A STUDY OF RELATIONSHIP BETWEEN CSP (CORPORATE SOCIAL PERFORMANCE) AND CFP (CORPORATE FINANCIAL PERFORMANCE): AN EMPIRICAL ANALYSIS OF INDIAN COMPANIES

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ABSTRACT

The main aim of this study is to investigate the relationship between Corporate Social Performance and Corporate Financial performance of selected companies listed in Bombay Stock Exchange in India. The study is purely based upon secondary data collected from Companies Annual Reports and Sustainability Reports for last three years ranging from 2018-19 to 2020-21. The results indicate that intense involvement in socially responsible initiatives has a significantly positive effect on the stock market returns and price earnings of the listed firms in BSE after introducing the measures of corporate governance as control variables like: size of the firm, age of the firm, financial leverage and capital intensity. These findings provide insights to the management to assimilate firm's CSP initiatives with its strategic business policies and thus, to renovate the business philosophy from traditional profit-oriented approach to socially responsible approach.

Keywords: Corporate Social Performance, Corporate Financial Performance, Stock Market Returns, Content Analysis, Panel Data.

INTRODUCTION

Nowadays, businesses pursue their goal of social responsibility for different reasons. Firms not only consider the financial incentives, but also focus on their reputation when they prove their corporate social responsibility. Researchers believe that the most significant driver of corporate social responsibility for businesses is brand building and public reputation. However, cost management could also be the focus (Anees, 2012).

The inclination towards CSR activities is based on the interests of the company's stakeholders and how they expect to realize the corporate goals through these initiatives. To some extent, it is useful for firms to carry out these initiatives, as it can help them increase the support from investors, stakeholders, and thus improve the internal and external environment. Creating social value by addressing society's needs and challenges can also create economic value both for the business and its shareholders (Agarwal, 2008).

Levy (1999) in his book Give and Take advocates the belief that corporate philanthropy together with social initiatives are the heart and soul of every successful business. He emphasizes that social endeavours must run consistently parallel with business goals for earning profit; which is the heart and must exhibit the values of serving society; which is the soul for every business (Arora & Puranik, 2004).

The growing importance of CSR issues is making companies focus upon the social community and the environmental restraints. Socially responsible behaviours improve companies' image and strengthen their reliability: hence this element may definitely affect their

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financial performance even if there is a lack of suitable key performance indicators to measure it. In companies' outlook there is a giant trade-off amid higher costs (i.e. environmental and safety costs) and higher returns (better reputation and corporate image) concerning socially responsible behaviours (Ashrafi et al., 2019).

The existing literature has not come to exclusive outcomes yet, since most empirical studies about the relationship between CSR and profitability have been mostly contradictory. Besides, even when it is likely to create a link amongst CSR and corporate financial performance, it is not clear what is the cause-effect linkage, thus making necessary additional investigation. Considering the Indian context, the scientific knowledge shows remarkable areas of potential improvements/completion, since limited evidence about the relation between CSR and financial performance may be observed (Bafna, 2017). In this viewpoint, the theme turns out to be appropriate in order to try to fill up this literature gap.

While research has provided rich analysis of the relation between CSP and CFP in the United States and European scenario, and now it's slowly moving towards Chinese and Indian background, therefore this research provides a contribution in this context (Bansal & DesJardine, 2014). This paper is designed to provide further empirical evidence on the effects of corporate social performance initiatives and on corporate financial performance from the perspective of a developing country. Wahba & Elsayed (2015), opines that much CSR research studies reflect the framework of developed nations, and so, adding evidences from under developed/developing nations could contribute in developing contemporary philosophies of corporate finance as well as corporate social responsibility (Bhunia & Das, 2015).

The remaining part of this paper is designed as follows: the second part presents the review of literature based on corporate social performance and corporate financial performance. It also presents the hypothesis formulated for the study. The third part suggests the research design for the study. In the fourth part, the results and discussions on the findings are presented, while the fifth part concludes and presents the scope for further study (Drumwright, 1994).

