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# A Theoretical Study Of Csr Activities In Top 5 Companies In India

**Shruti Sharma**, Assistant Professor, Graphic Era Deemed to be University, Dehradun Uttarakhand, India, [Shrutisharma.comm@geu.ac.in](mailto:Shrutisharma.comm@geu.ac.in)

**Mr Harish Kumar**, Assistant Professor, School of Management, Graphic Era Hill University, Dehradun.

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## Abstract

Although the concept of corporate social responsibility has been introduced in India only in the last decade, however it has quickly become a fundamental and mandatory business practice throughout the country. It promotes the integration and alignment of business activities with social and ethical values. Before attempting to fulfil the CSR activities, it is first important to acknowledge the CSR activities and why they need to be fulfilled

**Keyword:** Corporate Social Responsibility.

## 1. Introduction

The concept of corporate social responsibility has gained prominence from various avenues. The importance of CSR has been well recognized and acknowledged by even the world leading organisations. However, the initialisation of the concept dates back to the late 18th century, when it was a matter of question that whether the companies should take up their social responsibilities or not.

Various arguments were made against the very idea of corporate social responsibility with the conclusion always being that no company should be forced to undertake initiatives to fulfil their social responsibilities, whether by law or any other party.

The basis for such arguments was that CSR was just a waste of resources which would lead to the company being weakened and its competitors gaining a competitive advantage over it.

This discussion continued for many decades and ultimately now in the modern era of the 20th century, the concept of corporate social responsibility has not only been undertaken by various companies voluntarily but it has also been made mandatory by the power of law.

CSR first became popular in North America from where later on, the concept spread over to Sweden and Europe and later on India.

The demand that companies start investing its resources into their social responsibilities has increased by a huge gap, and not just from the government but by the other stakeholders as well such as customers, employees and community groups etc.

While from many companies' point of view it was seen that CSR is nothing but just a hurdle which would prevent them from achieving their primary objective of profit maximisation, but this has actually not been the case coming to the modern era.

Instead of being a hurdle towards the achievement of profits, the concept of corporate social responsibility has been on the contrary an aid towards the achievement of profits.

Corporate social responsibility refers to the idea that a company should be sensitive to the needs and wants of all its stakeholders, rather than just its shareholders.

Over the period of past few years, CSR has gained immense importance in India as Indian companies have started to realise the importance of acknowledging and fulfilling their corporate social responsibility in order to achieve long term benefits such as creation of shareholder value, creation and improvement of the brand image, increased revenue base and better access to human and intellectual capital that is, easier access to resources.

## **2. Literature Review**

Ahluwalia, 2018, concluded that "Focus has moved from institutional building to sustainability. The businesses are being aligned in a more strategic manner to integrate the CSR into its core operations. There is more transparency in reporting of CSR activities by companies on their official websites, publishing CSR and Sustainability reports and annual reports."

K. Chauhan, 2017, suggested "To have a systemic approach paper to identify welfare gap from Government Budgets and Planning Commission reports and set direction and objectives for CSR initiatives region wise/nationwide could be attempted"

Shyam, 2016, suggested "Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track. As in In the current social situation in India, it is difficult for one single entity to bring about change, as the scale is enormous. Corporate have the expertise, strategic thinking, manpower and money to facilitate extensive social change."

Singh, 2010, concluded that “There is a need to increase the understanding and active participation of business in equitable social development as an integral part of good business practice.”

### **3. Objectives of the study:**

1. To develop a basis of understanding of the concept of CSR.
2. To analyse the development of CSR in India.
3. To analyse and highlight the CSR initiatives undertaken by various companies in India.
4. To show how far the concept of CSR has progressed in India and how well it has been adopted by various Indian companies.

