



AN ANALYTICAL STUDY OF CSR PRACTICES IN SELECTED OIL AND POWER SECTOR COMPANIES IN INDIA

Deepali Rani Sahoo, Assistant Professor, Symbiosis Law School, Noida, Symbiosis International (Deemed University)

Abstract: In today's scenario CSR (corporate social responsibility) in Indian context have become a very much serious discussion after the introduction of section 135 of the companies act, 2013. However, the lack of knowledge and difficult procedure of CSR both as concept and along with follow up should be carefully acknowledge also this is an interesting factor that irrespective of this recent regulations, the work done by CSR is in any way not so much New to Indian public sector undertaking as they have been practicing CSR both morally and statutorily under the guidelines on corporate governance for central public sector enterprises, 2010. Thus, so it is cleared that PSUs have an added up advantage over private companies in terms of CSR rules are complained. Hence, form this research I have tried to evaluate and learn the status of Indian public sector (PSUs) in oil and power sector and form this I have derived meaningful trends and observations concerning the established CSR mechanism of some of the selected companies which have been taken for research. In the research you will see that CSR policies of Indian public sector undertaking which tries to draw significant inferences out of these findings. Later on the findings will tell you that Indian public sector PSUs have now learnt to deal with the CSR policies as compared to previous years. The focus is corporate sided concentrating over a particular thematic area and geographic location. Along with it lacks in dynamic collaboration of efforts and fails to take in account with multiple stakeholders. As far as the research does it is very much cleared that CSR policies of the public sector are still under the influence of central which tends to reduce the transparency and credibility of the process. This study also shows the role of external agencies who they assist the corporate with planning and implementation of CSR activities. Case of TISS_ CSR hub initiatives has been cited in the study to raise some questions and to give some answers to them.

PSUs needs to address CSR a priority basis and not with lack of motivation and directions among PSUs. Hence for this research the effort is not made to look down upon the response with PSUs but to evaluate what is their course of action in order to make their efforts more thriving and accommodating.

Keywords: CSR mechanism, multiple stakeholders, TISS_ CSR hub initiatives

I. INTRODUCTION:

Corporate Social Responsibility in the ordinary course of business means, a company which is operating in the ways that enhance society and the environment, instead of contributing negatively to them. CSR is a wider concept that can take many forms depending on the company and industry. CSR activities can help to form a stronger bond, between the staff and the corporation it boasts morale, and help both employees and the employers feel more connected the whole research is based on the concepts of CSR among the Indian public sector Law is a combination of art and science. An *act* is an art while the *actions* are science. India is too concerned about the environment since the beginning and our country has always been known for¹ taking care of the ambience since the beginning. But, the fine line between need and greed is making this concept grow bad. The needs of human being are steeping over the nature and is causing problem to nature. Both, humans and the nature cannot be ignored to the face and we need to maintain a balance between both these things. India is a welfare state. But because of demand of time it has adopted *Liberalizations, Privatization, and Globalization* (LPG). Public sector has now slowly started shifting to the private sector and hence it is resulting into the decreased number of public sector units both the sectors have no differences. Therefore, it is implied that the need for social responsibilities have to be brought into the limelight. Henceforth, the concept of *Corporate Social Responsibility* (CSR) is brought into notice and this means obligation of the business entity towards the society. If there is a society, law creeps in undoubtedly.² the corporate social responsibility encompasses the social- economic, legal, moral, and changing expectations placed on the organizations by the society at a given point of time.

Major problems which are faced by public, governments and business man are to find sustainable growth in business in every possible way. For that time, CSR can also be looked as a success path, or for the risk factor and correlation management. The CSR policies are the seal system of corporate economy but, it also

acts as a systematic change of market economy. What is required is stronger integrated perspective based on the system of core and moral values which are closely related to the company's core strategy. It takes appropriate organized structures and also employees with excellent intelligence to truly realize the importance of CSR. Therefore it becomes a matter of individual and institutional ethics. CSR makes sure the environment around the company is also maintained properly and they take care of the employees as well. The foremost question is that should corporations be involved in CSR, for that, we can access two views of CSR which are classical and the behavioral view. The former view states that few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make money for their shareholders as they possibly can. Corporate social responsibility has gained a lot of focus from a range of business and stakeholders. A business person may be able to define CSR as a business strategy; an NGO activist may see it as 'green wash' while a government official may see it as voluntary regulation. In addition, disagreement about the definition will arise from the disciplinary approach. CSR is known for impacting employee turnover. According to the survey done, several experts suggest that employees are the most valuable asset in any organizations and that the ability to retain them leads to organization success. Socially responsible activities promote fairness, which in turn generate lower employee turnover. To the contrary, if an irresponsible behavior is demonstrated⁵ by a firm, employees may view this behavior as negative. Organizations shall treat employees well, with competitive pay and good benefits is seen as a socially responsible behavior and therefore it results in reduced employee turnover.