This paper also attempts to fill the gap in the existing literature; as while there have been numerous studies in the west on the relationship between CSR and financial performance, there have been very few studies in the Indian context. The existing studies on CSR in India are mostly restricted to self-reported questionnaires examining the nature and features of CSR along with CSR framework of MNCs without any connection with firms' performance. Also, most of the studies that have examined the relationship between CSR and financial performance have not considered the control variables as they are also the important dynamics affecting a company's performance (Choongo, 2017).

LITERATURE REVIEW

Earlier, the notion of CSR was defined extensively in different ways across the globe. The authorised agency NAA-National Association of Accountants (1974), describes CSR as the process involving identification, measurement, monitoring and reporting of the social and economic effects of an organization on society. It is the revelation of those costs and benefits that may or may not be quantified in monetary terms arising from the socially responsible activities of firms, which are significantly borne by different stakeholders and the community at large (Elkington, & Rowlands, 1999). Likewise, Brown & Dacin (1997) demarcated CSR as firm's activities with respect to its perceived societal or stakeholders' obligations. It is seen as a group notion, overlapping with concepts such as business ethics, corporate philanthropy, citizenship, environmental responsibility and sustainability (Freeman, 2010).

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The advocates of CSR are convinced, as it is believed to recompense for the firm, along with firm's stakeholders and the society at large. It is assumed that investing in CSR initiatives addons, a firm's public reputation, and provides an exceptional marketing advantage, mostly among socially aware consumers, which increases the firm's long-term revenue (Friedman, 2010).

The findings of a survey a research survey carried out by Price water house Coopers; reveal that approximately seventy percent of the global executives are convinced that CSR is vital to their firms' cost-effectiveness (Garai, 2017).

In explaining CSR paradigm among firms, many different CSR theories and paradigms have been proposed by scholars and economists like: the enlightened shareholder model, legitimacy theory, and stakeholder theory; they all have been applied in explaining the motivation behind firms' investments in CSR activities. Recent studies have also employed the institutional theory in explaining CSR concept and firms' motivations towards CSR investments (Gautam & Singh, 2010).

Investment in CSR and Financial Performance

Mostly, a lot many emerging evidences have suggested that firms could benefit both financial and non-financial from CSR activities. This plot is generally described as the rational shareholder approach. It recommends that firms must ponder on social and environmental factors, if they are really interested to maximize financial yields in the long run (Gujarati et al., 2017).

According to a study conducted by Soana (2011), who researched national and international level banks, examined a likely relation between social performance and financial performance in the banking sector. The results concluded no statistically significant link neither positive or negative between social performance and financial performance (Harrington, 1987).

Uadiale & Fagbemi (2012) investigated the effect of CSR initiatives on the financial performance of sampled firms in Nigeria. The results of the investigation revealed that, CSR definitely have positive impacts on firms' return on equity (ROE) and return on assets (ROA). It was reasoned that firms having operations in Nigeria could enhance their repute and returns by capitalizing in CSR activities. Thus, it could be implied that a CSR schema for firms in Nigeria may aid as an image booster, especially, for such firms whose business processes have negative impact on the environment (Jadhav & Koli, 2011).

The study of Baird (2012) re-examined the relationship between corporate social performance (CSP) and financial performance from an industry outlook using a linear mixed model analysis. The outcomes of this research study recommend a significant relationship between corporate social performance and corporate financial performance, and that this association depends upon the specific industry to which a firm belongs. Likewise, the study of Peng & Yang (2014) interrogated the effect of corporate social performance on firm's financial performance after ownership concentration of Taiwan firms being the moderator of the study. The outcomes propose a negative relationship between social performance and financial performance (Igalens & Gond, 2005).

The positive association between CSR and financial performance stated in the existing literature may suggest that a firm's investment in CSR would lead to augmented financial paybacks through a wide range of supplementary advances such as firm reputation, brand image, loyal customers, cost fallouts, flexibility in operations, comparative advantage and upgraded service quality and delivery (Johnson, 2003).

