

# CSR INITIATIVES IN INDIA

**Amrita Chowdhury, HR Consultant, India**  
**Pingali Venugopal, XLRI, Jamshedpur, India**

## ABSTRACT

*Corporate Social Responsibility has been in practice in India even before it has been mandated by the Companies Act 2013. However, not all companies have been practising it. This research studied the CSR initiatives of Indian companies and suggests that companies should identify activities which align with their corporate philosophy.*

## INTRODUCTION

Corporate Social Responsibility (CSR) has been practised by companies even before it has been mandated under Section 135 of the Companies Act 2013 (Goyal 2016). Mishra (2016) has discussed the evolution of CSR in India. As per the Act, companies meeting certain criteria have to have a CSR policy and spend two per cent of the average net profit of the three preceding years towards CSR activities preferably near the areas where the company operates.

Though Palakshappa & Chatterji (2014) state that India has failed to create a framework for CSR, many companies have contributed significantly towards development of the local people. For example, Tata Chemicals focus on BEACON (Blossom: Promotion and Development of Native Handicrafts), Ambuja Cements initiative of utilizing the hidden talent of the people, Infosys programs on increasing the IT skills and proficiency of the people, ITC activities towards societal sustainability and so on (Khurana, 2018).

## RESEARCH STUDY

This research with the objective of studying the CSR initiatives of Indian companies sent out a survey to around 200 companies across different sectors. 102 responses were received. The study also referred to the Annual Reports of these companies to supplement the information. Around 59 per cent of the companies give prominence to the CSR activities in their Annual Reports.

While most of the companies state the need for having a CSR policy (as mandated by Companies Act), only around fifty per cent of the consumer goods manufacturing companies state that they would develop one in the near future. It is interesting to note that most companies plan CSR activities based on the mandated amount of two per cent.

As found by Palakshappa & Chatterji (2014) close to fifty per cent of the companies do not conduct CSR activities directly, they donate to a non-governmental agency to fulfil the CSR requirement (this is permitted under the Companies Act). Only 18 per cent of the large companies have a dedicated corporate social wing to undertake CSR activities.

Education gets the major share of 22 per cent of the spending of CSR by companies. Sixteen per cent to environmental protection, ten per cent to child care and eight per cent to women empowerment are the other major activities under CSR. While 63% companies do on-going activities, only 23% companies monitor the impact of these activities and only 13 per cent conduct an independent audit of the CSR activities.

## CONCLUSION

The study indicates a need for focused goals of CSR activities as against not achieving the desired aim for the sheer flaw of distraction. This may even be linked to the 'sub-additivity principle' where the outcome of the combination of elements is lesser than the combination of the outcomes of the individual elements.

There is therefore a need for companies to pursue CSR activities which are in line with either the corporate philosophy of the organization or may even benefit the organization in the pursuance of its business objectives. The company needs to identify the right balance between business and CSR based on the vision and mission of the company and also the intent behind the particular model.

## REFERENCES

- Goyal Divesh C.S. (2016), "Corporate Social Responsibility," TaxGuru, September 4, 2016.
- Khurana, Amit (2018), "India's Top Companies for CSR 2018", <https://crossbarriers.org/indias-top-companies-for-csr-initiatives-in-2018/>, accessed May 25, 2021.
- Mishra, S. (2020), "Evolution of corporate social responsibility: two sets of explanation", *Social Responsibility Journal*, Vol. 16 No. 8, pp. 1341-1356
- Palakshappa, N. & Chatterji, M. (2014), "Corporate Social Responsibility in the Indian Context", *Corporate Social Responsibility and Sustainability: Emerging Trends in Developing Economies (Critical Studies on Corporate Responsibility, Governance and Sustainability, Vol. 8)*, Emerald Group Publishing Limited, Bingley, pp. 139-162