Corporate Social Responsibility in Top 5 Maharashtrian Companies in India

Dr. B. Sandhya Rani, Ch. Roja Rani

Senior Assistant Professor, Department of Commerce, Osmania University, Hyderabad.

Research Scholar, Department of Commerce, Osmania University, Hyderabad.

Received Date: 7 December 2022
Revised Date: 10 December 2022
Accepted Date: 13 December 2022

Abstract: CSR has spread to many different industries. The majority of the businesses appear to be involved in different CSR and charity initiatives. With the passing of the Companies Act of 2013, which among other things required businesses to spend 2% of their average net earnings over the previous three years on CSR, the dynamics of CSR in India underwent a significant transformation. Over a century ago, corporate social responsibility was first defined as philanthropy, but as time went on, the term evolved to include accountability for the organisation towards its numerous stakeholders. The current study sought to determine the total CSR spending of Maharashtrian enterprises over the previous five years, from 2017–2018 to 2021–2022, as well as the percentage of CSR spending allocated to specific activities. The study solely relies on secondary data that was gathered from a variety of sources, including the annual reports and respective websites of the top 5 Maharashtrian enterprises. This secondary data was then examined using statistical methods including mean, standard deviation, percentage, etc. The average profits of the five Maharashtrian Companies correlated positively. Average profitability and CSR spending are significantly different. As the calculated value is 0.98, it is considered to be Very High positive correlation.

Keywords: CSR expenditure, CSR Spending, Maharashtrian Companies.

I. INTRODUCTION

A company's interactions with its stakeholders and the general public are implied by the "self-regulating business model" of CSR, which creates the appearance of being socially responsible. Companies can be aware of their impact on the economic, social, and environmental aspects of society by engaging in corporate social responsibility, often known as corporate citizenship.

CSR has spread to many different industries. The majority of the businesses appear to be involved in different CSR and charity initiatives. However, there are a variety of viewpoints and responses on the question of whether CSR spending goes to help places in need or supports already existing programmes or initiatives.

With the passing of the Companies Act of 2013, which among other things required businesses to spend 2% of their average net earnings over the previous three years on CSR, the dynamics of CSR in India underwent a significant transformation.

A. This has two key implications:
1. How do CSR activities alter in nature in response to fresh stimuli?
2. What should businesses actually concentrate on when designing their CSR initiatives?

With the overarching objective of contributing to the prosperity of the community and society on which they depend, the majority of businesses have long engaged in some form of corporate social and environmental responsibility. However, there is growing pressure to present CSR as a business discipline and insist that each programme produce a profit. CSR initiatives are beneficial if they reduce risk, boost reputation, and produce positive business outcomes. However, for many CSR initiatives, those results should be a byproduct rather than the main focus.

II. REVIEW OF LITERATURE

Ashish Baghla (2018), According to the claim that CSR has a unique strategy for establishing its practises as trustworthy in India, they must also support other social groups in addition to those who are already receiving support for their sustainable development in order to create the finest Indian economy. He further stated that through implementing and enhancing diverse CSR practises in India, we must work together to ensure the sustainable development of India.
Rodrigues & Mendes (2018), Measuring the efficacy of CSR actions that are required by government legislation and primarily motivated by the compassionate model of Indian society is necessary due to growing concerns about the credibility of CSR. The existing literature does not adequately explain how CSR activities are linked to one another.

Vethirajan. C & Ramu. C (2019), The author’s article, "Consumers knowledge on CSR of select FMCG Companies in Chennai District," demonstrates that consumers have sufficient knowledge of the CSR practises of FMCG companies from a legal, ethical, and financial standpoint. However, this knowledge is not uniform across categories due to social, economic, and demographic factors, which can also have an impact on the specific businesses producing personal care products. That consumers tend to give higher preference as a result of their knowledge of FMCG companies’ CSR initiatives.

Dhawan S (2019), I made an effort to research how green HR practises benefit the environment and how Indian businesses accept them. Many businesses nowadays are implementing green HRM, or incorporating green practises into all facets of HR practise inside the business. The researcher discussed green hiring, green screening, green training and development, green performance evaluation, and more. Companies attempt to combine environmental goals with profit maximisation goals by introducing green practises into every HR action. The future of G-HRM in India is very promising, despite the fact that it is still in its infancy. It will be very successful if applied with careful planning and strategy. An corporation can become more environmentally friendly by reducing its carbon and environmental footprints.

Agnes (2020), also discovered that when firms carry out their internal Corporate Social Responsibility, personnel will effectively carry out their tasks (CSR). This is so that the welfare package can increase staff morale.