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On the other side, negative association between CSR and financial performance stated in the existing literature may suggest to settle with the conservative view of CSR, which argues that investing in CSR engagements is expensive, since firms may need to bear extra expenses for being socially responsible (Jones, 1995). Critics have also reasoned that firms' investment in CSR is just an artificial window-dressing of accounts, by influential MNCs to be in the good books of the government agencies.

Corporate Social Responsibility in India

CSR initiatives is taking robust position in developing nations, including India. All stakeholders; whether, social community, customers, investors, workforce, government and likewise have exerted enormous pressure on firms to strictly adhere to social and environmental benchmarks (Kamatra & Kartikaningdyah, 2015).

In the year 2013, New Companies bill was passed by Indian parliament making it compulsory for-profit making firms to spend money for CSR activities. With this new legislation, India became the first country having CSR spending mandatory through a statutory provision. Majority of the research studies in India focus on traditional CSR initiatives, without aligning it with firm's financial returns. Mostly, research was done by through questionnaire surveys, later a few researchers aimed on the nature and character of CSR in India, followed by the practices and policies of CSR in India and then towards competitive advantage.

In the Indian context, existing literature regarding CSR-CFP connection is very restricted. In a questionnaire-based survey, Mishra & Suar (2010) highlighted that, firms those who are sensitive towards the requirements of its stakeholders, lands up into positive impression about itself, its values and overall worth. The outcomes of this research study also stressed that CSR-oriented companies enjoy a higher level of stakeholders' confidence, which is reflected in augmented returns, fair wages, timely payment, leading to improved reputation, goodwill and brand image. In another research, Kapoor & Sandhu (2010) informed that Indian firms stakeholders are sensitive towards the environment, the settings and the civil society hence hoists those firms which shows alertness towards these issues.

In the light of above discussion, the main objective of this research study is to analyse the relationship between corporate social performance and corporate financial performance in the selected fifty units listed in BSE. Literature reveals that most of the studies are seen in the context of developed countries while very few studies addressed the issue in the Indian context, particularly in the industrial sector. Also, while many research studies that used the parameters of profitability like ROE, ROA, PAT, this research tries to measure the gains in terms of stock market returns and price earnings.

Objectives

1. To know the impact of CSP (Corporate Social Performance) on CFP (Corporate Financial Performance) of selected firms listed in BSE based upon the stock market returns and price earnings.
2. To know the impact of CSP (Corporate Social Performance) on CFP (Corporate Financial Performance) of selected firms after considering the control variables like: size of the firm, age of the firm, financial leverage and capital intensity.

Hypothesis

H_1: *There is a significant positive relationship between CSP (Corporate Social Performance) on CFP (Corporate Financial Performance)*

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RESEARCH METHODOLOGY

1. **Data Source and Type:** The study is based upon secondary data of 50 companies listed in BSE for the period 2018-19 to 2020-21.
2. **Sampling Units & Sample Data:** For analysing the impact of CSP (Corporate Social Performance) on CFP (Corporate Financial Performance), a random sample of 5 firms from 10 different industrial sectors, comprising total 50, were drawn from the total firms listed in Bombay Stock Exchange.
3. **Data Collection:** The study is purely based upon secondary sources of data collection. The data is collected from annual Reports, Sustainability and CSR report of the Companies, Director's Report, Notes to accounts, Schedule of accounts and Auditor's report which was taken from Companies official website and from Moneycontrol.com website for the year 2018-19 to 2020-21. Also, the data related to CSR investment were taken from annual reports of the companies.
4. **Data Analysis**: To find out the impact of CSP (Corporate Social Performance) on CFP (Corporate Financial Performance), fixed effect regression model has been applied. The Corporate Social Performance of a firm is measured in terms of its CSR Performance; thus, the Corporate Social Responsibility Score is the independent variable along with the control variables and Stock Market Returns (SMR) and Price Earnings (P/E) are used as dependent variable to measure Corporate Financial Performance.