### **4. Discussion:**

Making a change- CSR Initiatives undertaken by Indian companies:

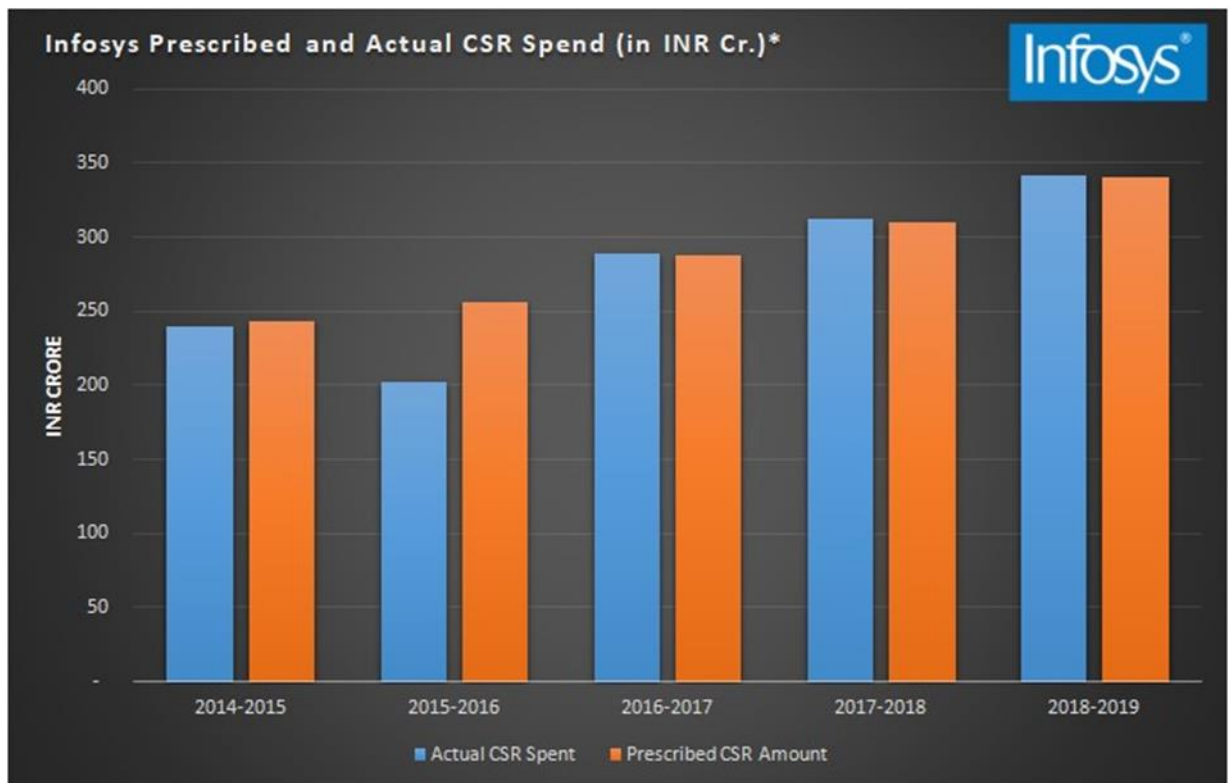
Despite facing many challenges, there are many companies who have successfully implemented various CSR initiatives.

These companies never backed down from any challenge even if it would lead to loss of their funds and reputation. Instead, they faced all the challenges head on and even if it led to adverse effects for them, they still carried on, learning from their past experience and mistakes.

The following is a list of companies who have successfully adhered to their CSR and how they have obliged to this responsibility as well:

- i. **Infosys limited:** As per Sudha Murthy, chairperson of Infosys foundation, “CSR can’t be merely a job, it’s a passion.” Infosys has addressed some of the nation’s difficult challenges of development in the areas of education, rural development, women empowerment, poverty and malnutrition etc.

The following is the budgeted and the actual spending done by Infosys on their CSR.



Infosys carries out its CSR activities through the Infosys Foundation.

The aim of CSR policy of Infosys:

- a. To strive for the development of economy that will impact positively on the society as a whole.
- b. Embrace the responsibility for their actions and also in encouraging a positive impact through its activities related to hunger, poverty, malnutrition, stakeholders and society etc.

When India reported its first COVID-19 case, the company announces hundred crores support for COVID19 relief.

