

**A STUDY ON THE CORPORATE SOCIAL
RESPONSIBILITY SPENDING OF 20 INDIAN
COMPANIES**

Submitted by:

Sandeep Kumar

Enrolment No.: 2K15/EMBA/514

Under the Guidance of:

Dr. Vikas Gupta



DELHI SCHOOL OF MANAGEMENT

DELHI TECHNOLOGICAL UNIVERSITY

BAWANA ROAD DELHI 110042

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DECLARATION

I, **Sandeep Kumar** student of MBA (E) 2015-2017 batch of Delhi School of Management, Delhi Technological University, Bawana road, Delhi-42 declares that the report “**A study on the CSR spending of 20 Indian Companies**” submitted in partial fulfilment of MBA (Executive) course is the original work written by me.

The information and observations given in the report are based on my own experiences and knowledge.

This Report is not being submitted to any other University for award of any other Degree, Award and Fellowship.

Name of student with signature

Sandeep Kumar (2K15/EMBA/514)

Place: New Delhi

Date: 30 April 2017

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Introduction

Globally, there is growing concern about the impact of business on environment and society. It is not enough for businesses to get financial returns only; they need to get social returns also. Financial performance alone is not the indicator of success for a business today. Important indicator of sustainable development of economy is measuring the performance of businesses in terms of what impact their operations have had on environment, society and government.

According to CSR Asia, “CSR is a company’s commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of diverse stakeholders”.

World Business Council for Sustainable Development defines CSR as “The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”.

Corporate social responsibility (CSR) is a process to ensure businesses are conducting sustainable business activities in a manner that has a positive impact on consumers, employees, communities, general public and the environment. CSR is nothing but a self-regulatory mechanism adopted by corporates to ensure that all its business activities are according to law, follow ethical standards and international norms. It is a procedure where corporates learn to respect legislative laws, moral values, people, communities and the natural environment. Also the Indian government wants the business units to include CSR in their vision, mission and in their strategic plans. Through these CSR initiatives, government wants to bring about overall development of society, rural development, healthcare, sanitation, education and promoting sports activities too.

In India, earlier CSR was basically a conceptual requirement, but now a legal requirement too as per Companies Act 2013, which corporates needs to adopt in order to achieve a better society and cleaner environment. This project report deals with what is CSR, CSR regulations in India, the benefits of CSR, the current CSR practices of top 20 listed Indian companies (By profits in 2015-16).

Objectives of the study

1. To study the efforts of selected Indian companies in Corporate Social Responsibility.
2. To check the compliance of CSR spending requirement by selected companies.
3. To check the compliance of CSR spending between PSU's and Public Ltd. companies from list of selected companies.
4. To analyse the spending in various CSR sectors by selected companies.

Corporate Social Responsibility

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility.

This is evident in some of the definitions presented below:

The European Commission defines CSR as “the responsibility of enterprises for their impacts on society”. To completely meet their social responsibility, enterprises “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders”

The World Business Council for Sustainable Development defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

The United Nations Industrial Development Organization defines CSR as “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy.

Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”

From the above definitions, it is clear that:

- The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses.
- CSR needs to address the well-being of all stakeholders and not just the company’s shareholders
- Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits.

CSR in India

CSR is not a new concept in India and has traditionally been seen as a philanthropic activity and tends to focus on what is done with profits after they are made. And in keeping with the Indian tradition, it was an activity that was performed but not deliberated. As a result, there is limited documentation on specific activities related to this concept. However, what was clearly evident that much of this had a national character encapsulated within it, whether it was endowing institutions to actively participating in India’s freedom movement, and embedded in the idea of trusteeship.

Some large corporate like Tata group, Birla group and Indian Oil Corporation have been engaged in community improvement programs. Through donations and charity programs they have been doing their bit for society. The basic objective of CSR those days was to maximize company’s goodwill and reputation. Corporate philanthropy was the term used for CSR wherein traditions, culture, religions and family values strongly influenced corporate philanthropy. In recent years, Indian companies are beginning to realize that CSR is not just another indirect expense, but is essential in the present scenario to defend

them against competition, to protect their goodwill and reputation and to remain competitive. As some observers have pointed out, the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports.

Benefits of a CSR program

- **Stronger financial performance and profitability through efficient operations:**
 - Businesses can use CSR and corporate sustainability to produce direct benefits. Operational efficiencies can be achieved by reducing energy usage and by reducing material inputs. Waste generation can be reduced and materials can be recycled. Such eco-friendly measures can be beneficial to environment and also provide economic benefits to companies. Operational efficiencies also help in streamlining information provided to investment community and to other stakeholders, leading to transparent operations. CSR tools help companies to manage risk and liabilities more effectively thereby reducing costs. Considering corporate responsibility and sustainability in business decision making not only reduces costs but also helps to easily tap new market opportunities. That is when new manufacturing processes are developed it can be expanded to other plants, regions or markets.
- **Improved relations with the investment community and better access to capital:** - There is growing evidence amongst indices that companies that follow CSR generally outperform those competitors who do not apply CSR practices. This

has led to creation of funds such as Socially Responsible Investment, Social Equity Fund etc. Large numbers of mutual funds are now considering CSR criteria when screening those businesses that do not meet environmental standards. So, a CSR approach not only improves the stature of the company, its stock market value but also its ability to access capital.