Measurement of CSP Score

In the study, content analysis was used to obtain CSP information from the annual reports. Consequently, activities were segregated into three categories namely, community development, environmental development and Human Resource/ Workplace comprising eight variables each, including inventory of 24 items (Appendix 1 & 2). After identifying the items, the 'CSP instrument' was developed using a scale of 0 and 1. To show the presence or absence of each item the following formula has been used;

$$\mathbf{CSP} = \sum_{1}^{j} * \sum_{i=1}^{n} \mathbf{dij}$$

Subsequently, CSP score was transformed into percentage terms by following formula; CSP score of a company = Number of CSP items carried by a company/ Total number of CSP items. The CSP score of 50 BSE listed firms was calculated.

Measurement of Corporate Financial Performance (CFP) and Control Variables

Corporate Financial Performance is taken as the dependent variable in this research study. To measure corporate financial performance, this research uses the Stock Market Returns and Price Earnings Ratio, of 50 listed BSE companies from 2018-19 to 2020-21 (wherein, each financial year starts from 1st April).

The reason for taking stock market returns instead of accounting-based measures like: ROA, ROE and PAT are often criticized because they can be subject to bias from managerial manipulation and differences in accounting estimates (Kanwal et al., 2013).

Some measures of corporate governance were introduced as control variables, since they are the important measurements for the company's financial performance, namely, size of the firm, age of the firm, financial leverage and capital intensity, since they are important factors in explaining the company's financial performance (Khan, 2010).

Also, financial leverage is deployed as a stand-in for risk. It represents management's risk acceptance measure that impacts its attitude towards social initiatives. It is calculated by

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using total debt to total equity ratio. Capital intensity is represented by fixed assets to total assets ratio. It is a tool that shows how well, a firm is utilizing its capital or assets to generate revenue. The reason behind introducing these control variables is to ensure that the final results are not subject to biased results Table 1.

Table 1
BELOW SUMMARIZES THE VARIABLES USED IN THIS RESEARCH

DESCRIPTION OF VARIABLES	
Variables	**Description**
Dependent Variables	
Corporate Financial Performance	It is expressed through market return indicators like: stock return and price earnings ratio.
Independent Variables	
Corporate Social Performance Score	The individual firm's score generated through Corporate Social Performance initiatives.
Control Variables	
Firm size	It is measured in terms of total assets.
Firm Age	It is calculated by the time period from the inception date to the year of analysis.
Firm Leverage	It is calculated by dividing total debt to total equity.
Firm Capital Intensity	It is calculated by dividing fixed assets to total assets.

Panel Regression Model

The study is designed to examine the relationship between CSP and CFP measures. The variable Stock Market Return and Price Earnings have been employed as dependent variables, while as, CSP as an independent variable (Maignan & Ferrell, 2001). The following model investigates the impact of CSP on CFP- Stock Market Return and Price Earnings.

$$CFP = \beta_0 + \sum_{i=0}^{n}\beta_1{*}CSPS_{it} + \sum_{i=0}^{n}\beta_2{*}FS_{it} + \sum_{i=0}^{n}\beta_3{*}FA_{it} + \sum_{i=0}^{n}\beta_4{*}LEV_{it} + \sum_{i=0}^{n}\beta_5{*}CAP_{it} + u_{it}$$

Where,

CFP =Corporate financial performance measured by stock market returns (SMR) and Price Earnings Ratio (P/E).

Also, (β_0) is constant and (β_1: β_5) are the parameters for the independent variable,
CSPS=CSP Score, FS=Firm Size, FA=Firm Age, LEV=Leverage, CAP=Capital Intensity
u_i =error term, i=firm, t=time

Data Analysis and Findings

Table 2 below, presents the summary of the descriptive statistics of the dependent and independent variables used in the study. The mean score of CSP expanses to 0.445 and standard deviation 0.168. The score depicts that firms in India had started focussing on their Corporate Social Performance, as average performance amounts to 44%, but still, it will take some time to get attributed as a strategic business component (Malik & Nadeem, 2004). Also, the average age of the firms comes around 19 years (Murtaza et al., 2014).