Agarwal (2020), has segmented the research into three parts. The first segment gave an identification of the various CSR dimensions in FMCG companies. The second section described the used AHP (Analytic Hierarchy Process) model’s weighting scheme for the various CSR dimensions. The model created by AHP was tested in the third section. On the basis of primary and secondary data, this study was conducted. The model that was created with the assistance of expert opinion was successfully tested for the four FMCG firms that were examined.

Ganeshan M. and Vethirajan C. (2020) have conducted a study on the contribution of Indian businesses to CSR during the COVID-19 pandemic. The Covid-19 epidemic and the concept of CSR have been discussed in detail, and researchers have also looked into how Indian companies fund CSR initiatives. Researchers have collected and presented data accurately and concluded that Indian CSR policies are moving in the right direction.

Hübel and Scholz (2020) and Kaiser (2020) argued that CSR performance integration does not increase returns while building portfolios.

Huber & Schormair (2021), Enterprises with high CSR ratings typically outperform poor CSR firms in times of confidence crisis. When properly managed, CSR activities can have a positive impact on employees’ motivation, loyalty, and reputation as well as financial rewards.

Vesal, Saihtiri & O’Cass, (2021), This is particularly true for manufacturing B2B businesses that use natural resources often in their operations and are held responsible for obvious environmental effects.

De Villiers, Jia, and Li, (2022) Measure a concept called "green practise," which differs theoretically from environmental performance, using indicators and data points.

Sahin et al. (2022) suggests that Thomson Reuters updates the Asset4 database backwards, focusing on information from the five most recent years.

Companies that practise corporate social responsibility (CSR) assume responsibility for the effects of their actions on stakeholders, the environment, and all other members of the public sphere in addition to their own profitability and growth. According to analysis, corporate social responsibility (CSR) and philanthropy are not the same thing because CSR is not a selfless act of giving and companies receive long-term benefits from CSR initiatives. Additionally, the Triple Bottom Line approach illustrates the relationship between corporations, society, and the environment as it relates to corporate sustainability.

III. OBJECTIVES OF THE STUDY
1. To examine the top 5 Maharathna Companies' cumulative CSR spending over the past five years.
2. To determine the top 5 Maharathna Companies' share of CSR spending on various initiatives.
IV. RESEARCH METHODOLOGY

Research Design: The nature of the current study is descriptive-cumulative analysis.

Data collection: The information for the study was gathered from a variety of sources, including the websites for the Maharathna Companies and their annual reports, throughout a five-year period from 2017–18 to 2021–22.

Sample: According to the Guidelines of the Maharathna Scheme for Central Public Sector Enterprises, the study comprises the central public sector businesses that have been given the status of Maharathna corporations (CPSEs). For this survey, the top 5 Maharathna companies were chosen.

- Oil and Natural Gas Corporation
- Indian Oil Corporation Limited
- National Thermal Corporation
- Power Grid Corporation of India
- Coal India Limited

V. STATISTICAL TOOLS

With the aid of appropriate statistical tools and procedures, such as average, Standard Deviation (SD), and Coefficient of Variation, the secondary data gathered from diverse sources was evaluated (COV).

To make inferences, the study's data were organised into tables and subjected to an analysis using the appropriate statistical methods. The average net profit is shown in analytical table 1 whereas CSR spending for Maharathna enterprises during the last five years, from 2017–18 to 2021–22, is shown in analytical table 2. The average profits of five Maharathna Companies are compared in Table No. 3 from 2017–18 to 2021–22.

### Table 1 – Average Net Profit in Select Maharathna Companies from 2017-18 to 2021-22 (in crore)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>TOTAL</th>
<th>MEAN</th>
<th>STD DEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Natural Gas Corporation</td>
<td>24,351.97</td>
<td>24,010.39</td>
<td>13,444.50</td>
<td>26,938.61</td>
<td>22,515.83</td>
<td>11,1261.30</td>
<td>22,252.26</td>
<td>5,174.64</td>
</tr>
<tr>
<td>Indian Oil Corporation Limited</td>
<td>16,397.11</td>
<td>24,529.81</td>
<td>27,168.78</td>
<td>17,100.00</td>
<td>16,157.05</td>
<td>10,1352.75</td>
<td>20,270.55</td>
<td>5,189.02</td>
</tr>
<tr>
<td>National Thermal Corporation</td>
<td>11,037.30</td>
<td>11,850.34</td>
<td>12,633.85</td>
<td>13,928.41</td>
<td>14,089.80</td>
<td>63539.70</td>
<td>12,707.94</td>
<td>1,316.35</td>
</tr>
<tr>
<td>Power Grid Corporation Of India</td>
<td>7,896.81</td>
<td>9,336.05</td>
<td>10,495.93</td>
<td>11,689.51</td>
<td>12,853.50</td>
<td>52271.80</td>
<td>10,454.36</td>
<td>1,941.32</td>
</tr>
<tr>
<td>Coal India Limited</td>
<td>393.87</td>
<td>324.84</td>
<td>404.23</td>
<td>423.46</td>
<td>340.42</td>
<td>1886.82</td>
<td>377.36</td>
<td>42.55</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>60,077.06</strong></td>
<td><strong>70,051.43</strong></td>
<td><strong>64,147.29</strong></td>
<td><strong>70,079.99</strong></td>
<td><strong>65,956.60</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>12,015.41</td>
<td>14,010.29</td>
<td>12,829.46</td>
<td>14,016.00</td>
<td>13,191.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>9,005.13</td>
<td>10,301.31</td>
<td>9,563.79</td>
<td>9,574.47</td>
<td>8,090.26</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Reports