- **Enhanced Employee Relations, Productivity and Innovation:** - A key benefit of CSR initiative is that it increases the commitment and motivation of employees to become more innovative and productive. There is increased loyalty and commitment amongst employees. This condition not only help to recruit and retain employees, motivate them to develop skills and also encourages them to pursue advanced learning so as to find new innovative ways of reducing costs and to also take advantage of new opportunities for maximizing benefits.
- **Stronger Relations within Communities through Stakeholder Engagement:** - CSR helps the companies to collaborate with their stakeholders including shareholders, employees, debt holders, suppliers, customers, communities, non-governmental organizations and governments. Open dialogue is maintained, effective partnerships are formed and transparency is maintained in operations between stakeholders and the companies. The relationship between the business and the community becomes more credible and trustworthy. This is a very important benefit for companies because it increases their “license to operate “for a longer term as they get support from the community too.
- **Improved reputation and Branding:** - This is a potential benefit of CSR, which helps a company to improve its reputation and branding. This helps the company to remain effective for the longer term, attract more of new customers and increase their market share. It also enables the company to position itself in the marketplace as a company that is more responsible and sustainable than its competitors

- **CSR as a form of investment:** - Business can also view CSR as a form of investment, which would help to differentiate the company and its goods and services. In order to develop CSR initiatives, firms can invest in areas like human resource management, environmental protection, health and safety, community development etc. CSR is intangible and less quantifiable, so firms should consider various factors and parameters and also the anticipated costs and benefits from the investment.

CSR Policy as per Indian Companies Act 2013

On 29th August 2013 the new Companies Act, 2013 received the assent of the President of India. This bill replaced the Companies Act, 1956, which has governed Indian business for over 50 years. The Act contains an important clause (Clause 135) that mandates CSR regulations for Indian companies. The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the clause suggests that CSR needs to go beyond communities and beyond the concept of philanthropy.

Applies to: - Only companies of a certain size are included in Clause 135. Every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities.

Set of activities eligible under CSR

1. Eradicating extreme hunger and poverty

2. Promotion of education
3. Promoting gender equality and empowering women
4. Reducing child mortality and improving maternal health
5. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
6. Ensuring environmental sustainability
7. Employment enhancing vocational skills
8. Social business projects
9. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

Directives for compliance

- The CSR Clause requires companies to form a CSR committee within the board of directors that will devise, recommend, and monitor CSR activities, and the amounts spent on such activities, to the rest of the board. The CSR committee must consist of three or more directors, at least one of which must be an “independent director” (defined in Clause 149(6) of the Companies Bill). The composition of the CSR committee must be disclosed in the annual board report. However, CSR Rules exempts unlisted public companies and private companies that are not required to appoint an independent director from having an independent director as a part of their CSR Committee and stipulates that the Committee for a private company and a foreign company need have a minimum of only 2 members

- Allocate at least 2% of net profits (The 2% CSR spending needs to be computed as 2% of the average net profits made by the company during every block of three years For the purpose of the first CSR reporting, the net profit should be calculated as average of the annual net profit of the preceding three financial years ending on or before 31 March 2014) to implementing CSR activities. Surplus arising out of CSR activities will have to be reinvested into CSR initiatives, and this will be over and above the 2% figure.
- Create a “Corporate Social Responsibility Policy” that details which activities will be undertaken by the company, and what budget will be spent on them. This should be published on the company’s website.
 - The policy should specify the projects and programs that are to be undertaken.
 - It should include a list of CSR projects/programs which the company plans to undertake during the implementation year, specifying modalities of execution and an implementation schedule for each.
 - In specifying the CSR projects/programs, the policy should “give preference” to the local areas around it and where it operates.
 - The CSR projects/programs may focus on integrating business models with social and environmental priorities and processes in order to create shared value.
 - It should be clear that any financial surplus arising out of CSR activity will not be part of business profits of a company.
 - The Committee should prepare a transparent monitoring mechanism for ensuring implementation of the projects/programs proposed in its policy.
- The company can implement its CSR activities through the following methods:
 - Directly on its own: - If a company has already set up a Trust or Section 8 Company, or Society or Foundation, to implement its CSR activities, the company would have to specify the exact projects and programs to be implemented by the organization as per the company’s CSR policy. In

addition the company would have to set up a monitoring system to ensure that its two percent contribution (under Clause 135) was spent for this purpose only.

- Through independently registered non-profit organizations: - A company may also direct its CSR spending through a Foundation, Trust or Section 8 company that is not set up by the company itself. However, this is acceptable only if the organization has a track record of more than three years in implementing activities in the specified areas and if the company has a monitoring system in place to ensure the funds were spent as per the activities set out in its CSR policy.
- Collaborating or pooling their resources with other companies: - Companies may collaborate or pool resources with other companies to undertake CSR activities, within the areas specified in their CSR policy. Any expenditure incurred on such collaborative efforts would qualify for computing CSR spending for the year.
- At the end of each year, the details of all CSR initiatives undertaken by the company must be reported in the Directors' Report and on the company website.
- Only CSR activities undertaken in India will be taken into consideration
- Activities meant exclusively for employees and their families will not qualify
 - The Rules specify that CSR initiatives exclude any activities undertaken in pursuance of the normal course of business of a company. So even though "employment enhancing vocational skills" is an eligible CSR category, this does not extend to vocational training undertaken in your company as part of your normal HR operations.
 - The rules state further that activities or programs that are solely for the benefit of your employees and their families will not be considered part of the CSR spending. Our interpretation of this is that it's acceptable for your employees and their families to benefit from any projects/programs set up

for the broader community, assuming they are in the target social demographic of the programs.

