

An Analytical Study of Corporate Social Responsibility Spending by Companies Based on Government of India's CSR Mandate

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Abstract

Over the years, the concept of corporate social responsibility (CSR) has gained wider implications not only from a philanthropic perspective, but also from a real business standpoint. This paper attempted to identify how large and successful companies in India have contributed towards CSR activities on the basis of norms and regulations prescribed by the Indian authorities as stipulated in the Company's Act, 2013. This paper also attempted to categorize the companies based on the degree of conducting various CSR activities as mandated by the Companies Act. We have provided the findings and recommendations on the basis of descriptive and inferential analysis. This paper also attempted to deliver some guidance to those companies who are yet to start their CSR activities or have contributed very little on the CSR front.

Key words : corporate social responsibility, CSR, Companies Act 2013

JEL Classification : G38, K32, M14

Paper Submission Date : July 3, 2016 ; **Paper sent back for Revision :** October 4, 2016; **Paper Acceptance Date :** February 22, 2017

Businesses today have realized that in order to continue thriving, they have to adopt a more holistic and inclusive business model. Along with their shareholder-wealth maximization goal, companies are now expected to discharge their stakeholder responsibilities and societal obligations. Globally, companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment. Contributing to social capital is increasingly seen as a necessary part of doing business. There is also increasing expectation that companies will be more open, more accountable, and be prepared to report publicly on their performance in social and environmental arenas. From responsive activities to sustainable initiatives, corporates have clearly exhibited their ability to make a significant difference in the society and improve the overall quality of life. In the current social situation in India, it is difficult for one single entity to bring about change as the scale is enormous. Corporates have the expertise, strategic thinking, manpower, and money to facilitate extensive social change. Effective partnerships between corporates, NGOs, and the government will place India's social development on a faster track.

There are mixed reactions in the outcome of the relationship between social responsibility and profitability/financial performance. While some studies indicated a positive relationship (Griffin & Mahon, 1997 ; McGuire, Sundgren & Schneeweis, 1988 ; Waddock & Graves, 1997), some studies indicated a negative

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relationship (Bromiley & Marcus, 1989 ; Wright & Ferris, 1997). Some other studies also indicated no relationship (Aupperle, Carroll, & Hatfield, 1985) and in another study associating pollution disclosures and economic performance, the results indicated that the sub groups of larger firms with poor economic performances provide the most detailed pollution information (Freedman & Jaggi, 1982). Thus, the essence of corporate social responsibility (CSR) is building sustainable businesses, which in turn create healthy markets, communities, and economies. The key drivers for CSR are creating a synergy of ethics, a cohesive society, and a sustainable global economy where markets, labor, and communities are able to function well together. Supporting this, the stakeholder theory provides a framework for investigating the relationship between corporate social performance (CSP) and corporate financial performance (Ruf, Muralidhar, Brown, Janney, & Paul, 2001).

CSR is not a new concept in India. Corporates like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community ever since their inception. Many other organizations have been giving donations and organizing charity events. Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate governance disclosures under Director's report in the Annual Report of a company.

Literature Review

Organization for Economic Cooperation and Development (OECD) was a pioneer in establishing the concept of CSR and came up with guidelines for MNCs in 1976 with a purpose of improving the investment climate and encourage positive contribution by corporates. Various governments have initiated measures to encourage CSR reporting. Some of the measures have been incentivizing companies who voluntarily report their CSR activities, mandating CSR Reporting etc. In 2007, the Malaysian Government passed a regulation to mandate all publicly listed companies to publish their CSR initiatives in their Annual Report on 'comply or explain' basis. In 2009, Denmark mandated CSR reporting, asking all state owned companies and all those companies with total assets worth more than €19 million, revenues more than €38 million, and employees more than 250 to report their social initiatives in their Annual Financial Report. France passed a law called Grenelle II, which mandates integrated sustainability and financial reporting of all companies listed on the French Stock Exchange including subsidiaries of foreign companies located in France and unlisted companies with sales revenue of more than €400 million and having more than 2000 employees. Another important milestone in CSR is the Corporate Responsibility Index, which challenged and supported large organizations to integrate responsible practices in the course of business.

Globally, there has been a growing realization towards contribution to social activities with a desire to improve the immediate environment (Shinde, 2005). It has also been found that to a growing degree, companies that pay genuine attention to the principles of socially responsible behavior have been favored by the public and preferred for their goods and services. After the independence of India, JRD Tata, who always laid a great deal of emphasis to go beyond conducting themselves as honest citizens, pointed out that there are many ways in which industrial and business enterprises can contribute to public welfare beyond the scope of their normal activities. He said that apart from the obvious one of donating funds to good causes, which has been the normal practice for years, a company could use their own financial, managerial and human resources to provide task forces for undertaking direct relief and reconstruction measures. Slowly, it began to be accepted, at least in theory, that businesses had to share a part of the social overhead costs. Traditionally, companies discharged their responsibility to the society through benefactions for education, medical facilities, and scientific research among other objects. The important change at that time was that industry accepted social responsibility as part of the management of the enterprise itself. The community development and social welfare program of the premier Tata Company, Tata Iron and Steel Company started the concepts of 'Social Responsibility' (Gupta, 2007).

The last decade of the twentieth century witnessed a swing away from charity and traditional philanthropy towards more direct engagement of business in mainstream development and concern for disadvantaged groups

in the society. Internally, corporate will and externally, increased governmental and public expectations has driven this (Mohan, 2001). This was evident from a sample survey conducted in 1984 reporting that of the amount companies spent on social development, the largest sum 47 % was spent through company programs, 39% was given to outside organizations, and 14% was spent through company trusts (Working Document of EU India CSR, 2001). In India, as in the rest of the world, there is a growing realization that businesses cannot succeed in a society which fails. Ethical and philosophical dimension to CSR is very important. This brings value in the activities conducted under CSR. This value is particularly required in a country like India where there exists a wide gap in the income and standards of people.