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Table 2 DESCRIPTIVE STATISTICS				
Variables	**Mean**	**Standard Deviation**	**Min**	**Max**
SMR	0.521	2.200	-2.500	9.004
PE	16.040	29.77	0.000	378.68
CSPS	0.445	0.168	0.000	0.765
FS	5.132	0.405	3.710	8.346
FA	19.721	1.547	4.233	118.880
LEV	1.142	0.985	0.780	0.054
CAP	0.087	1.563	3.899	153.000

Correlation Matrix

To check the problem of multi-collinearity, Pearson's correlation among the set of independent variables was performed and correlation matrix is constructed and presented in Table 3.

Table 3 CORRELATION MATRIX					
Variables	**CSP**	**FS**	**FA**	**LEV**	**CAP**
CSP	1.00				
FS	0.118**	1.00			
FA	0.105	0.268*	1.00		
LEV	0.051**	0.155**	0.144**	1.00	
CAP	0.239**	0.335	0.242*	0.114	1.00

Notes: ** Correlation is significant at the 0.01 level (2- tailed), * Correlation is significant at the 0.05 level (2-tailed).

The above table depicts, correlations between variables ranges from 0.10 to 0.335, therefore, it shows no signs of multi-collinearity, as the correlations between independent variables does not exceed 0.80.

EMPIRICAL RESULTS

Stock Market Return and Corporate Social Performance

Table 4: shows the result of the Fixed effect Regression Model for understanding the relationship between SMR and CSP.

Table 4 RELATIONSHIP BETWEEN SMR AND CSP			
Variables	**Coefficient**	**Standard Error**	**p-value**
CSPS	0.365**	0.033	0.027
FS	0.486 *	0.210	0.005
FA	-0.273***	1.840	0.051
LEV	0.129	0.021	0.663
CAP	0.686**	0.007	0.065
Constant	5.419***	5.41	0.062
F- test Value	**8.05***		
R-square	**0.65**		

Notes: *Significant at the 0.01 level (2-tailed), **Significant at the 0.05 level (2-tailed), ***Significant at the 0.1 level (2-tailed).

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The above table depicts that for F-test value is 8.05 (p<0.01), thus in favour of fixed asset regression model and signifies that the model is appropriate for analysis. Further, R-square, interprets that the explanatory power of the model is 65%.

Stock Market Returns is Stock Price $_t$ - Stock Price $_{t-1}$ / Stock Price $_{t-1}$

The results indicate positive impact of commitment towards corporate social performance on stock market returns. As every one-point increase in CSP score can bring around 0.365 increases in Stock Market Returns (Pan et al., 2014).

Price Earnings Ratio and Corporate Social Performance

Table 5: shows the result of the Fixed effect Regression Model for understanding the relationship between P/E and CSP

Table 5
RELATIONSHIP BETWEEN P/E AND CSP

Variables	Coefficient	Standard Error	p-value
CSP	0.210*	0.034	0.004
FS	0.106 *	0.140	0.003
FA	1.363**	1.420	0.037
LEV	0.018	0.029	0.140
CAP	1.585**	0.019	0.023
Constant	1.271	3.410	0.501
F- test Value	**3.59***		
R-square	**0.55**		

Notes: *Significant at the 0.01 level (2-tailed), **Significant at the 0.05 level (2-tailed), ***Significant at the 0.1 level (2-tailed).

The above table 5 depicts that for F-test value is 3.59 (p<0.01), thus in favour of fixed asset regression model and signifies that the model is appropriate for analysis. Further, R-square, interprets that the explanatory power of the model is 55%.