Penalties for non-compliance

While a company is not subject to liability for failing to spend on CSR, a company and its officers are subject to liability for not explaining such a failure in the annual report of the board of directors. There is currently no guidance as to what constitutes a sufficient or statutorily valid explanation for failure to spend in the board report. In addition, a company and its directors are liable even if they fail to report on CSR activities that actually were conducted. Failure to explain is punishable by a fine on the company of not less than 50,000 rupees and up to 25 lakh rupees. Further, officers who default on the reporting provision could be subject to up to three years in prison and/or fines of not less than 50,000 rupees and as high as 5 lakh rupees.

Research methodology

The data collected for the study is secondary data. The data I have used for the study is

1. For this project report I have selected the top 20 profitable companies of 2015-16.
2. The CSR spending details are taken from selected companies annual reports.
3. Information about CSR laws were taken from Ministry of Corporate Affairs (MCA) web site.

Limitation

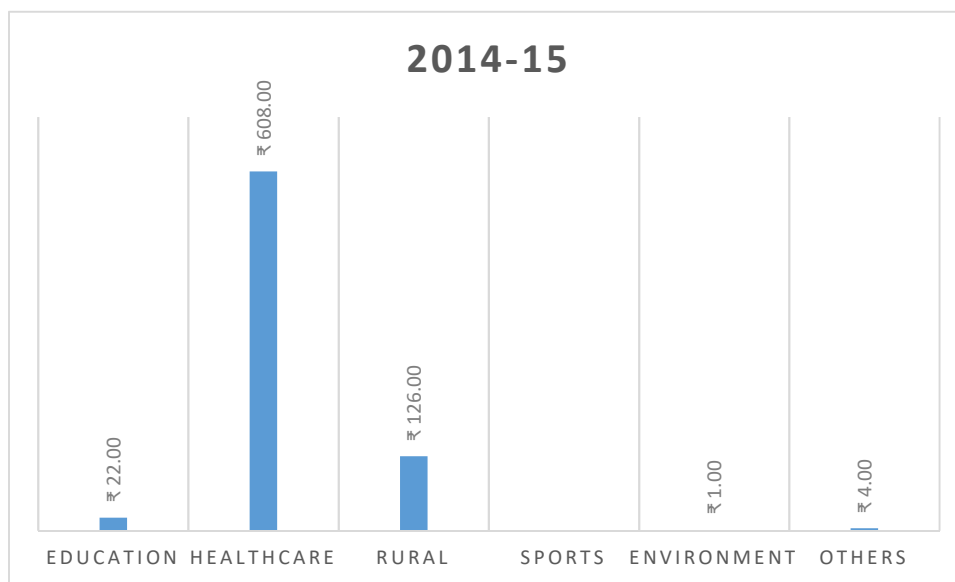
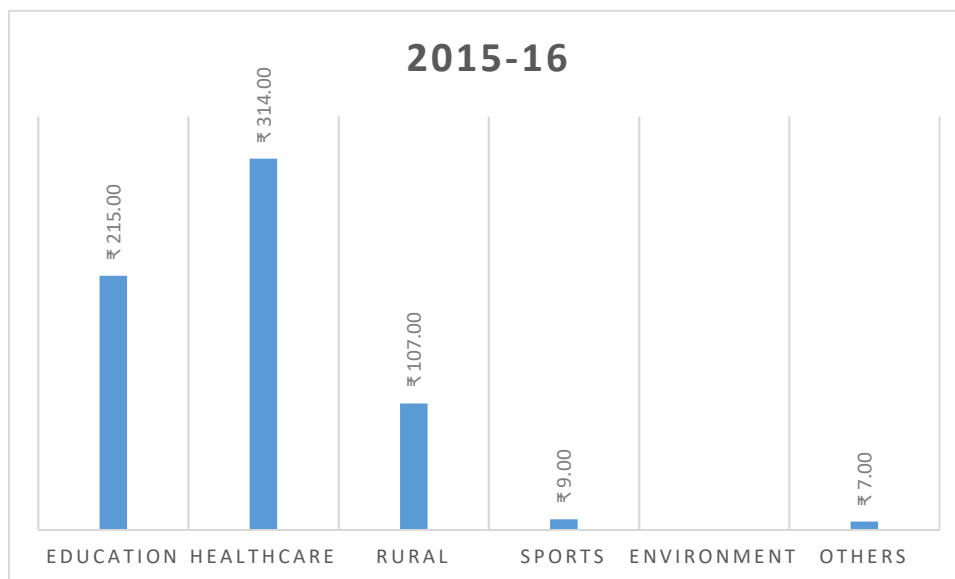
1. The basic nature of financial statement is historic.
2. The reliability and accuracy of calculations and interpretation depends very much on the information supplied in the form of annual reports and other records.
3. It was difficult to find out the contribution of the CSR practices to the profit of the company after they were initiated.

