

# Corporate Social Responsibility of Indian Blue-chip companies— A Study on Unexplored or Untouched areas under CSR

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**Abstract-** Corporate Social Responsibility has become a talk and practice in every organisation. Many companies including start-ups show a lot of interest in contributing back to the society in many ways. Most of the companies are involving in CSR activities in the field of education like providing support to government schools, sponsoring for education. Majority of the companies are involved in plantation and no plastic drive etc. In this paper we intend to list down the activities suggested under CSR Rule, 2013 and also study the CSR reports of 10 blue-chip companies to know the kind of CSR initiative taken up by this. The objectives of the paper is to do a comparative study of CSR activities suggested under CSR Rule, 2013 and CSR activities carried out by Indian blue chip companies and to identify the unexplored or less-focussed areas under CSR. We are using secondary data such as provisions of Companies Act 2013 with reference to CSR Rule and CSR reports of respective companies.

**Keywords:** CSR Rule, less – focussed, Blue-chip companies, social responsibility.

## I. INTRODUCTION

Every enterprise is aware that no business can survive sustainable success and shareholder value only through maximizing profits which are short term in nature, but long term survival, sustainable success and shareholder value is possible through market-oriented yet responsible, sensitive, humane behaviour. Companies have realised that they can achieve sustainable development by conducting their operations in such a way that there is win-win situation to all the stakeholders by ensuring environmental protection and promoting social responsibility, including consumer interests.

With Indian Corporate fraternity facing mandatory Corporate Social Responsibility inclusion in laws there becomes a greater need to concentrate and analyze on various basic aspects of Corporate Social Responsibility and its provisions. Frederick W, Post J, Davis KE2: Corporate social responsibility can be defined as a principle stating that corporations should be accountable for the effects of any of their actions on their community and environment. Kotler, P. and Lee, N: CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.

**Corporate Social Responsibility can be explained as:-**

1. Corporate – Organized Business.
2. Social – Everything dealing with people.
3. Responsibility – Accountability between the two.

Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society.

## II. PROBLEM DEFINITION

Performance & Accountability of at least five activities under CSR is mandatory for all organization. All the companies are doing well either because of compulsive from law or may be out of their own concern for society around them. But there is a need to study where all the activities given under Companies Act, 2013 are being explored in a balanced way by the companies or are there any areas which are less focused or not at all focused by any of the companies so far.

### III. HYPOTHESIS

**H1:** All activities under CSR are being covered by one or the other Blue-chip companies in India

**H0:** One or some of the activities are not been explored by Blue-chip companies in India

### IV. RESEARCH OBJECTIVES

1. To study the CSR activities as given by Companies Act, 2013
2. To do a comparative study with the activities carried out by Indian blue chip companies
3. To identify the unexplored or less-focused areas under CSR.

### V. DATA COLLECTION & METHODOLOGY

The data used for this research paper is mainly secondary data, that is,

1. Provisions of Companies Act, 2013 with respect to CSR
2. CSR Policies & Reports of top 10 Indian Blue-chip companies

The methodology adopted for the research is qualitative research method where mostly we gathered non-numerical data and converted them into numerical to give interpretation.

### VI. LITERATURE REVIEW

*Silpa.G, Prof. D.V Ramana, Dr. T. Narayana Reddy(2017)*, In western countries there are no procedural norms and policy frameworks to deal with the CSR activities, but in countries like India, though there are legal provision to perform CSR activities, many companies do violate and escalate their CSR expenditure. The study is mainly focus on CSR activities conducted in the selected IT companies. The finding of the study is focused on impact of CSR efforts and its relevance with competitive advantage of the organization.

*RichaGautam and Anju Singh (2010)*, The purpose of this study is to explore the kind of CSR practices carried out in India's top 500 companies. The findings of the study are that among 500 companies, 299 didn't report on CSR activities conducted by them. The authors also say that companies have considered CSR activities as a competitive business strategy. Some companies are also involving in CSR activities to gain the confidence of the shareholders or out of pressure from shareholders.