Commission of the European Communities (2001) stated that being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment, and the relation with stakeholders. CSR initiatives will help businesses to become economically viable and equitable, socially responsible, and environmentally sustainable (Singh, 2013). Therefore, this study intends to find the level of acceptance of the CSR mandate issued by the Government in the recent amendment in Company Act, 2013 by corporate India.

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered, or controlled. Corporate governance principles and codes have been developed in different countries and issued from stock exchanges, corporations, institutional investors, or associations (institutes) of directors and managers with the support of governments and international organizations. Compliance with these governance recommendations is not mandated by law, although the codes linked to stock exchange listing requirements may have a coercive effect. In India, Kumar Mangalam Birla Committee (1999), Naresh Chandra Committee (2002), N. R. Narayana Murthy Committee on corporate governance in Clause 49 of SEBI Listing Agreement (2006), and Corporate Governance Voluntary Guidelines (2009) published by the Ministry of Corporate Affairs, Government of India have guided companies in their corporate governance disclosures to exhibit transparency in conducting business with the stakeholders.

Companies Act, 2013

India's Companies Act, 2013 has introduced several new provisions which also includes a CSR mandate. Ministry of Corporate Affairs had notified it under Section 135 and Schedule VII of the Companies Act as well as in the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) which came into effect from 1st April 2014.

(1) Applicability : Section 135 of the Companies Act provides the threshold limit for applicability of CSR to a company i.e. (a) net worth of the company to be ₹ 500 crore or more; (b) turnover of the company to be ₹ 1000 crore or more; (c) net profit of the company to be ₹ 5 crore or more. Further, as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.

(2) CSR Committee and Policy : Every qualifying company requires spending of at least 2% of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR committee) of the Board of Directors (Board) consisting of three or more directors. The CSR committee shall formulate and recommend to the Board, a policy that shall indicate the activities to be undertaken (CSR Policy) and recommend the amount of expenditure. The Board shall take into account the recommendations made by the CSR committee and approve the CSR policy of the company.

(3) Definition of the Term CSR : The term CSR is defined under the CSR Rules that includes, but is not limited to:

- ↳ Projects or programs relating to activities specified in the Schedule; or
- ↳ Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as declared in the CSR policy subject to the condition that such policy covers subjects enumerated in the Schedule.

This definition of CSR assumes significance as it allows companies to engage in projects or programs relating to activities enlisted under Schedule VII. Flexibility is permitted to the companies by allowing them to choose their preferred CSR engagements that are in conformity with the CSR policy.

(4) Activities under CSR : The activities that can be done by the company to achieve its CSR obligations include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women and such other matters as may be prescribed. In a study conducted in 2013, the environment dimension emerged as the most important factor (Pachar & Singh, 2013).

(5) Disclosures under CSR : It was analyzed that the reporting practices range from the very sophisticated and well-established system to “a brief mention of CSR” in the annual report/Director's report. CSR reporting will continue to improve globally, but the information it contains would need to be standardized (Gautam & Singh, 2010). As per the format provided by the mandate, the companies have to exhibit in the Director's Report (a section in the Annual Report):

- (i) CSR Project or Activity identified by the Company.
- (ii) Sector in which the CSR project is covered with reference to Schedule VII.
- (iii) Location of local areas, districts, and states where projects or programs were undertaken.
- (iv) Annual budgeted expenditure against each activity that the company undertakes.
- (v) Actual amount spent on the projects or programs (Direct expenditure on the project/ programs as well as other overheads incurred).
- (vi) Detail of whether the amount was spent directly or through an implementing agency/partners.

The expenditure to be incurred on conducting CSR activities is not compulsory, but the reporting is. If the company does not spend the prescribed budgeted amount, then the company needs to give reasons for doing so. The Indian Institute of Corporate Affairs (IICA) along with Bombay Stock Exchange (BSE India) is in the process of formulating a CSR Index to rank the companies on the basis of CSR activities conducted by these companies. This CSR Index is presumed to provide an indicator to stakeholders about the integrity and the quality of corporate citizenship of the company. This would help the stakeholders - investors, creditors, employees, customers or government – to make judgmental decisions regarding the authenticity with which a company conducts its business and the quality of social ownership of the enterprise. The government had forecasted an expenditure of around ₹ 20,000 crores on social development through CSR activities conducted by companies. This amount, as compared to the investments made by the government in social development, is meagre, but the purpose is to bring the expertise of management, innovation, and updated technology available at the corporate for the development of the nation. Thus, corporate social responsibility is no longer just an addition, it is a key differentiator.

Objectives of Study:

The objectives of our study are as follows :

- (1) To analyze the CSR activities undertaken by selected Indian companies on the basis of Indian government's CSR Mandate.
- (2) To identify the most preferred CSR activity among the mandated activities listed by the Government on the basis of CSR expense incurred by the companies.
- (3) To study the relationship between the profit of the company and its expenses towards CSR activities using descriptive and inferential analysis.

Research Methodology

(1) **Research Design** : It is an exploratory and descriptive research.

(2) Sampling Design

- (i) Universe of the study: Listed companies of BSE.
- (ii) Sampling Technique : Non probabilistic judgmental sampling.
- (iii) Sample size : Top 100 listed companies of BSE.

(3) **Type of Data and Collection** : Secondary data collected from Director's Report published in the Annual report 2014-15 of 100 BSE Listed companies as was available on 30th October, 2015. The Annual Reports were taken from the companies' websites. These companies are a good representation of Indian corporates as they belong to 18 different sectors as per the BSE sector classification.

According to the Company's Act 2013, there are 10 different CSR activities and mandatory disclosures /actions under the Corporate Social Responsibility Rules. They are as follows:

↪ Various Activities Categorized under CSR

- (i) Eradicating extreme hunger and poverty.
- (ii) Promotion of education.
- (iii) Promoting gender equality and empowering women.
- (iv) Reducing child mortality and improving maternal health.
- (v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria, and other diseases.
- (vi) Ensuring environmental sustainability.
- (vii) Employment enhancing vocational skills.
- (vii) Promoting social business projects.
- (ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief.
- (x) Contribution to funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women.