Objective of the Study:

At the very starting of the analysis it is very important to clear why only public sector units of oil and power sector have been taken as a part of research. As mentioned earlier, PSUs have a very prominent role in CSR as they are the heart and soul of the economy they have a very important role to play in making our nation grow and their actions pave a direction for the conduct of rest of the units. The main reasons for taking this sector as our matter of research is as follows:

- Even before the introduction of **Schedule 135 of the Companies Act, 2013**, Directives on Corporate Governance for Public Sector Enterprises, 2010 was issued by DPE (department of public enterprises). This has given as a good base for comparison and elaborate study.
- Secondly, our companies both private and public sector along with the government in all ways and forms hold an appreciable moral responsibility toward the betterment of the society and to work for their standard of living. In the rest of the research we would study the importance of a government initiative to lay the foundation for further road of CSR.
- Indebted greatly to the community which they can repay in the form of CSR spending. Thirdly, power and oil sectors, owing to its gigantic operation size and coverage results into pollution to a great extent. Their operations lead to displacement of livelihoods of many and it creates adverse impact on the environment. The main purpose of the research was to scrutinize and deeply study the regulation of the CSR policies of Public Sector industries. An attempt has been made to find out similarities and dissimilarities between public and private sector.

a. The paper tries to provide all the readers about the comparative analysis of corporate social responsibility policies and how hold its impact on the society and hence explains about CSR is working for its growth it draw a larger picture of the condition of India.

b. The report tries to show possible suggestions and recommendation which can be used by various sectors for multiple purposes.

Research Questions:

- Under which model of responsibility are Indian firms dealing with the current operating?
- Whether it is ethical, the statist, the liberal, or the stakeholder approach?

II. RESEARCH METHODOLOGY:

The following is a doctrinal research which basically shows what the status is and what impact it holds on the PSUs in the Indian business context. How CSR policies is taking its place in Indian public sector. The

research is divided into 2 board sectors

- **OIL SECTOR PSUS**
- **POWER SECTOR PSUS**

The matter used in this paper is secondary in nature and it has been collected from various platforms which have official website of PSUs, some of business paper, journals, academic research papers, independent study report, media coverage and other relevant and reliable web sources. This paper has mentioned some of the listed PSUS which have CSR policies and operations. Last content is the analysis of the companies on several trademarks has been done in order to facilitate a more clear understanding of the subject.

Hypothesis:

- **Null hypothesis** –division of the sum of actual % expenditure on the CSR regulations as per the current year profit significantly equals to the standard expected expenditure (2) % of the regulation of all the related factories.
- **Alternative hypothesis**- the distribution of the actual % expenditure on the CSR as per the current year profit significantly not equal to the standard expected expenditure (2) % as per the norms of all the factories dealing with oil and power sector.

CSR in some Maharatna Companies

Public sector are the government owned corporations in which 51% capital is owned by the government either by⁷ the state government or partly by central and state government both this is termed as public sector undertakings coverage

At the time of post independence, known by all India was a backward and under-developed nation, lower economy with weak industrial base, which have to deal with the factors like unemployment, very less-level of savings and investment noman -power with training and null infrastructural facilities, there was some change required in Indian economy hence the road map of PSUs was developed as an instrument for molded- economy and how to be useful for weaker section. Title like MAHARATNA, NAVRATNA, and mini-rata provide them great autonomy to compete in global market free decision making in areas like investment and merge along with acquisitions For a company to be MAHARATNA it should have an average then- over of 20,000 core before it was 25000 cr, average net worth of more than 10,000cr all the MAHARATNA Firms are also free to decide investment up to 15% and limited to an absolute ceiling of 5000 core. The objective of the study is to know whether CSR is actually applied in MAHARATNA companies and if yes then how it is a benefit for others. CSR is a well thought which come out from a ⁸well planned management strategy provide positive impact on our society and environment through sustainable development. The public sector enterprise department have set a budget for each and every public sector there main work is to allocate the work and sections of area of each sector accordingly with the budget provided to them.