Infosys utilises the funds from its CSR in collaboration with Narayana Health city, Bangalore, to provide the facility of hundred-bed. The aim of the facility is to serve the weaker section by providing accommodation to them and quality treatment by doctors.

Infosys foundation was one of the first to realise the uphill battle which the country's hospitals were about to face in their fight against COVID-19. As a part of their relief measures, the foundation provided essential medical equipment in order to assist the hospitals. The equipment consisted of ventilators, testing kits, N95 masks, PPE kits and medical gas pipelines.

The foundation also realised the need to assist the underprivileged members of the society who were greatly impacted by the pandemic. With the help of various

trust and organisations essential supplies hygiene kits and provisions were delivered to these sections.

ii. **The TATA Group:** Global automobile manufacturers Tata Motors Ltd have always been in front in acknowledging their corporate social responsibility.

According to Mr Ratan Tata, the former chairman of Tata Sons, “Businesses need to go beyond the interests of their companies to the communities they serve.”

The Tata Group have always been known for the way they have carried out their CSR activities, especially during times of crisis whether be it COVID-19 or the disastrous Mumbai attacks in 2008. Tata have always been in the forefront, providing their assistance even when no one asked for it.

Tata Motors followed a 3 step approach in order to contain the spread of the virus in the country and help those in need.

Their approach has been named as E3 Directives. Each directive has a specific aim and purpose which is as follows:

“Essential supply provision: Tata Motors took a huge decision right at the beginning, of providing food supplies to migrants and stranded communities, urban slums, transit camps etc. They also decided to work with Indian Oil to provide protective gear and food packets to truck drivers visiting Bawal and Narsapura.

Equipping heroes on ground zero: Tata recognised and acknowledged the need to assist the front warriors in the country’s fight against COVID-19 as much as possible. Through this directive, Tata Motors decided to assist self-help groups in manufacturing home-made masks and sanitizers which were to be distributed to hospital, army and police stations and health clinics across the country.

Educating masses for containment and prevention: In order to survive the pandemic, it was necessary to understand the pandemic and that’s where Tata Motors stepped in decided to spread awareness regarding the virus by setting up large banners and spreading important information regarding how to protect yourself from the virus.”

In financial year 2019, Tata Group spent an enormous amount of INR 1,095 crore on its CSR expenditure on activities related to education of the underprivileged, rural development, healthcare, water & sanitization and skill development for aspiring entrepreneurs.

iii. Mahindra and Mahindra Ltd: when it comes to leading the charge for climate change action and sustainable business practices no one comes close to Mahindra and Mahindra. As the company’s core purpose states “We will challenge conventional thinking and through innovative use of all our resources, drive positive change in the lives of our stakeholders and communities across the world, to enable them to rise”. In the financial year 18-19 the company had spent on their CSR initiative a huge amount of ₹93.50 crores. For any company to successfully implement and acknowledge their CSR, the people who are responsible for running the company play a huge and vital role in the company’s CSR, and in case

of Mahindra and Mahindra, the chairman of the company, Mr Anand Mahindra has been one of the huge pillars who have successfully supported the company's CSR initiatives by being committed towards his and the company's corporate social responsibility.

The project Nanhi Kali was initiated by Mr Mahindra in 1996 that soon emerged as the biggest CSR programme of the nation for the education of the girl child. The project currently supports the education of around 1,75,000 Nanhi Kalis across 6001 education centres.