Table 1. CSR Activities as per Mandate

CSR Activities as per the Mandate	CSR Activities comprehended for the study
1) Promotion of Education	I)Promotion of Education
2) Combating human immunodeficiency virus, acquired, immune deficiency syndrome, malaria and other diseases	
3) Reducing child mortality and improving maternal health	II)Promotion of Healthcare
4) Employment enhancing vocational skills	
5) Eradicating extreme hunger and poverty	III)Livelihood Enhancement
6) Promoting gender equality and empowering women	
7) Promoting Social business projects	IV)SocioEconomic Development
8) Ensuring environmental sustainability	V)Ensuring environmental sustainability
9) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief	VI) Contribution to Government through donations to various Funds
10) Contribution to funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	
	VII) Miscellaneous

(4) Mandatory Disclosures/ Actions :

- (i) Designing a CSR policy and briefing the same in the Annual Report.
- (ii) Formation of a CSR Committee.
- (iii) Reporting of 3 years' average net profit.
- (iv) Prescribed amount of CSR expenditure (i.e. 2% of 3 years' average net profits).
- (v) Details of CSR spend during the financial year.
- (vi) Reason for not expending on CSR activities.
- (vii) Responsibility statement of the CSR Committee that the implementation of CSR activities and its monitoring is in compliance with the CSR objectives and policy defined by the company.

CSR Activities as per the Mandate listed in Table 1 is re-categorized to reduce the variables of study. Similar activities were clubbed together to reduce the variables for the purpose of analysis. This comprehension is done on the basis of our understanding of the mandated activities undertaken by the companies and disclosed in the Annual Report.

Data Analysis and Results

Initially, exploratory study was conducted and the data collected from the sample companies' annual reports was collated. It is provided in Appendix A. A detailed descriptive analysis was carried out which is given in the Table 2. The outcome of the analysis is appended below.

It is observed from the Table 2 that the percentage of expenditure incurred by all sample companies taken together was highest on promotion of healthcare (27%), but most of the companies preferred to spend on promotion of education (21% being the median). So, the most preferred activity where CSR expenditure is incurred is on promotion of education, while all companies taken together spent highest on promotion of healthcare in the society.

Table 2. Descriptive Analysis

Descriptive Statistics	Promotion of Education	Promotion of healthcare	Livelihood enhancement	Ensuring environmental sustainability	Socio Economic Development	Contribution to Govt. through donations to various Funds	Miscellaneous
Mean	11.10	13.29	5.75	5.60	10.11	0.64	3.41
Standard Deviation	19.91	60.58	12.49	29.66	23.41	2.91	16.68
Median	21%	17%	5%	1%	11%	0%	1%
Amount (₹ in Cr) spent by all companies	1109.98	1329.25	574.8	559.73	1010.65	62.68	341.45
% of expenditure on an activity	22%	27%	12%	11%	20%	1%	7%
Frequency	79	85	61	46	74	14	48

