

A STUDY ON CSR PRACTICES OF SELECTED INDIAN COMPANIES AND THEIR CONTRIBUTION TOWARDS HEALTHCARE

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Abstract

Over the years, a comparatively new term for India, Corporate Social Responsibility (CSR), is rapidly gathering pace. CSR has become a key industry practice and has attracted significant interest from the management of major multinational corporations. It makes it easier to align business operations with the social values. CSR is considered to be the point of convergence of various initiatives aimed at ensuring community socio-economic development. Recognizing that mainstreaming CSR into businesses could be instrumental in delivering societal value, especially in a developing country such as India, this paper aims specifically to provide an understanding of CSR definition and examine the growth of CSR in India. It underlines Policies governing CSR in India and cases of CSR initiatives in Indian firms. Also to study the CSR contribution of Indian companies towards healthcare activity.

Keywords : CSR, India, Healthcare

INTRODUCTION

Indian corporations, like those in other countries, have a long tradition of engaging in social activities that go further than meeting the immediate financial goals of a corporation. Since the late 1990's, however, CSR activities have increasingly come under the lens of both policy makers and stakeholders of corporations as governance issues have gained increasing prominence. At the policy stage, the systematic emphasis on CSR began in India with the issuance by the Ministry of Corporate Affairs (MCA, 2009) of the Corporate Social Responsibility Voluntary Guidelines in 2009, which resulted in the enactment of Section 135 of the Companies Act 2013 (MCA, 2013), making CSR investment as well as CSR disclosure compulsory for different types of businesses. Significantly, although CSR issues were gaining popularity across countries, India was the first country, and at the time this article was published, the only country that made CSR practice mandatory for large and successful companies incorporated into law. CSR efforts by corporations have been kept largely voluntary in all other countries, with only a select number of countries mandating corporations to disclose such activities.

Therefore, Section 135 in India has not surprisingly generated widely polarized opinions among policy makers, corporates, industry associations, social sector organizations, and last but not least academics. On the one hand, the institution of mandatory CSR has been lauded as a "historical opportunity" in policy circles that could be a "game-changer" for India where corporations would work hand in hand with government and civil society to bring about "national regeneration" through sustainable development. Unorthodox as it might seem, some have argued that compulsory CSR could be a tool for a developing country like India to follow a "middle road" between a liberal and a regulatory state to balance development with social stability. On the other hand, opponents of compulsory CSR, primarily companies and business groups have pointed out that making CSR practices mandatory is simply an exercise in transferring government social responsibility to the private sector and making the latter pay for the former's shortcomings. Furthermore, where these practices are not clearly specified, mandatory CSR may create perverse opportunities for companies to disguise activities to satisfy mandatory requirements or to find ways of circumventing law.

Given the conflicting views on mandatory CSR, the purpose of this paper is to examine the fundamental and overarching question of whether mandated CSR would have the potential to bridge the welfare gap in a developing country such as India in the light of Section 135 and the Rules notified thereunder (MCA, 2014a). In particular, the paper analyzes the possible effects of Section 135 on firm rewards, the probable responses of

undertakings covered by this Section, its consequences for the availability of resources and the provision of social goods, and finally the prospects and challenge Empirically examining the CSR behavior of a sample of 500 large companies listed on the Bombay Stock Exchange for the period 2003-2011 draws insights into these issues of enforcing required CSR expenditure under the notified Laws.

LITERATURE REVIEW

Jones et al. (2007) found that some of the top ten retailers claim a longstanding commitment to manage their operations' environmental impacts. Such impacts included energy use and pollution, use of raw materials, water use, waste management , packaging, recycling, use of chemicals, and ingredients from genetically modified food.

Silberhorn and Warren (2007) also noted that the largest corporations are planning CSR as a comprehensive sustainable business strategy based on transparency , accountability and responsiveness, recognizing the interdependence of the business-society and constantly evolving in the interactions between the business and its increasingly global environment.

Samy et al . (2010) reported that UK businesses appear to report the positive environmental effects they have had on the environment, which has to do with environmental concerns. This included air pollution, waste management, carbon emissions and other environmental concerns associated with it.

Schneider et al . (2010) benchmarked the evolution of reported sustainability activity in the pharmaceutical sector and found that sustainability-related activity has increased in scope and depth, but activity is now shifting towards CSR, which reflects the need for corporate public sentiment to be met.

Planken et al . (2010) revealed that Indian companies are pursuing a primarily philanthropic platform with a focus on projects for community development. It was also pointed out, however, that Indian consumers may not regard philanthropic CSR as highly as other CSR initiatives, and that this may in effect affect their attitude to various marketing communication strategies. So, in the light of the above results, Sachdeva's (2010) statement seems to be completely right that CSR is slowly moving away from charity and dependency and is beginning to focus on empowerment and partnership.

Virakul et al . (2009) revealed that CSR activities are based on moral or altruistic motivations with a focus on the outcomes of both production and philanthropy. The driving forces behind CSR activities are the leadership of CEOs, the performance of companies and the expectations of stakeholders.

Joshi and Gao (2009) reported that firms with strong equity base and good financial condition have a propensity to disclose more environmental information on a voluntary basis.

Business size and productivity are the most selective for social divulgation. Kotonen (2009) stressed that companies understand responsibility as a duty to act responsibly towards their stakeholders and reporting on CSR as a response to the expectations and demands of the stakeholders. In addition , organizational features such as the industrial sector and stage of internationalization as well as general contextual variables such as social and cultural context influence voluntary CSR coverage.

Arevalo and Aravind (2011) find that the stakeholder approach is the CSR approach that Indian firms prefer the most. The most important barriers to CSR implementation are those associated with lack of funding, followed by those related to the scope and difficulty of CSR implementation.

RESEARCH OBJECTIVE

1. To provide an understanding of CSR and examine the growth of CSR in India.
2. To study the CSR contribution of Indian companies towards healthcare activity.

SAMPLE SIZE

Selected 10 companies of India has been taken for this study

TIME PERIOD

In this study 2017-18 data has been studied

DATA ANALYSIS

COMPANY NAME	CONTRIBUTION TO HEALTHCARE		TOTAL CSR SPENT
RELIANCE INDUSTRIES LTD	147.89	19.85%	745.05
OIL AND NATURAL GAS CORPORATION LTD	46.57	9.25%	503.42
HDFC BANK LTD	15.19	3.42%	486.89
INDIAN OIL CORPORATION LTD	21.70	6.55%	331.05
INFOSYS LTD	2.90	0.93%	355.71
ITC LTD	105.44	34.35%	306.95
NTPC LTD	36.96	12.95%	285.46
TATA STEEL LTD	96.13	41.50%	231.62
COAL INDIA LTD	9.43	34.49%	27.34
POWER GRID CORPORATION OF INDIA LTD	1.90	0.97%	195.51

CONCLUSION

CSR is just about making sure the business can grow sustainably while maintaining justice for all stakeholders, CSR has come a long way in India. It has effectively linked up business with social equity and sustainability in the community. Companies have clearly demonstrated their ability to make a significant difference in society and improve the overall quality of life from responsive activities to sustainable initiatives. In India's current social condition, it is difficult for a single person to bring about change, because the size is massive. Based on the data analysis it can be concluded that tata steel ltd has spent highest % of CSR fund (41.50%) towards healthcare activity while infosys ltd has spent lowest % of CSR fund (0.93%) towards healthcare activity

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