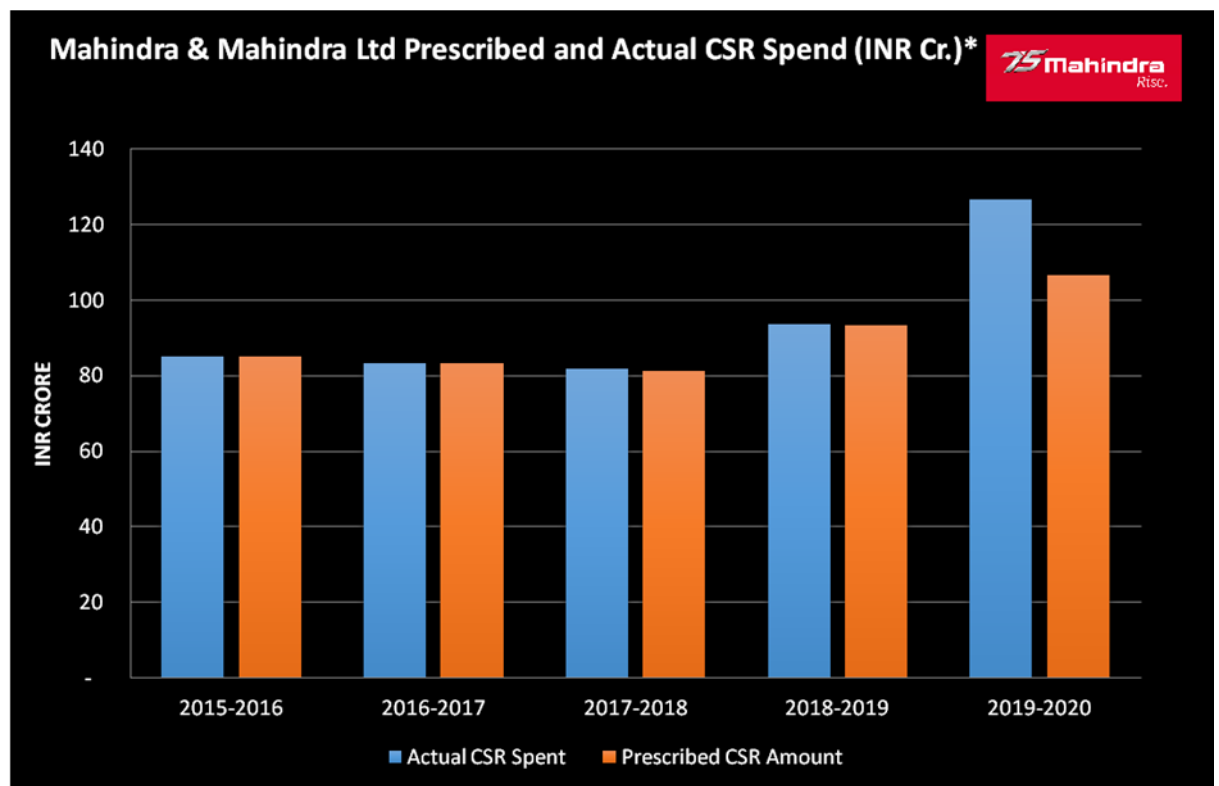
The company's main CSR initiatives are directed towards the development of "farmers, girls and youth who are supported through various initiatives in education, healthcare and finance."

Another one of the important initiatives undertaken by the company is Project Hariyali. The aim of the company is to add one million trees every year to "India's green cover."

This project was initiated in "2007" and since then around 17.93 million trees have been planted by Mahindra.

This clearly depicts the commitment the company has towards addressing global issues such as climate change.

The following graph depicts the company's CSR budget and actual spending from 2015 to 2020.



Even during the COVID-19 pandemic, Mahindra and Mahindra Ltd were at the forefront, to support the nation and its citizens when the time of need arose, by keeping factories and canteens open to deliver face shields, masks, aerosol boxes, meals and rations etc. Even though they had never manufactured these items before, they went ahead and manufactured and delivered these items those in need.

The Group managed to distribute 4.2 lakh meals across the country over the period of the pandemic.

- iv. Reliance Industries Ltd: the company CSR activities are primarily based on the principle “Reliance Industries strongly believes in inclusive economic growth”. The company’s chairman and managing director, Mr Mukesh Ambani is among the top philanthropist of the country, and his beliefs and philosophy have played a huge part in the corporate social responsibility of Reliance Industries. During the financial year 19-20 the company has spent an enormous amount of INR 1,022 crores on its activities of CSR.