Figure 1. CSR Expenditure 2% or Above of Average Profit

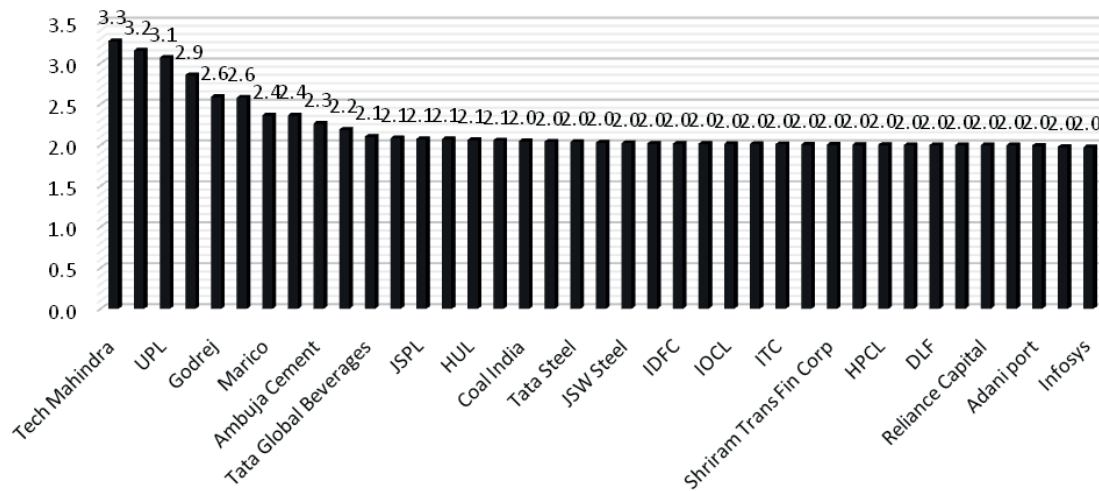
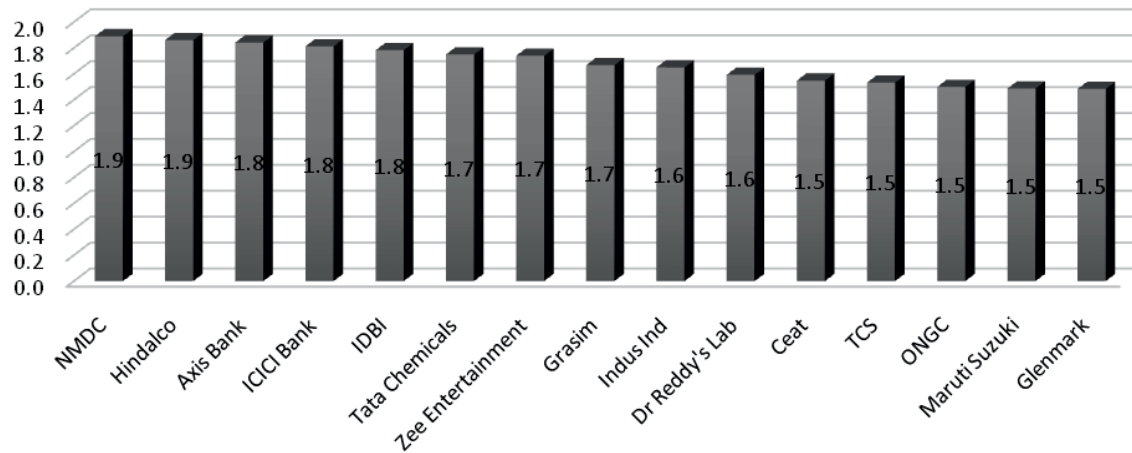
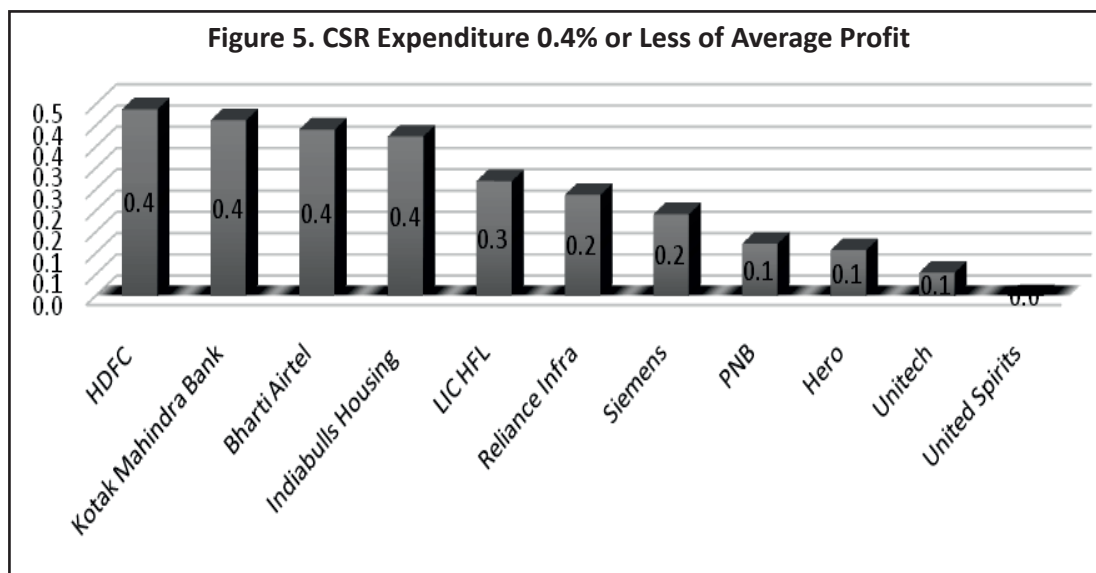
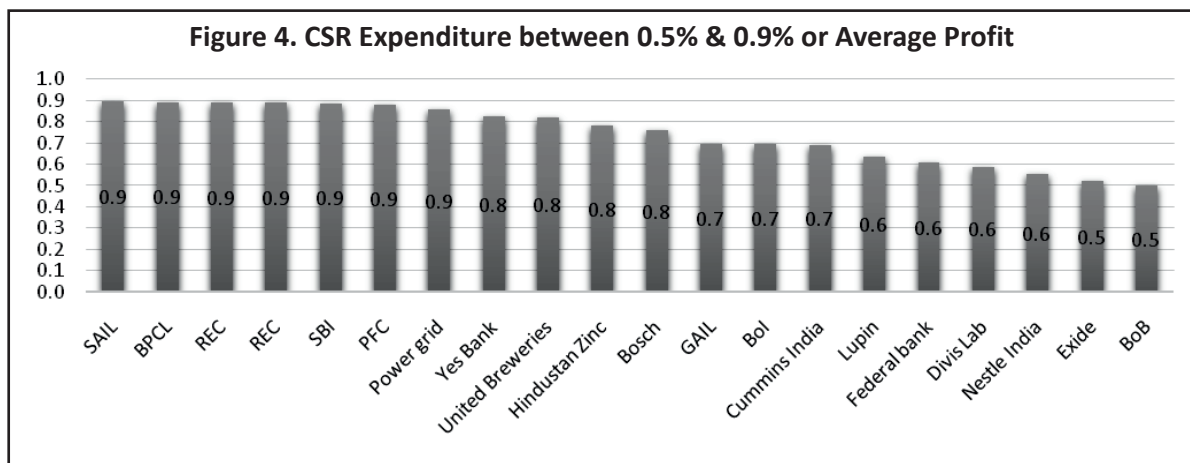
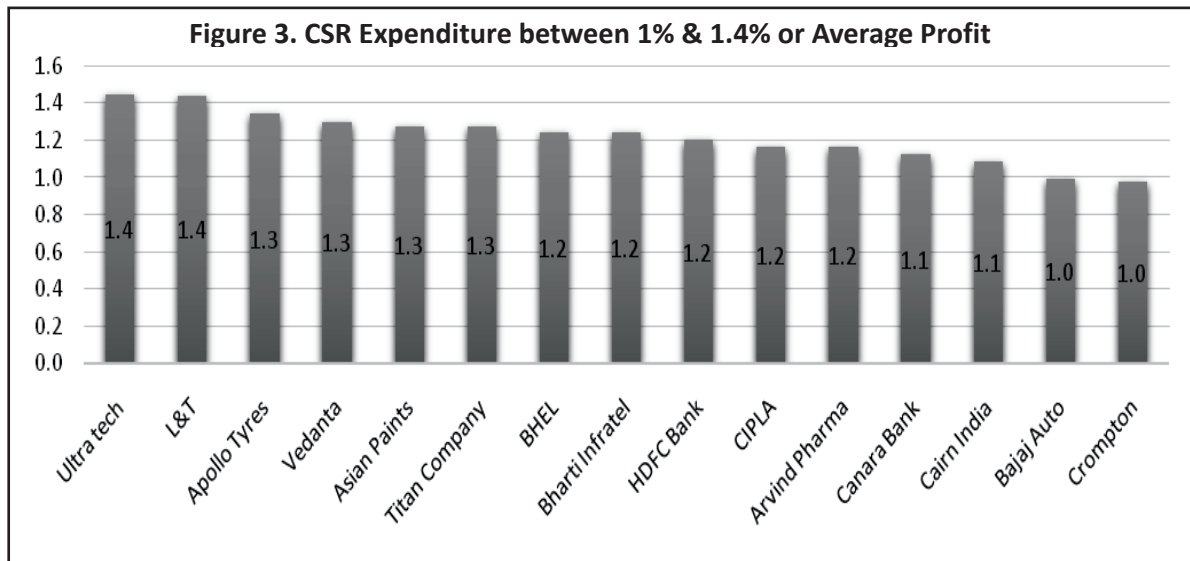