**ONGC**: From the above table no 3.1 shows that the typical net income of ONGC during the accounting years from 2017-18 to 2021-22, the average net profit was reduced in the financial year 2019-20 due to the pandemic situation throughout the world. And later in the financial year 2020-21 the average net profit has been increased. Total average net profit of the company ₹. 1,11,261.30 . The average of the company is 22,252.26 and standard deviation 5,174.64.

**IOCL**: The typical net income of IOCL during the accounting years from 2017-18 to 2021-22, the average net profit was reduced in the financial year 2020-21 due to the pandemic situation throughout the world. Total average net profit of the company ₹. 1,01,352.75. The average of the company is 20271.55 and standard deviation 5189.02.
NTPC: The Average Net profit of NTPC during financial years from 2017-18 to 2021-22, the average net profit is on increasing trend year on year. Total average net profit of the of the company ₹. 63,539.70. The average of the company is 20271.55 and standard deviation 5189.02.

POGIL: The Average Net profit of POGIL during financial years from 2017-18 to 2021-22 is on increasing trend year on year. Total average net profit of the company ₹. 52,271.80. The average of the company is 20271.55 and standard deviation 1941.32.

CIL: The Average Net profit of CIL during 2017-18 to 2021-22, was fluctuating during the period. Total average net profit of the company ₹. 377.36. The average of the company is 10,454.36 and standard deviation 1,941.32.

From the above table no 3.1 shows that total average net profit of 5 Maharathna Companies from 2017-2018 to 2021-2022. In 2017-18 total average net profit is ₹. 60,077.06Crores. The mean value of the companies is 12,015.41 and standard deviation 9,005.13. In 2018-19 total average net profit ₹. 70,051.43Crores. The mean value of the companies is 14,010.29 and standard deviation 10,301.31. In 2019-20 total average net profit is ₹. 64,147.29Crores. The average of the companies is 13,191.32 and standard deviation is 8,090.26.

From the above table average net profit of ONGC was more than the other companies from the select the companies with an average of 22,252.26. Next to the ONGC is IOCL average net profit with a mean value of 20,270.55. then comes NTPC with an average of 63539.70.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>Total</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Natural Gas Corporation</td>
<td>503.41</td>
<td>614.64</td>
<td>606.97</td>
<td>553.0</td>
<td>7</td>
<td>472.30</td>
<td>2,750.39</td>
<td>550.08</td>
</tr>
<tr>
<td>Indian Oil Corporation Limited</td>
<td>331.33</td>
<td>490.60</td>
<td>543.38</td>
<td>445.0</td>
<td>7</td>
<td>416.67</td>
<td>2,227.05</td>
<td>445.41</td>
</tr>
<tr>
<td>National Thermal Corporation</td>
<td>241.54</td>
<td>285.46</td>
<td>304.92</td>
<td>418.8</td>
<td>7</td>
<td>356.72</td>
<td>1,607.51</td>
<td>321.50</td>
</tr>
<tr>
<td>Power Grid Corporation Of India</td>
<td>151.97</td>
<td>194.08</td>
<td>346.21</td>
<td>240.4</td>
<td>8</td>
<td>271.14</td>
<td>1,203.88</td>
<td>240.78</td>
</tr>
<tr>
<td>Coal India Limited</td>
<td>24.31</td>
<td>27.33</td>
<td>171.31</td>
<td>95.36</td>
<td></td>
<td>77.64</td>
<td>395.97</td>
<td>79.19</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,252.56</td>
<td>1,612.12</td>
<td>1,972.80</td>
<td>1,752.86</td>
<td></td>
<td>1,594.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>250.51</td>
<td>322.42</td>
<td>394.56</td>
<td>350.5</td>
<td>7</td>
<td>318.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>181.28</td>
<td>233.77</td>
<td>178.52</td>
<td>181.5</td>
<td>6</td>
<td>154.12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Reports

From the above table no 3.2 shows that CSR spent by Select Maharathna companies from 2017-18 to 2021-22.