*Satinder Singh Ashwaryasharma (2015)*, The authors have explained CSR practices and framework in public companies. The companies have organized various programs on livelihood promotion, community development, environment, making health services more accessible, creating inclusive markets and so on. The companies act 2013 has gained lot of importance and is one of the area where there is need for developing effective and need based CSR strategies.

*Dr.N. SreeRajani, Dr. V. Bhargavi Reddy and Sri PadmavathiMahilaVisvaVidyalayam (2017)* Corporate responsibility is a part of Hindustan Unilever Limited's (HUL's) vision. The company has made efforts to improve quality of life through their products and interventions in the community. HUL is into wide range of CSR activities focused on improving health, welfare and rehabilitation. The paper majorly concentrates on CSR activities conducted by HUL in rural areas and it is able to build a better image in the minds of the people about the company through CSR activities.

### VII. LIMITATIONS OF THE STUDY

Due to time & resource constraints, we were able to limit this study to only 10 Indian Blue-chip companies and only identify the unexplored area, less focussed areas under CSR. There is further scope to study the impact.

### VIII. DATA ANALYSIS & INTERPRETATION

The Companies Act, 2013, has given a list of activities which may be included by companies in their Corporate Social Responsibility Policies and work towards the implementation of the same are (interpreted in my own words):

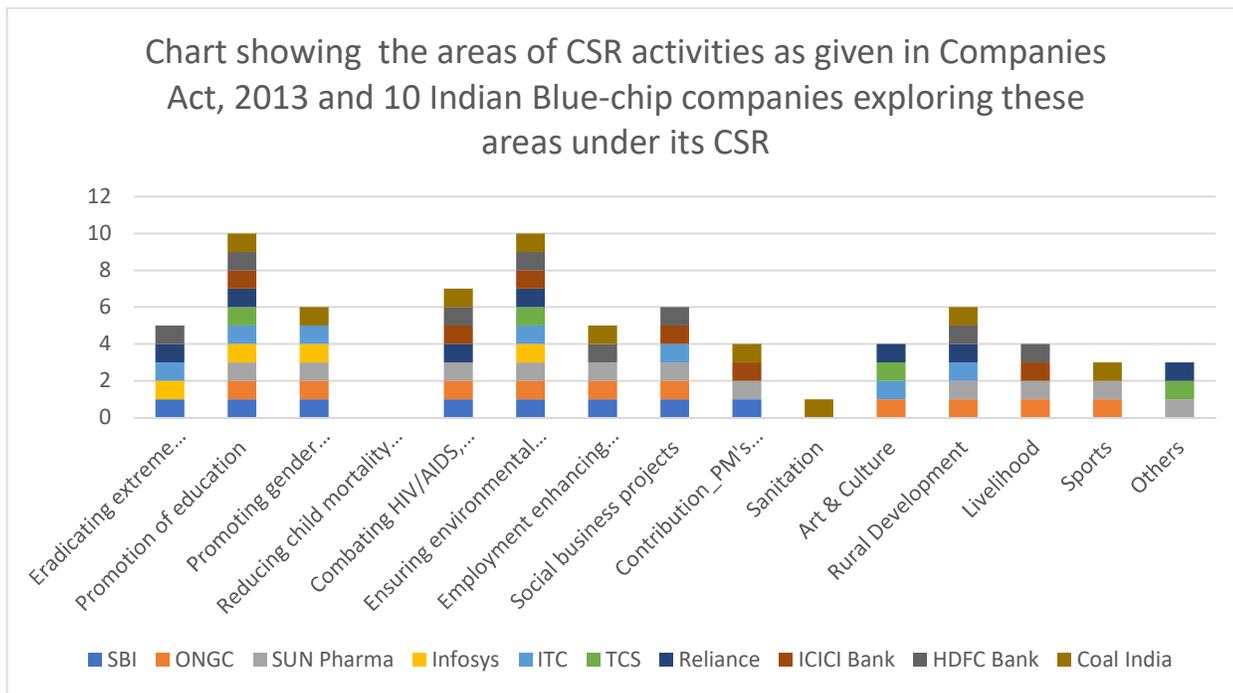
1. Activities to eradicate hunger and poverty which are extreme in nature.
2. Activities related to promote education (basic, primary & higher).
3. Activities & measures to promote gender equality and to empower women.
4. Activities to help reduce child mortality and improve maternal health.
5. Activities to combat human immune deficiency virus, acquired immune deficiency syndrome, malaria and other diseases.
6. Activities to ensure sustainability with regards to environment.
7. Activities to enhance vocational skills for the purpose of employment.
8. Business projects with importance to society.
9. Any monetary contribution made to Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Government
10. Activities for assisting government for the purpose of socio-economic development and relief and funds for the welfare of women, minorities, the Scheduled Tribes, the Scheduled castes and other backward classes.