Figure 2. CSR Expenditure between 1.5% & 1.9% or Average Profit





It is clear from the Figures that : 39 % of the companies had spent either 2 % or above on CSR activities of the average profit (Figure 1) ; 30% of the companies had spent between 1% and 1.9 % on CSR activities of the average profit (Figures 2 & 3) ; 20 % of the companies had spent between 0.5% and 0.9 % of the average profit on CSR activities (Figure 4) ; 11 % of the companies had spent 0.4% or less of the average profit on CSR activities (Figure 5).

This paper has defined the hypotheses and uses correlation and regression to test the hypotheses.

H0 : There is no significant association between the average profit of the company and the expenses incurred on various CSR activities.

H1 : There is a significant association between the average profit of the company and the expenses incurred on various CSR activities.

As the Table 3 indicates clearly a very strong correlation between Average Profit and Actual money spent on CSR, we went ahead with the regression analysis. The Regression Matrix is appended in the Table 4.

The Regression equation is : Actual CSR Expenditure = -10.5743 + 0.017827* Average Profit

The Table 4 regression matrix shows that the probability value (Significance *F*) for the regression as 1.65E-37, which is less than the significance value of 0.05 and ,therefore, it is statistically significant. Hence, we reject the null hypothesis. This indicates that there is a significant association between the average profit of the company and the expenses incurred on various CSR activities.

Table 3. Correlation Matrix

	Average Profit	Actual CSR Spent
Av Profit	1	
Actual CSR Spent	0.901914666	1

Table 4. Regression Matrix

SUMMARY OUTPUT					
Regression Statistics					
Multiple <i>R</i>	0.901915				
<i>R</i> Square	0.81345				
Adjusted <i>R</i> Square	0.811546				
Standard Error	42.9977				
Observations	100				
ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	790046	790046	427.32	1.65E-37
Residual	98	181182.6	1848.8		
Total	99	971228.7			
	Coefficient	Standard Error	<i>t</i> Stat	<i>P</i> -value	Lower 95%
Intercept	-10.6743	5.202974	-2.0515	0.0428	-20.9995
Av Profit	0.017827	0.000862	20.671	1.65E-3	0.016115

Hence, the following are the interpretations :

- (i) Average Profit and expenses incurred on various CSR activities are positive and strongly correlated.
- (ii) From the measure of the standard deviation, it is evident that although the average expenditure on promoting healthcare among the companies is the highest, this expenditure is not uniform or strongly concentrated towards the average expense among the companies.
- (iii) 81.3% of the variation in the dependent variable, namely CSR expenditure is explained by the variation in the independent variable - Average Profit.
- (iv) There is a significant association between the average profit of the company and the expenses incurred on various CSR activities.

Findings

- (1) 100% of the sample companies had published the information about their CSR spending in their Annual report, drafted their CSR Policy, and deployed a CSR Committee.
- (2) The sample companies had conducted CSR activities within the ambit of guidelines given by the government.
- (3) An analysis of CSR reports of 100 companies presents that (Fig.1 - Fig.5) : 39% of the companies had spent 2% or more of their 3 years' average profit on CSR activities ; 61% of the companies had spent less than the prescribed CSR expenditure ; 30% of the companies had spent 1% -1.9% of their 3 years average profit on CSR activities ; 31% of the companies had spent less than 1% of their 3 years' average profit on CSR activities.
- (4) The explanation provided by sample companies for not spending the mandated 2% of 3 years' average profit are summarized below:
 - (i) Few projects required management approvals, legal approvals, and few other projects were not sanctioned.
 - (ii) As many projects were undertaken on a large scale, they had to be conceptualized, strategized, and later implemented. This required time which extended beyond a year, and so, the fund allocated for CSR could not be spent.
 - (iii) Many companies' Committee intended purposeful implementation of CSR activities. They had to identify the project, plan the implementation, and build the infrastructure. All these activities required time.
 - (iv) Many projects took off in a phased manner. 100% budget allocation was made for these projects, but the expenditure had to be incurred in a phased manner.
 - (v) Few other companies did not have the resources to identify the CSR area and few others were loss making. This shows that in the first year of applicability of the CSR concept, the corporates were yet preparing their foundation for conducting the activities in a full-fledged manner.
- (5) The Table 5 lists the companies who had spent more than the prescribed percentage on CSR activities.
- (6) The Table 6 displays the loss making companies who spent on CSR activities.
- (7) The Table 7 lists the Bottom 10 companies which spent least on CSR activities as a % of average profit of last 3 years.
- (8) Majority of the companies conducted the CSR activities through outsourced agency. Few companies have established their own Trust/ Foundation. The external agency is mostly an NGO with a definite purpose. Very few companies have involved their employees in conducting CSR activities.