The Price Earnings Ratio depicts the relationship between a company's stock price and earnings per share. It is an indicator of how much the market is willing to pay for a firm’s profits. The results illustrate that when a firm scores better in CSP initiatives then it can be more lucrative with their returns. As every one-point increase in CSR score can bring around 0.210 increase in Price/Earnings.

Findings

The basic purpose of the research study is to examine the impact of CSP initiatives by a firm on its corporate financial performance. The statistical measure R square explains the satisfactory power of the model with sixty percent impact on stock market performance and fifty percent on price earnings ratio, after taking the control variables like: firm’s size, age, leverage and capital intensity in both the models. The F statistics is also significant for both the models at one percent significance level, which verifies the appropriateness for both the models.

Thus, it becomes very clear that the two stated hypothesis have been accepted and the results show positive impact of corporate social performance on corporate financial performance

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of the firms, thus this research is in line with the previous researches and showing similar results with (Maqbool & Zameer, 2018; Ehsaan & Kaleem, 2012).

Fulfilment of stakeholders' expectations improves a firm's reputation in such a way, that it has a significant positive effect on its corporate financial performance. Thus, social responsibility initiatives in the form of community development, environmental contribution and initiatives towards human resource and workplace can be considered as a approach to create rightfulness and competitive advantages. Perfect Corporate Social Performance initiatives towards each key stakeholder generates a gamut of satisfied stakeholders, who bring effectiveness and cost reduction through various ways, that ultimately augment firm's corporate performance (Maunaza Kanwal, 2013).

Gratified workforce recompenses the firm through gain in productivity and lowered recruiting, training and development costs. The content patrons enhance sales through repeated purchases, also satisfied investors lead to diminished cost of capital by lending capital at a cheap rate (Mehar & Rahat, 2010)

Further, satisfied community lead to decreased advertising cost, favourable surroundings, and upgraded suppliers lead to reduced quality certification costs. Similarly, when firms boost Corporate Social Performance towards their stakeholders, customers not only appreciate, respect, or pay regard to the firms, but also can co-relate with it. Such co-relations help in building loyalty and result in development of brand diplomats. This creates competitive advantage for a firm and can be linked with huge number of benefits (Ghazali, 2007).

Suggestions

A key implication of this paper is that, it supports the fact that corporate entities stand to benefit from voluntary disclosures of CSP activities than mere engaging in CSR activities, without proper channels of communicating to stakeholders. Hence, firms should not only engage in CSP activities, but also make deliberate efforts to disclose such activities appropriately to accrue certain financial benefits in the long run (Peloza & Shang, 2011).

The results prove that firms should definitely focus on Corporate Social Performance initiatives to increase their overall corporate financial performance. The paper foresees immediate returns (financial and non-financial) due to CSP initiatives, thus could be reframed by escalating the scope and period of observation. Though, this paper reported a positive relationship between Corporate Social Performance and Corporate Financial Performance; however, this result is limited to selected sample size in India. Perhaps, research into other non-manufacturing/ banking industries may report different outcomes (Sharma & Vanapriya, 2016).

Limitations

Further, there are certain factors that limit the scope of this research. Though the researcher had tried to cover ten different sectors by taking representation, from five different units from each, still there may be limitations related to data availability, sample size, observation period etc., so more in-depth research, increasing the sample size and observation period could be undertaken and results could be verified (Smith et al, 2001). Secondly, more precise research could be done, considering samples only from manufacturing/ non-manufacturing/ banking sector (Singh et al, 2015). Thirdly, this study is limited to a single developing country ie India, a more focused research could be carried out in the developed

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countries and taking more than one nation, and this may perhaps report different results (Yadav & Singh, 2016).

CONCLUSION

In the present scenario, profit maximisation is no longer the only corporate goal of a firm. An effective growth-oriented firm should not only aim for profit maximisation but concentrate upon value by going for certain CSP initiatives. The implementation of corporate social responsibility should be re-stated in a more inclusive manner, to include proactive contributions to workforce, community, and environment. Thus, the CSP framework of this research revolves around these three important dimensions.