Also says that whichever company is a loss making companies are not mandated for some specific funds for CSR activities within the framework of DPE guidelines, providing the board giving approval. CSR policies main work is to get involved with some of the NGOs, trusts, academic organization, mission etc. all of which are not conducted by CPSE stakeholders, staff, department also stated that who so ever PSUs which loses their MAHARATNA , NAVRATNA and other mini RATNA status if they fail to fulfill any CSR any guidelines given in a time bound manner. Ministry will monitor the CSR spending by PSUs as per the issued guidelines and will motive PSUs for fulfilling their CSR activities.

CSR HOLDING INCENTIVES FOR SOCIETY

- Adoption of rural sectors
- Free health care and medical benefits
- Construction of runways roads
- School for the mentally unfit handicapped children

- No to child labor
- Disaster managements facilities
- Employment to rural youth
- Pollution free environment
- Irrigation using treated sewage
- Protection of natural resources
- Plantation of herbal plants
- Entrepreneur generation schemes
- Women's empowerment , girl child development
- Sponsorship of seminars, conference and workshop
- Promoting of sports and games
- Providing safe drinking water access
- Women literacy training centers
- Assistance to the mid-day meal in rural and slum areas

An overview of Oil Companies in India

The Indian public sector plays a major role in the development of economy. Unlike private sector their sole motive is not only to generate profit, but to make our country a better place to survive for the weaker sections of the society. To make available those commodities which are affordable by all? Some of the oil and power sectors of India

BPCL

Bharat Petroleum Corporation limited is a model entity which has some social responsibilities towards society. BPCL is leading organization fulfilling all duties towards nation and it has been working for improving the living condition of weaker section of our society it works for maximizing the positive impact with the help of stakeholder and managers of the company (according to BPCL it is said that we firmly believe for the sustainability of our business)

The main focus of the industry is on education using various technologies and maintains adequate infrastructural facilities, improving the living condition of society and provides for needful accessibility to the underprivileged population of our society, they work for improved literacy and education in its true sense.

Primary focus areas under CSR philosophy includes SWACCH BHARAT ABHIYAN involving creation and maintenances of toiletry facilities , associated to sanitation facilities, waste management initiatives which leads to overall health and hygiene for rest of the communities.

GSPC

GSPC is also one of the oil and gas development and production company of indianite is the on the largest gas trading companies of India. Its development activities are conducted both offshore and onshore in India and overseas.

HINDUSTAN PETROLEUM CORPORATION LIMITED

It is a MAHARATNA CPSE; it was originally incorporated under Indian company act 1913. It is listed in

Bombay stock exchange and national stock exchange, India. HPCL operated 2 major refineries a wide variety of petroleum fuels & specialties, one in MUMBAI (west coast) of 7.5 million metric tons per annum and the other in VISAKHAPATNAM (east coast), with a capacity of 8.3MMTPA. HPCL has second largest product pipelines in India with a network of more than 3370kms for transportation of petroleum products and a vast marketing network consisting of 14 zonal offices in major cities and 128 regional offices supply and distribution infrastructure comprising terminals pipelines network, aviation service stations, LPG bottling plants, inland relay depots & retail outlets. HPCL is committed to achieve the economic, ecological and social responsibility their main focus areas are in some of the following fields like: child care, education, health care, skill development & community development, touching lives of weaker section of society.

INDIAN OIL CORPORATION

It's a MAHARATNA national oil company trading the entire hydrocarbon chain their work is from refining, pipeline transportation and also its marketing production of crude oil and gas, petrochemicals, gas marketing, IOC is pursuing diverse business interests with the setting up of over 15 joint ventures with some of reputed partners Indian oil vision

– the corporation's new aspirations- to broaden its horizons, to expand across new vistas, and to infuse new-age dynamism among its employees. The main focus of IOC is to serve national interests in oil and many other related sectors in accordance with government policies. To make sure the maintenance of excellent supplies of petroleum products by way of crude oil refining, to provide consumers through transportation and marketing activities and to use it efficiently. To give country, self-sufficiency in crude oil refining and build expertise in lying of crude oil and product pipelines. To provide good marketing infrastructure and reseller network to give good services to customers and along with the country. To create a strong research and development base in refinery processes, formulation of products, pipelines transportation and alternative fuels with a view to minimizing/eliminating all the imports from other countries and to have net generation's products.