Table 5. CSR Expenditure Above 2% of Average Profit

Tech Mahindra Limited	3.3%	Bharat Forge Limited	3.2%
Unites Phosphorus Limited	3.1%	Reliance Industries Limited	2.9%
Godrej Consumer Products Limited	2.6%	GMR Infrastructure Limited	2.6%
Marico Industries Limited	2.4%	Adani Enterprises	2.4%
Ambuja Cements Limited	2.3%	NHPC Limited	2.2%
Tata Global Beverages	2.1%	Tata Power	2.1%
Jindal Steel and Power Limited	2.1%	Wipro	2.1%
Hindustan Unilever Limited	2.1%	Ashok Leyland	2.1%

Table 6. Loss Making Companies who Spent on CSR Activities

ABB India Limited
Sun Pharmaceutical Industries Limited
United Spirits Limited
Tata Motors Limited

Table 7. CSR Expenditure of Less than 0.5% of Average Profit

Unitech Limited	0.06%
Hero Motocorp Limited	0.11%
Punjab National Bank	0.12%
Siemens India	0.19%
Reliance Infrastructure Limited	0.24%
LIC Housing Finance Limited	0.27%
Shriram Transport Finance Corporation	0.36%
Indiabulls Housing Finance Limited	0.38%
Bharti Airtel Limited	0.39%
Kotak Mahindra Bank	0.41%

(9) Promotion of Healthcare is the most preferred activity as approx. 85% of the sample companies spent a part of their CSR expenditure on promoting health care services. Also, a major share of the total CSR expenditure incurred by all the 100 companies taken together is on Promoting Health Care. Hence Promotion of Health is the most preferred CSR activity in terms of spending.

(10) The rank for each activity as in Table 8 has been derived on the basis of the percentage of expenditure incurred by the sample companies on a particular CSR activity out of the total CSR expenditure. In a study conducted in 2015 (Chandra &Kaur, 2015), 88% of the sample companies have spent on health and education which is similar to our study.

(11) On the basis of an in-depth analysis of 45 arbitrarily selected companies, appended below is the summary of specific CSR activities conducted by these companies :

[I] Promotion of Education

- (i)** Opening new schools and provide infrastructural help to existing schools and colleges.

Table 8. Ranking of CSR Activities on the Basis of % of CSR Expenditure

Rank	Activity
I	Promotion of Health
II	Promotion of Education
III	Socioeconomic Development
IV	Livelihood Enhancement
V	Ensuring Environmental Sustainability
VI	Contribution to Government through Donation to Various Funds

- (ii) Training teachers to improve teaching pedagogy.
- (iii) Assisting schools with resources like computer lab, books, newspaper subscriptions, computer software, sports equipment etc.
- (iv) Establishing learning facilities for underprivileged, tribal and differently abled children and delivering lectures in schools to educate students on various aspects of society and career guidance.
- (v) Financing scholarship programs for deserving and eligible students.

[II] Promotion of Health

- (i) Creating awareness of specific disease or ailment, providing free medicines, check-up camps and health care education for all as well as specifically for pregnant women.
- (ii) Conducting Education camps for providing information on hygienic maintenance of surroundings, building toilets and conducting Swachh Vidyalaya Program.
- (iii) Providing donations/ financial assistance for building hospital, clinic and purchasing of medical equipment for health centers.
- (iv) Installation of Safe drinking water facility.
- (v) Providing facilities and information about family planning and health check-up of new born children.
- (vi) Educating the importance of girl child and rolling out programs for girl child.

[III] Livelihood Enhancement

- (i) Creating Housing facilities for poor and mentally challenged.
- (ii) Providing vocational training on skills like tailoring, auto repairing, agriculture, animal husbandry, housekeeping, hotel management, artisans, garment manufacturing, white goods repairing, cattle rearing, construction, nursing etc. at various centers in rural areas and towns.
- (iii) Providing financial assistance to start -up ventures. Building training facilities and providing finance for trainers.
- (iv) Providing finance and opportunities to women to earn livelihood.

[IV] Ensuring Environmental Sustainability

- (i) Driving rainwater harvesting projects, water management program for public as well as within the company

- (ii) Conducting Tree plantation drives and protection of flora and fauna programs.
- (iii) Promoting green energy solutions like CNG, Biogas, Wind energy, Solar energy etc., education on energy conservation and providing financial assistance for the same.
- (iv) Designing and implementing Disaster relief/ response and nature restoration projects.
- (v) Contributing to Swachha Bharat Abhiyan fund.

[V] Socio Economic Development

- (i) Providing Financial assistance to old age home, orphanage and girl child and conducting awareness camps on women and child trafficking.
- (ii) Promoting handicrafts, heritage sites, culture and sports.
- (iii) Providing Financial assistance to women self-help groups.
- (iv) Donating food at school level.
- (v) Providing education to mentally challenged and disabled persons.

[VI] Rural Development

- (i) Development of model village and disaster relief programs for flood affected villages.
- (ii) Construction of rural infrastructure like roads, bridges, schools, water resources for agriculture, houses etc.

Managerial Implications

Before the CSR Mandate, the CSR activities of the firms depended upon the nature of their industry and restricted to the area where the firm was located (Rai S.,2014). It was largely driven by factors such as cost minimization and “visibility” among the consumers. Now according to the Companies Act 2013, it is not only mandatory for the firms to spend 2% of their average profit of last 3 years in CSR activities but also to spend the money on the activities as mandated by the Act.

However, as per our study, many companies have not expended the entire sum to be spend on CSR activities with an explanation that as the sum is huge, it needs proper planning for productive execution. They also indicated that they require time to identify the social activities where there is 'need' so that their contribution to the society results in positive change in the life of people. This argument is reported by Handique M. (2008), that many Indian companies have made little progress in reporting development projects. Point no. 11 (a-f) of findings gives a list of specific activities conducted by the sample companies. This list can be referred by the managers of firms as guideline to formulate their CSR strategies.

Recommendations

As per the Company Act 2013, the companies need to analyze the requirements of the society and then initiate the CSR activities. The list of the findings in Serial no.11 provides the most frequently conducted CSR activities by the top 100 companies in India. In view of the above, we recommend the companies who have not initiated any CSR activities or carried out minimal activities to consider the list provided in the findings (serial no.11) as guideline to fulfill the mandate.

Conclusion

The study has analyzed the CSR activities and expenditure incurred by a sample of 100 BSE listed companies. It identified the most preferred CSR activities and sub activities among those mandated by the Government by some top companies and created a framework of possible activities for other companies. This paper would guide those companies who are yet to open their score or have done very little in the CSR aspect, and help to join the CSR bandwagon and move forward in their CSR standings.