Based upon this framework for evaluating the fulfilment of corporate social responsibility, the study aims to investigate the impact of employing corporate social performance initiatives on corporate financial performance; wherein financial performance being measured through stock market returns and price/earnings index.

After carefully examining the impact, using various statistical tools, the research concludes that when a firm makes earnest efforts to abide social responsibility, it would definitely improve its corporate image so as to attract interested potential investors in the stocks and quality creditors, thus causing an augmented stock performance.

Further, firms that are consistent with their socially responsible initiatives can be perceived as trustworthy, which in turn creates reputation and develop competitive advantage. These findings also validate the results of the previous studies and have important implications for the strategic managers that when CSR activities are integrated with business activities both social and financial goals become easier resulting in better financial performance.

Scope for Future Research

Several limitations of the research study point out towards future scope of the study like- a comparative study can be conducted based upon strategic and philanthropic CSR activities and results can indicate which has an increased effect on financial performance of the firms. Secondly, research can be conducted on a single industry to know the impact of CSR activities on the financial performance of a single industry, thirdly longitudinal data for ten years can be taken for a deeper and a more insightful analysis.

Appendix 1

S. No.	Sector	Company Name
1	Automobiles	Tata Motors
		Mahindra & Mahindra Ltd
		Maruti Suzuki
		Hero MotoCorp Ltd
		Bajaj Auto Limited
2	Banking	ICICI Bank
		Axis Bank
		HDFC Bank
		IndusInd Bank
		Kotak Mahindra
		Bandhan Bank
3	Cement	Ambuja Cement

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		ACC
		Shree Cement
		Ultratech Cement
		J K Cement
4	Chemicals	Vikas Multi
		Resonance
		Polylink Polyme
		Deep Polymers L
		Sanathnagar Ent
5	FMCG	Hindustan Unilever ltd
		ITC ltd
		Nestle India ltd
		Britannia Industries ltd
		Godrej Consumer Products Ltd
6	Metals and Mining	Vedanta
		Hindustan Zinc
		Coal India
		Hindalco Industries
		Bharat Aluminium Company
7	Oil and Gas	Indian Oil Corporation
		ONGC
		Bharat Petroleum
		Reliance Petroleum Limited
		Essar Oil Limited
8	Pharmaceuticals	Sun Pharmaceutical Industries Ltd
		Dr. Reddy's Laboratories Ltd
		Cipla
		Lupin Ltd
		Abbott India
9	Power	Power Grid Corporation of India Ltd
		NTPC
		Adani Transmission Ltd.
		NHPC Ltd
		Tata Power Company Ltd.
10	Steel	Tata Steel Ltd.
		JSW Steel Ltd.
		SAIL
		Jindal Steel and Power Ltd.
		Essar Steel India Ltd.

Appendix 2

	Activities for measuring Corporate Social Performance		
	Community Development	**Environmental Contribution**	**Human Resource/Workplace**
1	Construction of temples, community halls, parks, and so on.	Environmental education programs, awards and studies.	Health and safety
2	Donations to community groups and charitable bodies	Going for land reclamation and afforestation	Industrial relation
3	Sponsoring public health, sporting and recreational projects	Installed effluent treatment plant.	Employee training and conditions
4	Promotion of rural income	Going for rain harvesting	Employee assistance,

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	generation schemes.	programmers.’	remuneration and Retirement fund benefit plans, i.e., gratuity, provident fund.
5	Funding scholarship programs or activities	Recycling of pollutants and wastes.	No child labor in employment.
6	Sponsoring national pride government sponsored project campaigns	Engaged in eco-friendly products/ process.	Women Harassment at workplace
7	Sponsoring communities’ programs and activities	Efficiency in paper using.	Redress of grievance of workers/shareholders/ employees.
8	Aid to flood/drought/disaster victim	Power saving/energy conservation	Profit sharing/share ownership programmes for employees.

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