Companies

1. Reliance Industries Ltd.

RIL is India's largest private sector company on key financial parameters. It is a significant global player in the integrated energy value chain, and has a growing presence in the retail and digital services in India. RIL strives to be a product and service leader across its industries, to create value for its stakeholders and society. It is the first private sector company from India to feature in the Fortune Global 500 list of 'World's Largest Corporations' and ranks 117th amongst the world's Top 200 companies in terms of profits. Over the years, the company has transformed their business from manufacturing of textiles products into a petrochemical major. In energy segment the company operates in three business categories: petrochemicals, refining, and oil and gas. The petrochemicals segment includes production and marketing operations of petrochemical products. The refining segment includes production and marketing operations of the petroleum products. The oil and gas segment includes exploration, development and production of crude oil and natural gas. The other segment of the company includes textile, retail business, digital services, and special economic zone (SEZ) development.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 27,417.00	₹ 21,902.00	₹ 438.04	₹ 652.00	0.98%
2014-15	₹ 22,719.00	₹ 21,009.00	₹ 420.18	₹ 761.00	1.62%



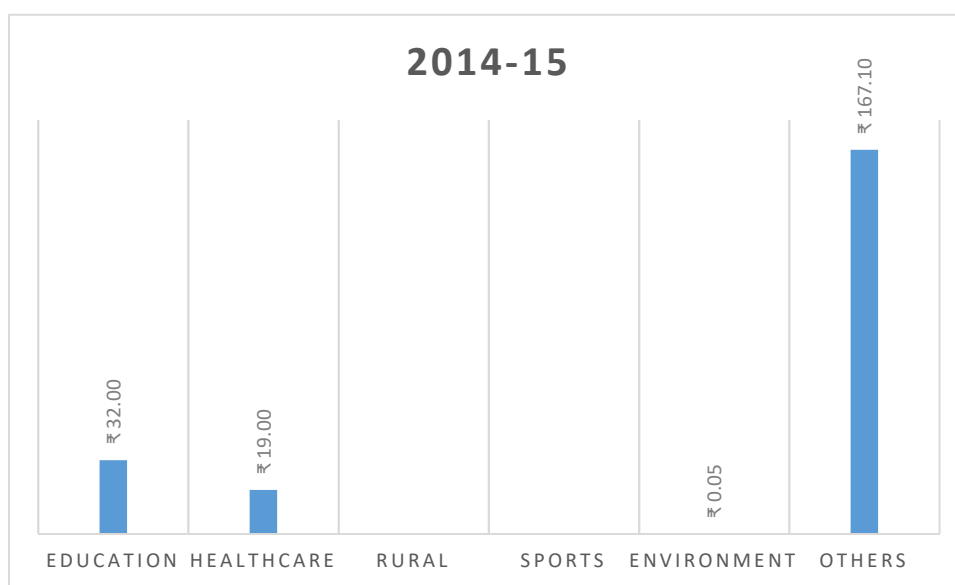
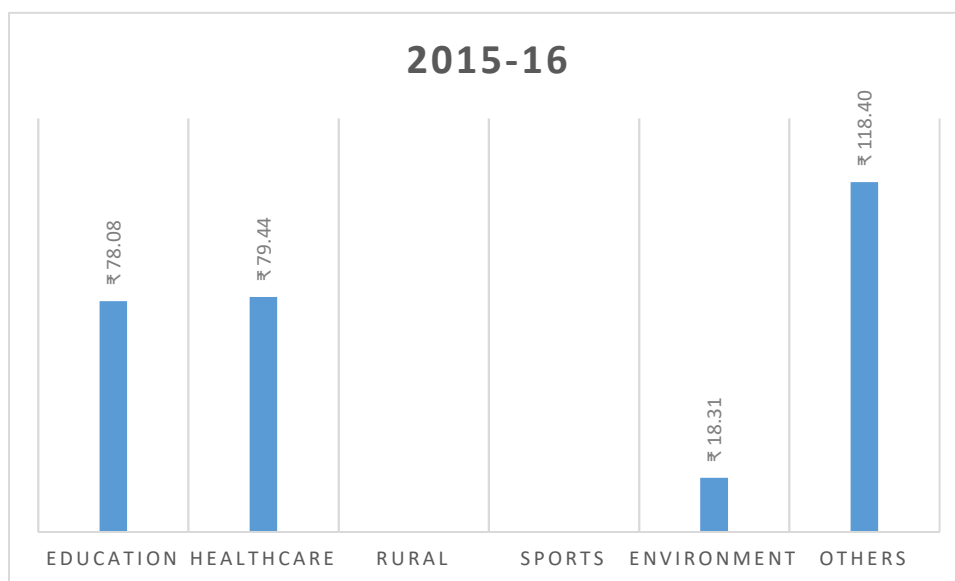
RIL is consistently spending more than the 2% amount required as per the CSR clause of Companies Act 2013 and its CSR policy is aimed at improving lives, living and

livelihood for a stronger and inclusive India. Central to its philosophy is the commitment to enhance the quality of life of people from marginalised and vulnerable communities, by empowering them and catalysing change through innovative and sustainable solutions. The initiatives RIL takes happen to be in conformity with the Sustainable Development Goals (SDGs), outlined in the United Nations 2030 Agenda for Sustainable Development. Most of RIL's CSR initiatives are conducted under the aegis of the Reliance Foundation, an umbrella organisation for the Company's social sector initiatives.