Limitations of the Study and Scope for Further Research

The sample size does not represent the population and hence the conclusive outcome could not be extended universally. The future scope of this research identified is as follows:

- (i) Value addition through analysis of impact on the society of CSR activities can be studied rather than expenditure incurred.
- (ii) A standardized format (CSR Index) for measuring the impact of a CSR activity can be created.
- (iii) This study is exploratory and descriptive design and can be extended to causal research design.
- (iv) The Study can be extended to companies listed in BSE S&P 500 which would then include mid-size companies in the sample. This will help us study the pattern of CSR activities conducted by a wider population.

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Appendix A

DATA SHEET OF BREAK UP OF CSR EXPENSE BY COMPANIES AS PER THEIR ANNUAL REPORT

S. No	Company	Av Profit	Actual CSR Spent	%of CSR spent	Promoting Education	Promoting Healthcare	Livelihood Enhancement	Ensuring Environmental Sustainability	Socio Economic Development	Contribution to Govt.	Miscellaneous
1	ACC	1360	27.45	2.02	3.89	5.57	2.33	0	13.95	0	1.71
2	ABB	0	0.55	0.00	0.264	0.0385	0	0	0.2475	0	0
3	Adani Enterprise	88	2.08	2.36	1.96	0.01	0	0	0.11	0	0
4	Adani port	1800	35.9	1.99	10.228	5.6606	4.2626	0	14.4371	1	0.3116
5	Aditya Birla Nuvo	470.42	9.61	2.04	1.9677	5.1824	0.9956	0.0253	0.5568	0	0.89
6	Ambuja Cement	1696	38.4	2.26	3.36	2.67	11.86	0.04	9.02	0	11.52
7	Apollo Tyres	423.7	5.68	1.34	0.376	3.395	0.332	0.774	0.392	0	0.413
8	ArvindPharma	699.2	8.13	1.16	1.23	3.68	0	0.25	2.75	0	0.22
9	Ashok Leyland	86	1.77	2.06	0.77	1	0.0006	0	0	0	0
10	Asian Paints	1493.73	19.01	1.27	4.34	4.4	5.89	4.38	0	0	0
11	Axis Bank	6688.67	123.22	1.84	114.5	0.06	1.09	5.75	0	0	1.82
12	Bajaj Auto	4316.49	42.905	0.99	13.537	5.4217	0.6	0.3	3.047	20	0
13	Bharat Forge	355.863	11.231	3.16	10.7	0.024	0.222	0.012	0.204	0	0.07
14	Bharti Airtel	6998.6	27.38	0.39	26.77	0.61	0	0	0	0	0
15	Bharti Infratel	960	11.89	1.24	10	1.64	0	0	0	0.25	0
16	BHEL	8222.33	102.06	1.24	52.126	28.7145	7.1502	1.6937	5.8512	0	6.5246
17	BoB	3566	17.83	0.50	0.3434	1.5346	5.15	0	10.803	0	0
18	Bol	1709	11.85	0.69	0.2506	1.1735	0.31	0.701	2.9204	2.784	3.711
19	Bosch	1359.4	10.345	0.76	2.896	1.624	3.829	1.308	0.355	0	0.333
20	BPCL	3800.53	33.95	0.89	8.1315	8.12755	2.2877	0	15.2593	0	0.1492
21	Britania	367.43	7.35	2.00	0	7.35	0	0	0	0	0
22	Cairn India	6489.82	70.36	1.08	3.08	13.8	36.38	0.58	7.89	0	8.33
23	Canara Bank	2703	30.396	1.12	4.2467	2.9071	13.662	0.111	9.4687	0	0
24	Ceat	200.79	3.1085	1.55	0.6521	0.5836	0.4734	0	1.16	0	0.2394
25	CIPLA	1743.21	20.33	1.17	7.165	11.863	0.08	0.677	0.448	0	0
26	Coal India	1202.12	24.62	2.05	0.4526	19.6879	0.084	0.0609	4.1751	0	0.1627
27	Colgate Palmolive	658.39	13.28	2.02	0.11	12.94	0	0.15	0.08	0	0
28	Crompton	677.16	6.59	0.97	0	0.36	0.78	0.05	4.78	0	0.62
29	Cummins India	794.8	5.482	0.69	2.38	0	0	1.632	1.47	0	0
30	Dabur India	732.68	14.71	2.01	0.1118	6.6687	0.6561	2.2861	4.361	0	0.631