Most of the CSR activities of the company are carried out under “Reliance Foundation” that was established in 2010 which has now become a leading corporate foundation in addressing the nation’s development challenges.

The foundation is committed towards improving the quality of life of the underprivileged by focusing on key areas such as- education, disaster response and rural development etc.

The foundation through its various initiatives have positively impacted the lives of more than 12 million people in 10500 villages across India.

Reliance have always dedicated themselves towards their CSR activities, going as far as even exceeding their prescribed budget for their CSR activities. Their past few expenditures on CSR activities is a clear example of their dedication:

Year	Prescribed amount	Actual spending
2016-2017	INR 620.41 crores	INR 659.20 crores
2017-2018	INR 703.08 crores	INR 745.04 crores
2018-2019	INR 811.16 crores	INR 849.32 crores

Reliance has worked continuously toward development of rural areas in order to make a difference for the better. Some of their initiatives have been:

- Providing over 500 villages with water security. The company has helped rural communities in securing drinking water and for agricultural needs as well.
- Reliance have helped more than eighty-six thousand households in rural areas in over twelve hundred villages in around twelve states during different crisis.
- The foundation promotes and offers alternative sources of employment to the rural population in order to protect them from uncertainties.

Reliance have also worked tirelessly in providing better education facilities and opportunities all over the country.

Some of their initiatives are as follows:

Dhirubhai Ambani Scholarship Programme which was initiated in 1996 and aims to provide scholarships to meritorious students for higher education courses in medical and engineering.

“Reliance Dhirubhai Ambani Protsaham Scheme” that enables financially disadvantaged meritorious students of class 10th to attend junior colleges, thus giving them an opportunity for a better and bright future.

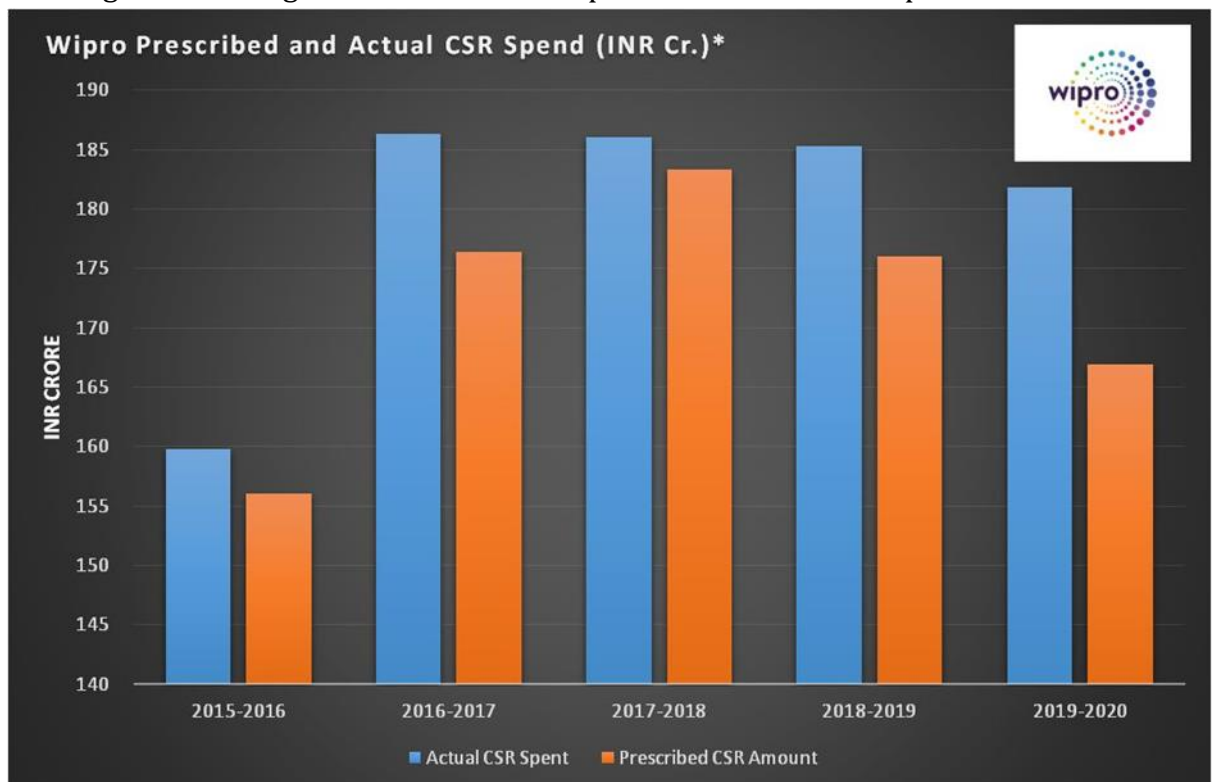
Even when COVID-19 hit the country and led to a nation-wide lockdown, Reliance industries still continued their CSR activities and even increased them in order to help the nation navigate through the pandemic such as:

Reliance Foundation donated around INR 535 crores to PM CARES funds.

In partnership with BMC, Reliance set up India’s first 100 bed exclusive COVID-19 hospital in Mumbai in just two weeks.

- v. Wipro Ltd: What has continuously separated “Wipro” from any other Indian companies that are running the initiatives in sustainability is the company’s “finesse.” The diversified structure of their CSR activities, the quality of resources and personnel that CSR activities of Wipro engage in and the attention to detail given to carry out their CSR plan effectively and efficiently is not only commendable but also highly inspiring.

During the last three years the company has utilised the amount more than the prescribed CSR budget. The CSR activities of the company are implemented through various organisation such as- Wipro Foundation and Wipro Cares





- The above graph clearly depicts how Wipro is determined towards the fulfilment of its CSR activities as since the past 5 years, the company has not only increased the prescribed budget for its CSR activities but also exceeded it as well.
- The major part of the company's budget for CSR has been directed towards educational and developmental initiatives. The systematic reforms initiative was the first of Wipro's CSR initiative, which was started in 2001, and since then, it is continuously bringing a positive change in the education sector for over two decades by either trying to tackle and solve the major issues affecting the education of children or by supporting various organisations who are involved in the doing the similar work.
- The initiative has helped countless street children and children from low income families. The initiative not only helps them in their education but also in nurturing and counselling them and their parents.
- The flagship CSR programme of Wipro ltd is Wipro earthian, a program aimed at intertwining sustainability & education at level of school and colleges. The idea behind this initiative is to inspire the youngsters to think and come up with the unique ideas to protect the environment.
- "The Azim Premji university" is contributing highly towards the education sector and in overall development of the nation. The university was originated in response to the challenges that were faced by "Azim Premji Foundation".
- Mr Premji, the founding chairman of Wipro ltd Soon after the COVID-19 outbreak in the country, Wipro immediately pledged INR 100 crores towards tackling the pandemic. Wipro partnered itself with various NGOs to provide sanitizers, masks and essential items to those in need.

## 5. Conclusion

In the end, the concept of corporate social responsibility has indeed come a long way, from what began than just as another name for charity, now has transformed and evolved into a sustainable business practice.

Corporate social responsibility has truly exhibited that how even a single act can make a difference for both the company as well as the larger stakeholder community.

From their various initiatives and activities, ranging from social to economic development and growth, companies have clearly exhibited that they can change the lives of the people for the better.

Especially if we look at the current dangerous scenario through which India is going through, the need of CSR has increased more than ever now.

However, it is not easy to implement corporate social responsibility.

In India, CSR is currently in its growing stage only. Even though it has got immense potential in it and it can do wonders for the country as well as for the companies. Thus not only resources but also a strong zest and immense desire is also required in order to achieve corporate social responsibility.

With the combined efforts of the companies, the government and people, accompanied with their strong ambition and desire to implement, achieve and accept CSR, they will help the country, it's people and the companies in achieving and maximising the full potential of corporate social responsibility of what it truly can be.

**Refernces:**

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