2. Tata Consultancy Services Ltd.

TCS is one of the largest Indian companies by market capitalization and is placed among the 4 most valuable IT services brand worldwide. It provides IT services, consulting and business solutions that delivers real results to global businesses, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT, BPO, infrastructure, engineering and assurance services. This is delivered through their unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. TCS is ranked 64th overall in the Forbes World's Most Innovative Companies ranking, making it both the highest-ranked IT services company and the top Indian company. It is the world's 10th largest IT services provider by revenue.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 22,882.70	₹ 16,839.41	₹ 336.79	₹ 294.23	-0.25%
2014-15	₹ 19,256.00	₹ 14,079.08	₹ 281.58	₹ 218.15	-0.45%



Although TCS is not meeting the requirement of 2% spending on CSR, it is not far off either. The reason for less spending given is that some of the large programmes in

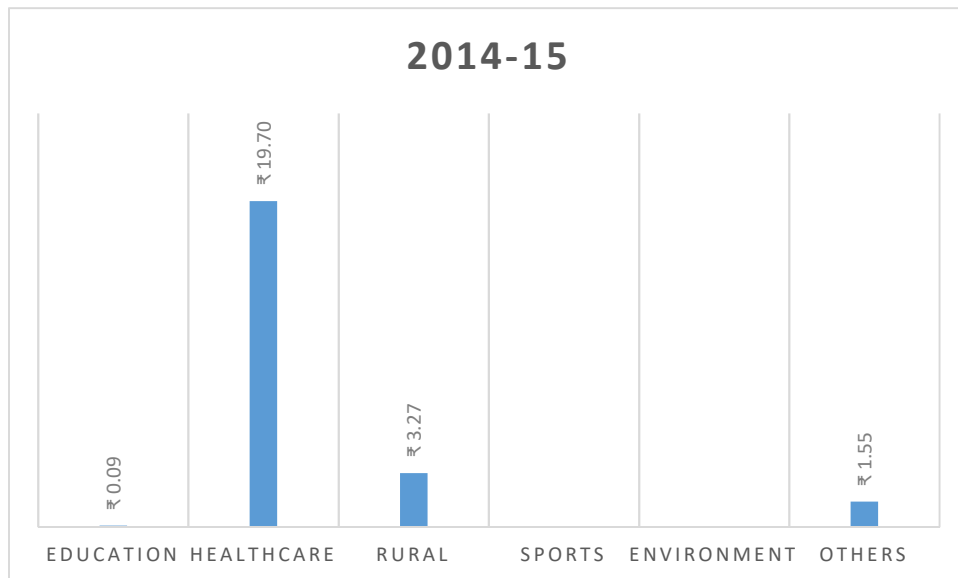
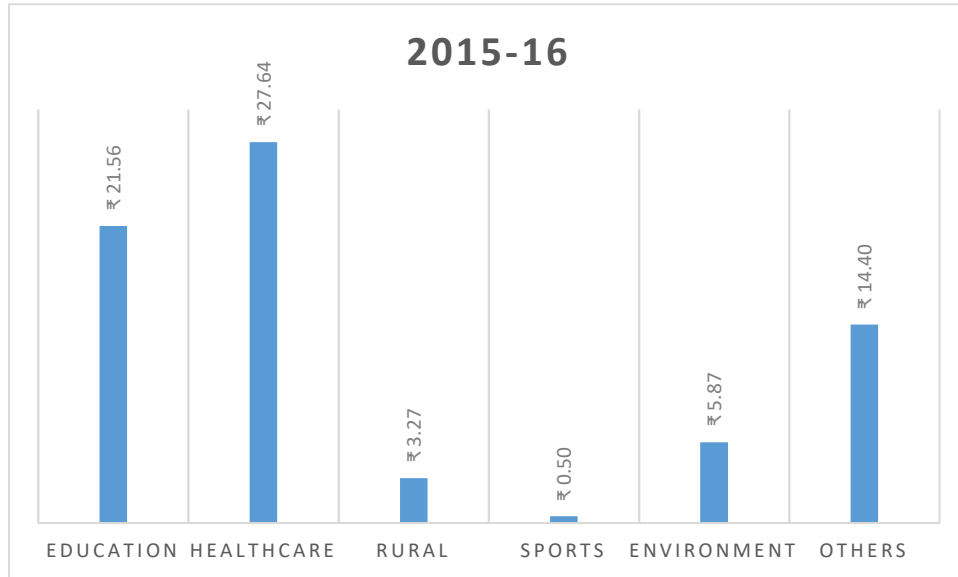
the areas of healthcare, education and promoting employability are multiyear projects. TCS' CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation. Also embedded in this objective is support to the marginalised cross section of the society by providing opportunities to improve their quality of life. Most of TCS's CSR initiatives are conducted through 3rd party implementation agencies.

3. Coal India Ltd.

Coal India Limited (CIL) is an Indian PSU coal mining corporate came into being in November 1975 with the government taking over private coal mines. With a modest production of 79 Million Tonnes (Mt) at the year of its inception CIL today is the single largest coal producer in the world. In April 2011, CIL was conferred the Maharatna status by the Union Government of India and is one of the most valuable company in India by its market value. Operating through 82 mining areas CIL is an apex body with 7 wholly owned coal producing subsidiaries and 1 mine planning and consultancy company spread over 8 provincial states of India. CIL also fully owns a mining company in Mozambique christened as 'Coal India Africana Limitada'. CIL also manages 200 other establishments like workshops, hospitals etc. Further, it also owns 26 technical & management training institutes and 102 Vocational Training Institutes Centres. Indian Institute of Coal Management (IICM) as a state-of-the-art Management Training 'Centre of Excellence' - the largest Corporate Training Institute in India - operates under CIL and conducts multi-disciplinary management development programmes. CIL vision is to emerge as a global player in the primary energy sector committed to provide energy security to the country by attaining environmentally & socially sustainable growth through best practices from mine to market. And its mission is to produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to

safety, conservation and quality. In April 2011, CIL was conferred the Maharatna status by the Union Government of India.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 16,343.53	₹ 984.59	₹ 19.69	₹ 73.24	5.44%
2014-15	₹ 13,383.00	₹ 1,202.12	₹ 24.04	₹ 24.61	0.05%