ONGC: This Company spent maximum amount on CSR ₹. 606.97 Crores in 2019-20 and minimum amount spent ₹. 472.30 in 2021-22. The total amount spent from 2017-18 to 2021-22 is ₹. 2,750.39. Mean value is 550.08 and Standard Deviation is 62.53.

IOCL: This Company spent maximum amount on CSR ₹. 543.38 Crores in 2019-20 and minimum amount spent ₹. 331.33 in 2017-18. The total amount spent from 2017-18 to 2021-22 is ₹. 2,227.05. Mean value is 445.41 and Standard Deviation is 79.81.
**NTPC:** This Company spent maximum amount on CSR ₹ 418.87 Crores in 2020-21 and minimum amount spent ₹ 241.54 in 2017-18. The total amount spent from 2017-18 to 2021-22 is ₹ 1,607.51. Mean value is 321.50 and Standard Deviation is 68.35.

**POGIL:** This Company spent maximum amount on CSR ₹ 346.21 Crores in 2019-20 and minimum amount spent ₹ 151.97 in 2017-18. The total amount spent from 2017-18 to 2021-22 is ₹ 1,203.88. Mean value is 240.78 and Standard Deviation is 74.34.

**CIL:** This Company spent maximum amount on CSR ₹ 171.31 Crores in 2019-20 and minimum amount spent ₹ 24.31 in 2017-18. The total amount spent from 2017-18 to 2021-22 is ₹ 395.97. Mean value is 79.19 and Standard Deviation is 60.11.

From the above table no 3.2 shows CSR spent by Select Maharathna companies from 2017-18 to 2021-22. In 2017-18 total spent is ₹ 1,252.56 Crores. The meanvalue of the companies is 250.51 and standard deviation 181.28. In 2018-19 total spent is ₹ 1,612.12 Crores. The meanvalue of the companies is 322.42, Standard deviation is 233.77. In 2019-20 total spent is ₹ 1,972.80 Crores. The meanvalue of the companies is 395.56 and standard deviation 178.52. In 2020-21 total spent is ₹ 1,752.86 Crores. The average of the companies is 350.57 and standard deviation 181.56. In 2021-2022 total spent is ₹ 1,594.47 Crores the average of the companies is 318.89 and standard deviation 154.12.

From the above table, CSR spent ONGC was more than the other companies from the select the companies with an average of 550.08. Next to the ONGC is IOCL with a mean value of 445.41. then comes NTPC with an average of 321.50.
### Table No. 3 – Relationship Between Average Net Profits And CSR Spendings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and Natural Gas Corporation</td>
<td>1,11,261.30</td>
<td>2,750.39</td>
</tr>
<tr>
<td>Indian Oil Corporation Limited</td>
<td>1,01,352.75</td>
<td>2,226.75</td>
</tr>
<tr>
<td>National Thermal Corporation</td>
<td>63,539.70</td>
<td>1,607.51</td>
</tr>
<tr>
<td>Power Grid Corporation Of India</td>
<td>52,271.80</td>
<td>1,203.88</td>
</tr>
<tr>
<td>Coal India Limited</td>
<td>1,886.82</td>
<td>395.97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,30,312.37</strong></td>
<td><strong>8,184.50</strong></td>
</tr>
</tbody>
</table>

Source: Annual Reports

### Correlation Between Average Net Profit and CSR Spending

<table>
<thead>
<tr>
<th>Avg. Net Profit</th>
<th>CSR Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Net Profit</td>
<td>1</td>
</tr>
<tr>
<td>CSR Spending</td>
<td>0.98766043</td>
</tr>
</tbody>
</table>

From the above table shows that correlation between average profits of 5 Maharathna Companies was positive. The calculated value is 0.98, which is more than 0.50. Average profitability and CSR spending are significantly different. As the calculated value is 0.98, it is considered to be Very High positive correlation.

### VI. CONCLUSION

The current study, which aimed to examine the total CSR spending of Maharathna enterprises over the last five years, from 2017–2022, as well as the percentage of CSR spending allocated to different activities, highlighted that companies in the energy, oil, and gas industries, specifically National Thermal Corporation, Oil and Natural Gas Corporation, Indian Oil Corporation Limited, Power Grid Corporation of India, and Coal India Limited. With a mean value of 22,252.26 in the select companies, ONGC's average net profit was higher than that of the other companies. The average net profit of IOCL, with a mean value of 20,270.55, is next to that of ONGC. NTPC came in second with a mean score of 63539.70. With a mean value of 550.08, ONGC spent more on CSR than the other companies from the chosen companies. The ONGC is followed by NTPC, which has a mean score of 445.41. NTPC came in second with a mean score of 321.50. The average profits of the five Maharathna Companies correlated positively. Average profitability and CSR spending are significantly different. As the calculated value is 0.98, it is considered to be Very High positive correlation.

### VII. REFERENCES