OIL AND NATURAL GAS CORPORATION LIMITED (ONGC)

MAHARATNA ONGC is the largest crude oil and natural gas company India, which contributes 75% to Indian domestic production. Crude oil is raw material used companies like IOC, BPCL, and HPCL; they produce petroleum products like petrol, diesel, kerosene, naphtha, and cooking gas-LPG. ONGC¹⁶ ranks 11 among global energy majors. It is the only public sector Indian company to feature in fortunes most admired energy companies list. ONGC ranks 18 in oil and gas operations and 220 overall in Forbes global 2000. ONGC has a unique difference in being a company with in-house service capabilities in all provisions of Exploration and production of oil gas and related oil-field services. Corporate social responsibility in ONGC is to deal with poverty, malnutrition, and making available safe water for drinking also promoting education, including special skills like vocation skills especially among children, women, and elderly different able livelihood enhancement projects. ONGC promoting gender equality and it also work for women empowerment they set up homes and hostels for women they are also working for getting's jobs for female in our country

OIL INDIA LIMITED

On February 18, 1959, oil India private limited was started and its aims were to expand plus to develop oil fields of naharkatiya and Moran in the Indian North West. It becomes a joint venture company between the Indian government and Burma oil company limited, UK. Hence on 1981, OIL becomes a wholly-owned government of India enterprise. The company main focus is development and production of crude oil and natural gas, along with also does the transportation of crude oil and production of LPG. The share capital of the company is RS 2000 cores. The issued, subscribed and paid share capital of the company is rs 1134.90 cores. The promoters of the company that means the government is holding 66.13% of the total issued & paid-up capital is held by public and others including corporate bodies, mutual funds banks. Hence after all this it is to be said that OIL is one of the best five major PSUS in the country Motive- the core purpose of OIL is to provide value to the stakeholder's of the company. This public sector has to build mutual trust, honesty, integrity and transparency along with to commit full safe and healthy environment in the company.

GAIL

Gail was incorporated in august 1984 as a public sector company which was held under the ministry of petroleum and natural gas. The work given to the corporation was to construct and maintenance of the

Hazira- vijaypur-jagdishpur (HVJ) pipeline project.
Now it is India's largest pipeline project

Power Sector in India

It is formerly known as national hydroelectric power corporation which was formed or incorporated ²⁵on 7 November 1975; therefore it was incorporated in a form of a central government enterprise which was operated for the work of production of hydro-power in the public sector. The corporation has been itself the largest central utility of hydro power in India. Company has now been planning to promote and organize an integrated development of power in all aspects in India and abroad.

Objectives

NHPC has been carrying out the business of purchasing, selling, importing, exporting and trading of manufacture it has to deal with all the aspects of planning, research, design and preparation of preliminary, feasibility and definite project reports provide maintenance of power stations and all over the country transmission and sale of power and along with development of power. To provide whatever necessary, construction of inter-state exchange of powers.

NTPC

It is India's largest power utility with an installed capacity of 62,110 mw plans to become a 130 GW company by 2032. It aims to become world's largest power major. CSR policies of NTPC have a core business of setting up power projects along with generating electricity. The motive of the company was to generate reliable power at competitive and fair prices in a sustainable manner by optimizing the use of multiple energy sources with innovative eco- friendly technology there by NTPC has been working for the economic development of nation and also it works for the upliftment of the society. Motive of NTPC is to provide reliable power and related solutions in an economical friendly manner to consumers all across the country.

PFC

It is power finance corporation Ltd. It is also the NAVRATNA PSUs of India. It is under the control of administrative ministry of power it gained the title of NAVRATNA CPSE in June 2007, it works for the development by measuring its energy usage. It is also said that without any access to electricity, PFC will become an increasingly important factor in years to come.

PFC has a registered office which is located at New Delhi and it also has a regional office at Mumbai.

REC

Rural Electrification Corporation: - It was started in the year 1969. It is a NAVRATNA company under ministry of power. Their work is to fund their business, like bonds and term loans excluding from foreign borrowings, while they hold the highest credit ratings from CRISIL, ICRA, and CARE.

This group has a quality of leadership with highly qualified and experienced professionals, they have individual talents REC have tried their best to maintain a consistent profit margins to a net worth of over 34,303 cr profit margins of a net worth They have their own 2 subsidiaries- RECPDC (REC power distribution companies) and RECPCL is transmission Project Company. Motive of REC is availability of electricity for growth and development and also for improving the standard of living of rural and urban population.

Comparative Analysis

The main focus areas of the CSR activities of some of the oil and power sectors like NTPC, IOC, GAIL, TATA MOTORS and SBI are - health, education, protection of environment, sports and games, etc. Health- the most important area of the CSR activity. The selected public and private sector organizations are involved in some of the different types of the health programmes, related to control the spread of communicable diseases, provide all the medical facilities, health awareness programmes' etc.