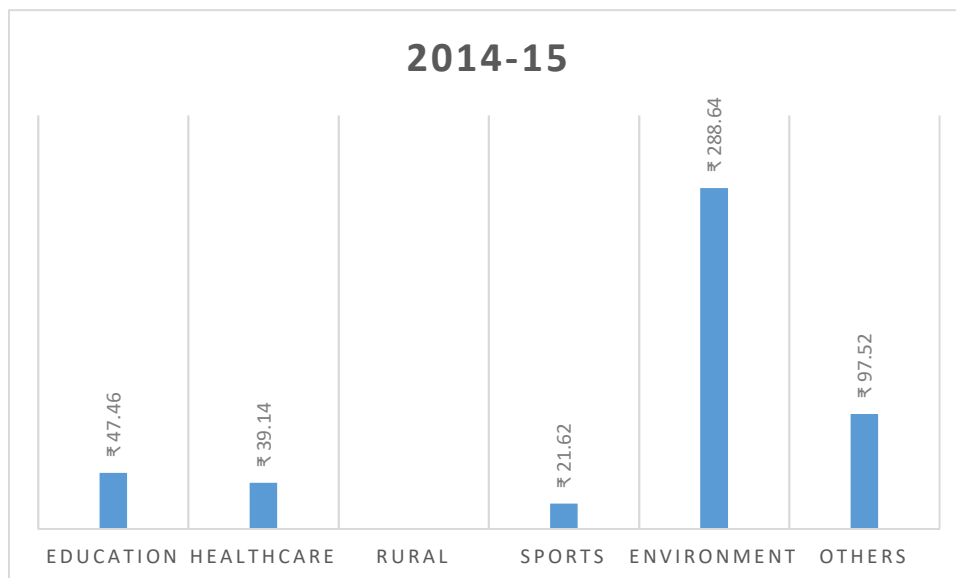
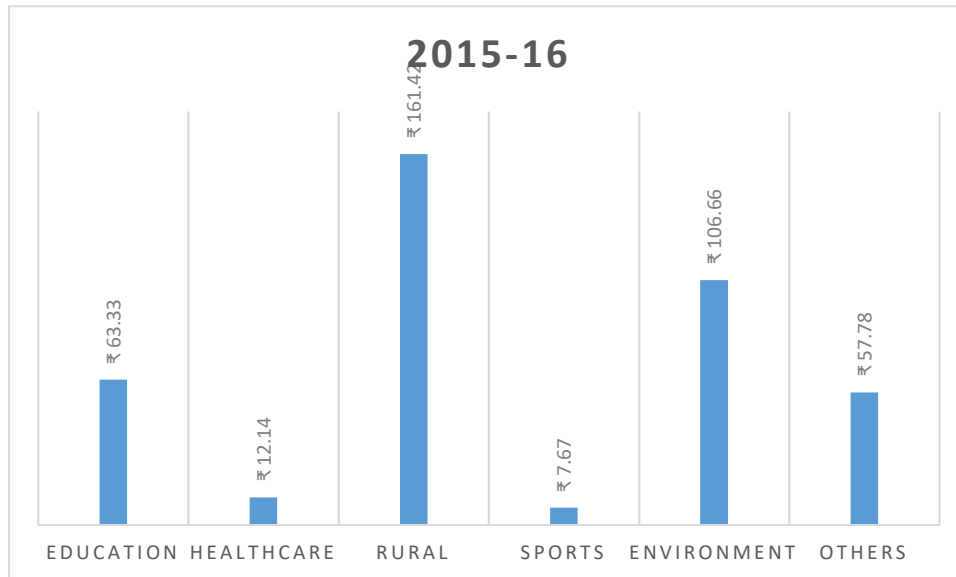
CIL being a holding company executes CSR activities throughout the country as well as in the areas which are beyond jurisdiction of subsidiary companies. In respect of subsidiary companies, the CSR policy is operational within 25 KM radius of the projects/mines and areas including Head Quarters for which 80% of the budget is allocated. Balance 20% is spent within the State/States in which the subsidiary companies operate. CIL has also entered into a MoU with Tata Institute of Social Sciences (TISS), a national CSR hub for implementation of CSR activities. The average profit data in the above table is taken for CIL as a standalone company and not its subsidiaries, because detailed CSR expenditure of its subsidiaries were not available in its annual report or website.