31	Divis Lab	885.7	5.22	0.59	0.98	2.92	0.0278	0.16	1.0183	0	0.12
32	DLF	641	12.82	2.00	5.49	5.64	0.01	1.16	0.51	0	0
33	Dr Reddy's Lab	1830.78	29.16	1.59	9.215	3.977	12.55	0.1355	0	0.048	3.224
34	Exide	685.14	3.58	0.52	0.0508	2.0038	0	0.5253	0	1	0
35	Federal bank	1191.75	7.2723	0.61	5.31	0.5223	0	0.53	0.9	0	0.01
36	GAIL	5933.37	41.36	0.70	2.765	6.616	1.7	0	6.067	0	24.22
37	Glenmark	388.658	5.768	1.48	2.45	2.249	0.22	0.035	0.55	0	0.264
38	GMR	113.22	2.92	2.58	0.875	0.882	1.034	0	0	0	0.125
39	Godrej	620.72	16.08	2.59	0	1.99	3.91	9.81	0	0.37	0
40	Grasim	1002	16.71	1.67	7.0983	4.0026	4.4394	0	0.4339	0	0.7369
41	HDFC	6130.73	26.91	0.44	2.06	15.26	5.08	0.7	3.81	0	0
42	HDFC Bank	9856.35	118.55	1.20	16.23	7.28	12.53	0.95	81.56	0	0
43	Hero	2202	2.3746	0.11	0.0781	0.1445	0	0.002	0.15	2	0
44	Hindalco	1741.94	32.42	1.86	14.014	8.3141	3.1645	0	6.0824	0	0.8474
45	Hindustan Zinc	7578	59.28	0.78	16.81	12.61	3.22	1.09	9.33	0	16.22
46	HPCL	1701.49	34.07	2.00	19.69	9	2.8	0	2.29	0	0.29
47	HUL	3990	82.35	2.06	0.05	3.65	50.52	26.06	2.07	0	0
48	ICICI Bank	8579	155.54	1.81	32.32	0.62	1.57	2.89	113.77	3.78	0.59
49	IDBI	1314.55	23.44	1.78	9.2203	8.4891	0.5362	1.1776	4.0172	0	0
50	IDFC	450	9.08	2.02	5.08	1.12	0.41	0	2.47	0	0
51	IndiabullsHousing	1159.97	4.35	0.38	0.4968	3.1838	0	0	0.6723	0	0
52	Indus Ind	1062.45	17.53	1.65	0	0.655	0.03	13.55	1.95	0.97	0.38
53	Infosys	12133	239.54	1.97	105.63	41.15	0	0	78.15	0	14.61
54	IOCL	5647.5	113.79	2.01	14.07	56.1	1.11	29.48	0.49	0	12.54
55	ITC	10646	214.06	2.01	17.94	23.9	48.27	55.89	47.89	20.17	0
56	JSPL	2398.6	49.78	2.08	26.54	5.75	0.42	0.41	10.6	0	6.06
57	JSW Steel	2143.09	43.39	2.02	0	0	7.36	2.88	31.99	0	1.16
58	KotakMahBank	1959.79	8.0948	0.41	6.5368	0.2874	0.02	1.1652	0.08	0	0.0054
59	L&T	5310.29	76.54	1.44	16.922	5.7667	42.581	3.6064	3.3638	3.6	0.7019
60	LIC HFL	1481	4	0.27	0	0	0	2	0	2	0
61	Lupin	1981.7	12.58	0.63	0	0.18	1.11	0	10.44	0	0.85
62	M&M	4151.74	83.24	2.00	24.5	21.86	4.77	5.54	15.83	2	8.74
63	Mahindra Finance	1243.09	24.61	1.98	9.3674	1.6327	7.57	5.0459	0.8276	0	0.17
64	Marico	472.84	11.18	2.36	5.8689	3.84	0.4285	0	0	0.11	0.93
65	Maruti Suzuki	2505.3	37.25	1.49	10.61	6.06	15.69	0	2.14	1.03	1.72

66	Nestle India	1536.6	8.51	0.55	0	3.06	0	5.04	0	0	0.41
67	NHPC	2385.39	52.24	2.19	11.426	25.8972	0	3.5455	11.3711	0	0
68	NMDC	9979.14	188.65	1.89	90.41	22.6947	13.156	2.8296	55.7905	0.08	3.6935
69	ONGC	33030	495.23	1.50	46.08	39.17	1.39	288.64	119.98	0	0
70	PFC	5874.47	51.682	0.88	0	19.128	17.34	13.404	0	0	1.81
71	PNB	3062	3.76	0.12	0	3.76	0	0	0	0	0
72	Power grid	5525.53	47.42	0.86	11.859	9.2574	3.8197	2.6848	18.6874	0	1.1074
73	Raymond Limited	26.26	0.53	2.00	0	0	0	0	0.53	0	0
74	REC	5162.24	46.033	0.89	4.17	26.8182	5.4658	2.9597	6.6196	0	0
75	Reliance Capital	589.11	11.78	2.00	0	11.78	0	0	0	0	0
76	Reliance Ind	26648	760.58	2.85	21.34	603.96	9.65	0.11	111.79	0	13.69
77	Reliance Infra	10659.5	25.35	0.24	0	25	0	0	0	0	0.35
78	Reliance Power	293.76	5.87	2.00	5.87	0	0	0	0	0	0
79	SAIL	3900	35.04	0.90	7.59	11.03	4.28	4.79	7.35	0	0
80	SBI	13101.5	115.8	0.88	41.2	42.2	24.24	0	4	0	4.16
81	Shriram Trans Fin corp	1907.63	6.9245	0.36	6.1772	0.2072	0	0	0.2121	0	0.328
82	Siemens	603.1	1.16	0.19	0	0	1.16	0	0	0	0
83	Sun Pharma	0	4.67	0.00	0.111	4.256	0	0	0.019	0	0.281
84	Tata Chemicals	583.01	10.2	1.75	0	2.0919	3.0038	2.0746	2.4465	0	0.5783
85	Tata Global Beverages	185.79	3.91	2.10	0	2.46	1.12	0	0.31	0	0.02
86	Tata Motors	0	18.62		9.04	3.14	4.86	1.46	0	0	0.12
87	Tata Power	1491.7	31.1	2.08	3.86	2.4486	10.95	0	13.8414	0	0
88	Tata Steel	8412.82	171.46	2.04	44.25	24.48	44.28	5.11	45.17	0	8.17
89	TCS	14250	218.41	1.53	32.43	0	0	0.047	20.78	1.49	163.66
90	Tech Mahindra	1544	50.5	3.27	40.08	0	10.42	0	0	0	0
91	Titan Company	968.1	12.32	1.27	3.76	0	0.96	0	5.95	0	1.65
92	Ultra tech	3076	44.46	1.45	12.64	9.76	3.19	0.61	15.48	0	2.78
93	Unitech	272.28	0.15	0.06	0.025	0.0242	0	0	0.05	0	0.0508
94	United Breweries	272.6	2.244	0.82	0.907	0.509	0	0.571	0.04	0	0.217
95	United Spirits	0	0.081	0.00	0	0	0	0	0.081	0	0
96	UPL	346.3	10.62	3.07	8.5221	0.4049	1.0619	0.0056	0.6241	0	0
97	Vedanta	1961.53	25.5	1.30	6.1646	4.8528	3.7727	0.2978	8.2027	0	2.308
98	WIPRO	6415	133.11	2.08	15.52	1.274	77.25	38.61	0.46	0	0
99	Yes Bank	1901.35	15.71	0.83	0	3.97	1.89	1.37	4.73	0	3.75
100	Zee Entertainment	965.8	16.8	1.74	12.444	1.26	0.032	0	2.95	0	0.15