The data in the table below was collected referring to CSR Policies and reports of 10 Indian Blue-chip Companies

Master Table showing the areas of CSR activities as given in Companies Act, 2013 and 10 Indian Blue-chip companies exploring these areas under its CSR

<b>Companies Act, 2013</b>	<b>SBI</b>	<b>ONGC</b>	<b>SUN Pharma</b>	<b>Infosys</b>	<b>ITC</b>	<b>TCS</b>	<b>Reliance</b>	<b>ICICI Bank</b>	<b>HDFC Bank</b>	<b>Coal India</b>
<b>Eradicating extreme hunger &amp; poverty</b>	✓			✓	✓		✓		✓	
<b>Promotion of education</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Promoting gender equality &amp; empowering women</b>	✓	✓	✓	✓	✓					✓
<b>Reducing child mortality &amp; improving maternal health</b>										
<b>Combating HIV/AIDS, malaria &amp; other diseases</b>	✓	✓	✓				✓	✓	✓	✓
<b>Ensuring environmental sustainability;</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Employment enhancing vocational skills</b>	✓	✓	✓						✓	✓
<b>Social business projects</b>	✓	✓	✓		✓			✓	✓	

<b>Contribution to PM's National Relief Fund / any other fund</b>	✓	✓						✓	✓
<b>Sanitation</b>									✓
<b>Art &amp; Culture</b>		✓			✓	✓	✓		
<b>Rural Development</b>		✓	✓		✓		✓	✓	✓
<b>Livelihood</b>		✓	✓					✓	✓
<b>Sports</b>		✓	✓						✓



From the data in the above table & graph, one can interpret that among the activities that can be included under CSR as per Companies Act, 2013, most focussed area is promotion of education and environmental sustainability, least focussed areas are Sanitation & Sports. The unexplored / untouched area is activities with respect to reducing child mortality and improving maternal health with reference to top 10 Indian Blue-chip companies under its CSR.

IX. FINDINGS

1. All the blue chip companies are actively involved in CSR activity especially in the area of promoting education, ensuring environmental sustainability, healthcare, social business projects, rural development, promotion of gender equality and empowering women, eradication of hunger and poverty, and employment enhancing vocational skills. A lot number of activities are being done in the above mentioned areas of CSR.

2. Promotion of education & ensuring environmental sustainability are the highly focussed CSR areas often explored/touched by Indian blue chip companies.
3. The areas that needs little more attention Sanitation and Sports
4. The area that is off lime light or untouched or unexplored is reducing child mortality and improving maternal health. None of the companies have contributed anything to this area

#### X. SUGGESTIONS

Though there are indirect efforts made by most of the companies through activities like education, women empowerment, general health support, there is need to carry out activities which to the point and directly focuses on child mortality and maternal health promotion.

Through this paper the proposed suggestion to the big B companies is to step into / throw limelight to this area of reducing child mortality and improving maternal health which is a matter of concern towards a child and a mother.

The companies can also consider doing activities in the areas identified by UNICEF like:

- a. Activities to providing high-impact health and nutrition, expected interventions in partnership with government & WHO.
- b. Improving family care practices.
- c. Increasing access to improved water and sanitation.
- d. Responding rapidly to emergencies.
- e. Helping improve emergency obstetric care.
- f. Laying the foundations for good prenatal care.
- g. Helping prevent mother-to-child transmission of HIV.
- h. Getting girls to school.

#### XI. CONCLUSION

To conclude there is a scope for the businesses to explore this path (reducing child mortality & improving maternal health) which is still being unexplored through various activities and get the reputation of being the leader in this area and contribute to the global cause and concern.

#### XII. REFERENCES

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