4. Oil and Natural Gas Corporation Ltd.

Maharatna ONGC is the largest producer of crude oil and natural gas in India, contributing around 70 per cent of Indian domestic production. The crude oil is the raw material used by downstream companies like IOC, BPCL, and HPCL to produce petroleum products like Petrol, Diesel, Kerosene, Naphtha, and Cooking Gas-LPG. ONGC is India's Top Energy Company and ranks 20th among global energy majors. ONGC ranks 14th in 'Oil and Gas operations' and 220th overall in Forbes Global 2000. Acclaimed for its Corporate Governance practices, Transparency International has ranked ONGC 26th among the biggest publicly traded global giants. It is one of the most valued public enterprise in India, and one of the highest profit-making and dividend-paying. ONGC has a unique distinction of being a company with in-house service capabilities in all areas of Exploration and Production of oil & gas and related oil-field services. Winner of the Best Employer award, a dedicated team of over 33,927 professionals toil round the clock in challenging locations. Its wholly-owned subsidiary ONGC Videsh Limited (OVL) is the biggest Indian multinational in the energy space, participating in 36 oil and gas properties in 17 countries. ONGC subsidiary Mangalore

Refinery and Petrochemicals Limited (MRPL) is a Schedule 'A' Miniratna, with a single-location refining capacity of 15 million tons per annum.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 16,003.65	₹ 19,186.90	₹ 383.74	₹ 409.01	0.13%
2014-15	₹ 17,733.00	₹ 20,251.15	₹ 405.02	₹ 494.38	0.44%

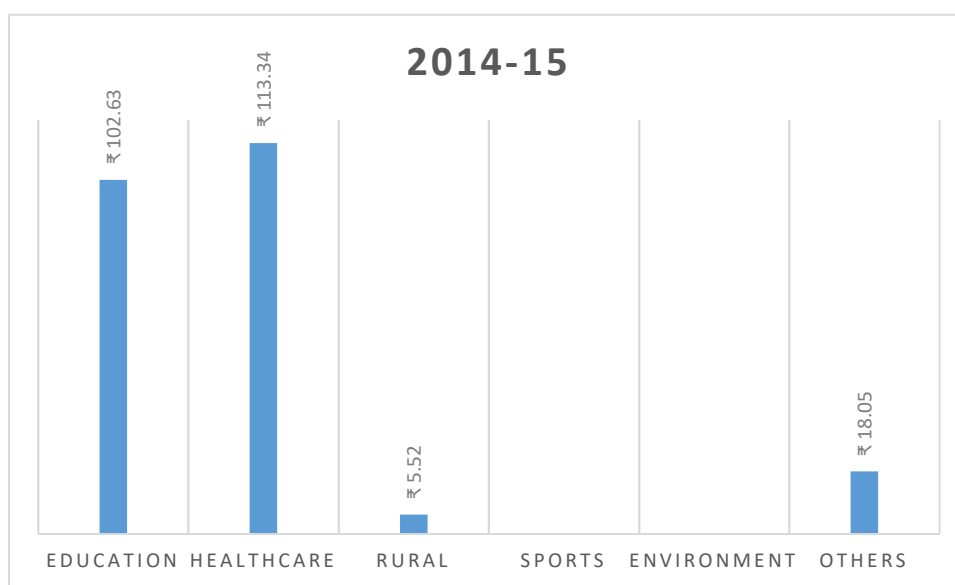
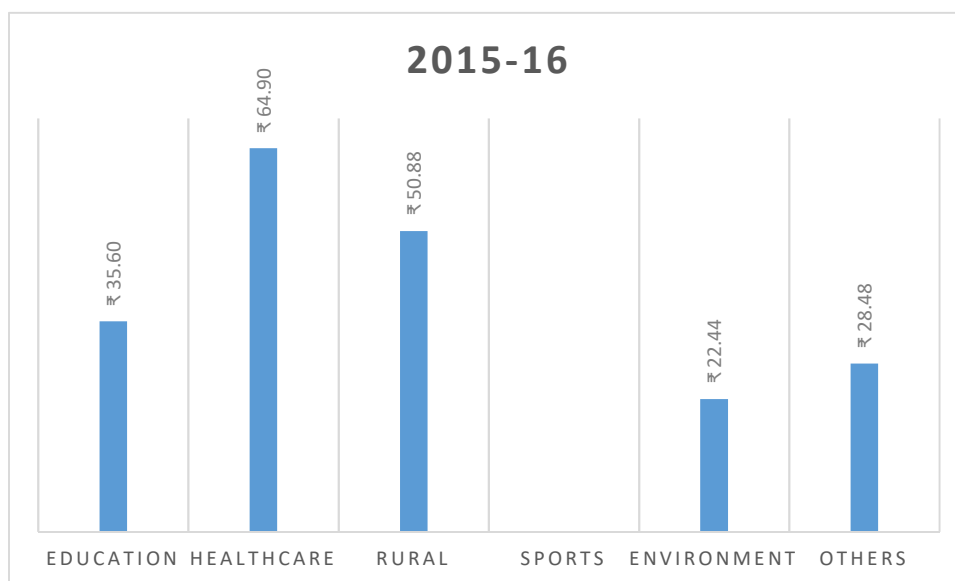


A major part of ONGC CSR amount was spend in providing LPG connections to rural areas under Pradhan Mantri Ujjwala Yojana and building toilets in schools under Swachh Bharat Abhiyan. ONGC has also taken a unique CSR initiative in partnership with Indian Mountaineering Foundation for cleaning expeditions to remove the hazardous garbage/waste generated by tourists at different tourist spots of Himalayas at a total financial implication of 16 Lakhs. In education, ONGC integrates children from slum areas with those of Don Bosco School through Project Roshni Star Education at Vadodara. In Art & Culture, ONGC has taken up four Ahom Monuments in Assam as a part of this project.

