	Ambuja Cement collaboration with ACC	Rs.3.3 Cr to Covid-19 relief measure

02	State-run Coal India Ltd	Rs.221 Cr to Prime Minister fund
03	SBI Foundation	Rs.30 Cr to Covid-19 relief measure
04	Bosch Group in India	Rs.50 Cr to Prime Minister fund
05	ICICI Group	Rs.100 Cr to Prime Minister carers fund
06	Walmart (Foundation) India along with Flipkart in India	Rs.46Cr to Personal Protective Equipment (PPE) in India
07	ReNew Power Ltd	Rs.20 Cr to Covid-19 pandemic
08	Oil and Natural Gas Corporation Limited (ONGC)	Rs.300 to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PMCARES) fund
09	Infosys Foundation partnership with Narayana Health city	100 – Room with Quarantine facility to the Covid-19 patients
10	TATA Sons (TATA Motors) with TATA trusts	Rs.1000 Cr to Covid relief

**Source:** Reference to the company's website and also reference to [www.csrbox.org](http://www.csrbox.org)

#### 14. Challenges to CSR Initiatives in India:

There are various challenges to the company while implementing its CSR activities;

➤ **Inadequate knowledge (\*):**

Inadequate participation of stakeholders to the CSR activities due to Lack of communication, problems escalate, inadequate knowledge, etc.

➤ **Lack of Supportive Measure:**

Lack of support on the implementation of CSR activities like lack of consensus from local communities, agencies, central/state governmental bodies, etc.

➤ **Improper perception:**

Most of the Listed companies project on CSR is Narrow perception like funding to agencies / schemes, etc.

➤ **Inadequate disclosure of activities(\*):**

Lack of transparency is one of the key issues brought forth by this survey. Inadequate effort on the disclosure of CSR activities and information's to the public.

➤ **Non-Availability of well Organized Non-Governmental Organizations:**

It is also reported that there is non-availability of well-organized non-governmental organizations in remote and rural areas that can assess and identify real needs and wants of the community.

➤ **Inadequate guidelines in Implementation:**

Since the Government of India has not given any clear-cut statutory for the CSR initiatives by the Companies, So the CSR initiatives of the company is depending upon the Size and Financial profile of the company.

#### 15. Suggestion of New Projects:

- ✓ **At Unboxed**(Engaging the Employees and Customers to work in Community development to make the society to a sustainable environment.)
- ✓ **Reimagine what learning can be** (providing the practical knowledge to the students at Free of Cost as Internship programmes.)

- ✓ **Your partner in strategy**(empowerment of the women education & rights and ask them to give the project ideas through a competition, Seminars, etc.)
- ✓ **Carbon is not my footprint**(plan prepared to the Carbon emitting companies to reduce the emanation of the Carbon-di-oxide and Carbon-mono-oxide or to promote the planting and afforestation activities all over the country.)
- ✓ **Ask what is your' want**(this is systematic plan of this survey, which means that the companies are required to ask the necessary things and wants of their own stakeholders within the environment of Usage).

**“There is difference between a Good Company and Great Company.**

**A Good Company offers excellent products and services.**

**A Great Company also offers excellent product and services but also strives to make the world a better place”**

- **William Clay Ford Jr.**  
**Chairman/ CEO of Ford Motor Company**

## 16. Conclusion:

This is a collection of research work on the topic “Corporate Social Responsibility (CSR) Initiative by the Listed companies in India” with a reference to the Stock Exchange. From the research work, it is observed that the CSR initiatives had played a vital role in the development of our Country (India) and also act as a backbone of our economy.

**“Wealth created by the Society has to be ploughed back into the Society”**

- **Mahatma Gandhi**

Most of the Researches have observed that the Companies/Business are mainly focused on the Profit maximization (under the conceptual framework), but it was observed that the Business/Companies/Simply a Corporate have contributed a lot of financial, educational, structural supports to the government's, NGO's, agencies, etc for the Economic wellbeing and development through a model or frame work called “**Corporate Social Responsibility**” (CSR).

Thus, from the above researches I would like to conclude that the Corporate is not only focused on the profit and turnover, they also help in the development its operating area or society or Operating sector as a mandatory contribution.

From this is Research, we (Future of the Business/Corporate) should not blame the Corporate as a destroyer of the Society, they are the real contributor of the Society and also to the National & Infrastructural Development.

**“CORPORATE IS NOT ACCUMULATION,  
IT IS ABOUT CONTRIBUTION”**

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