NTPC- THEY provide all the suitable medical facilities, support to the eye centers, all the medical equipments to the hospitals, small scale health clinics, health camps & free operations, family planning programmed, De-addiction camps they are the types of rehab centers, health related infrastructure in villages, rural check-ups, all these are held under the CSR activities.

SAIL- THEY have almost 54 health primary centers, 19 hospitals and 7 super- specialty hospitals for giving special health care, 12 birth care centre. The five health care centers have been set up from the plant location for the requirement of poor and needy people. There has been 24 MMUs/ ambulance have been provided to the various NGOs Like help age, India. A special project 'AKSH' for check up free of cost to the TB patients of weaker sections of the society and projects.

TATA MOTORS- it is one of the popular private sector company know by all- provides better toiletries facilities; training given to the village hospital staff, infrastructural developments, leprosy, safely diagnosis of and treatment like liver infection, serious skin problems, hepatitis & malignancies is now effectively carried out. Preventive health care measures and safer drinking water facilities for the workers and they also give maternity leave to women workers, any such disease like cholera and reduction the incidence of other water borne diseases, effective implementation of pre-natal care programmers for the new born babies etc

MAHINDRA FOUNDATION- has been set up with some specific objectives to provide medical relief to the poor and needy sections of society many hospitals have been set-up. The Foundation has helped patients suffering from cancer, heart problems as well as severe burn victims. It has also been very active during national calamities and disasters and has helped contribute and mobilize resources.

III. CONCLUSION AND SUGGESTIONS:

Lastly the report is been concluded by sorting out the current situation in this paper work there is no empirical research because of the current situation before conclusion the second as chapters relates to what all. the CSR committee have done for giving the nation as their helping hand this was not suppose to be the part of the research but the demands present lifestyle how the weaker sections of the society is now left with no hopes. Still the public sector has tried their best to help in every situation what so ever they phase.

According to the reading two of the report it has been analyzed that public sector CSR regulations still needs to work on their documentation and planning they also need to set up strong media relations. There is no doubt that the situation of the CSR activities have changed drastically. It has taken a major leap from the point of compliance approach to more strategic and well planned approach in order to generate the social woes and hues of the society. But as said change is important, the world is now aware to see in what manner are the responsible corporate citizens paying their debts to the society. The certain increases of pressure on the corporate as well as the communities. Therefore the Indian PSUS are aware of their responsibilities the thing in which they lack is in right directions and correct approach in the behavior. In order to become a co-existent part of the society, the PSUS needs to fit in the core of the communities and tries to become a household term of the society. The compliance of the CSR has to be in a way that involves maximum shareholders and generates the interest of the economy and socially feasible "charity plan". Once all the public sector understandings are able to create a SYNERGY between all the stakeholders of the society, it would be win- win positions. PSUS have to emphasize on the changing needs of the and dealings with the citizen and the society. The approach of the CSR policies should be more sensitive, compassionate, and at the same time more forces and specialized. But now it is the time for Indian PSUS to be more serious about the situation and make more attempts to rope in all the stakeholders, choose an expertise and specialized co-partner for the execution and aspire to gain or to achieve more social approval from the community at large.

Finally, the CSR is premised on the aspirations and goodwill. In an attempt to mandate it legally, the aim of the community is almost an impossible task of LEGISLATING ASPIRATIONS. Thus to make it a success the PSUs have to start taking more interest in it seriously. Also they should have the work process more flexible and not so rigid and the CSR funding by the government should be used by the group in a sorted manner therefore, it should not be ill-planned. The role of government is way too much prominent for the Indian public sectors as they have to work all according to them

For the above discussion it may be cleared that the CPSWs are working very good regarding the CSR activity. The follow more or less same kind of CSR activities as they follow the guidelines issued by the department of the public enterprises which are streamlines CSR regulations of the CPSEs. It can be clearly figured out that the new mandate will clearly affect the companies which are already involved in the CSR activities they are almost spending between 1.5 to 2 percent of their funds in the regulation of the work

done by the CSR committee. Some are of the opinion that CSR should be voluntary activity but at the other hand some experts opined that CSR must be a mandatory affair for all the companies as they completely affecting their stake-holders and taking enough care of it. But doing CSR activity they can take part in making our nation a betterplace to live for all sections of the society.

According to the report every company should be involved in the CSR activities because as such it is need of an hour. For every company to take part in social responsibilities. Referring to the issues related to the CSR, activity, IT CZAR PREMJI said philanthropy cannot be forced and it has to be spontaneous he also said that stipulation of spending 2 percent of profits' should not become a tax at large stage. He also mentioned that giving back to society is an important part of growth but that feedings should come from within.

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