5. Infosys Ltd.

Infosys Ltd is an Indian multinational corporation that provides business consulting, information technology and outsourcing services. It is headquartered in Bengaluru, Karnataka and is the third-largest Indian IT services company by 2016 revenues, and the largest employer of H-1B visa professionals in the United States. The company provides end-to-end business solutions that leverage technology for their clients, including technical consulting, design, development, product engineering, maintenance, systems integration, package-enabled consulting, and implementation and infrastructure management services. The company also provides software products to the banking industry, and their banking software Finacle is a universal banking solution to large and medium size banks across India and overseas. Infosys was the first Indian company to be listed on the NASDAQ at the year 1999. Infosys also forms a part of the NASDAQ-100 index. The company was ranked among the top 50 most respected companies in the world by Reputation Institute's Global Reputation Pulse 2009. They have been voted the 'Most Admired Indian Company' in The Wall Street Journal Asia 200 for 10 years in a row since 2000. The company was also listed in the Most Admired Knowledge Enterprises (MAKE) 2008 study and Forbes' Asian Fabulous 50 for the fourth consecutive year.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 15,786.00	₹ 10,491.33	₹ 209.83	₹ 202.30	-0.07%
2014-15	₹ 12,164.00	₹ 9,260.00	₹ 185.20	₹ 239.54	0.59%



Infosys has been an early adopter of CSR initiatives and works primarily through its CSR trust, the Infosys Foundation, towards supporting projects in eradication of

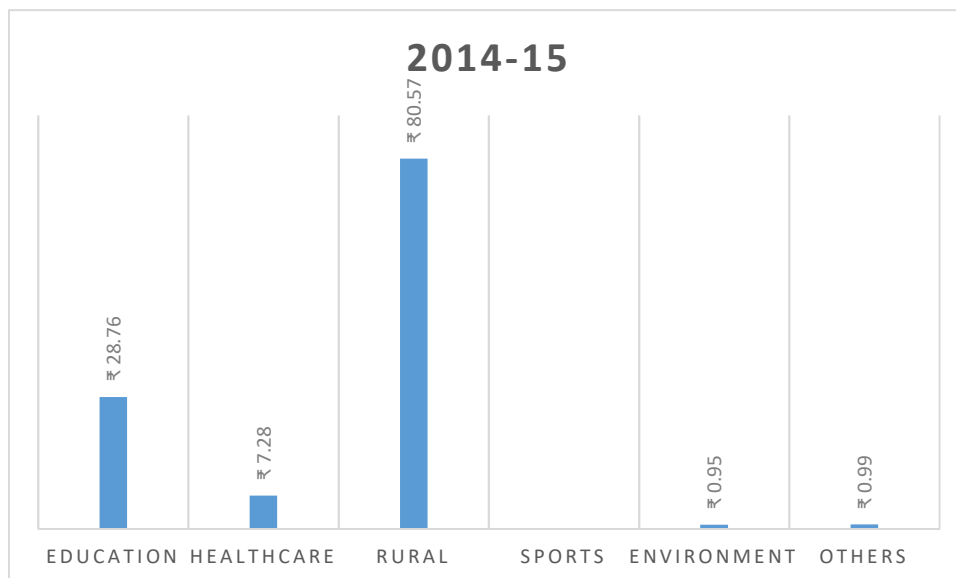
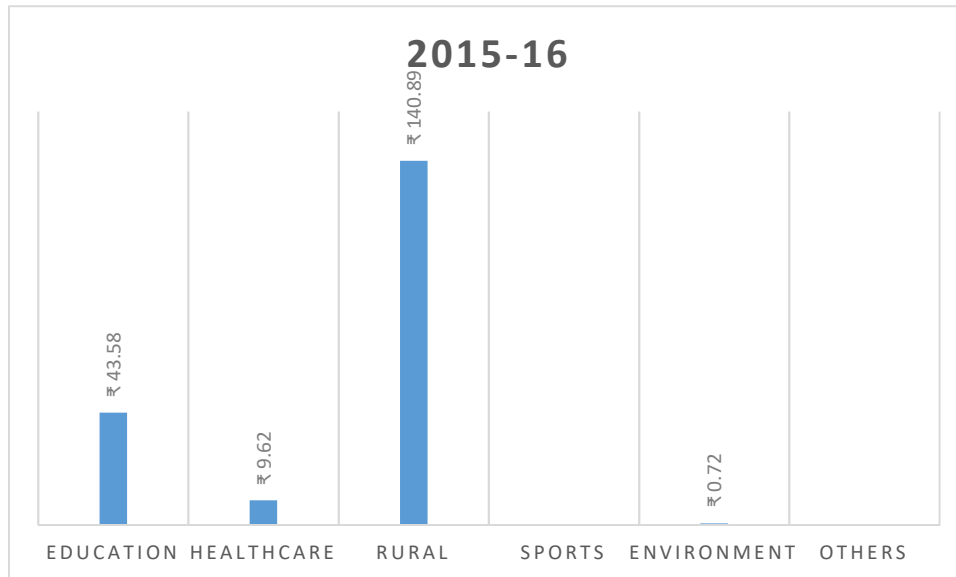
hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environmental sustainability, disaster relief and rural development projects. While philanthropy is one aspect of it, Infosys also lends support to building institutions, and supporting the preservation of depleting natural resources by finding new technology that can offer safeguards against the global risks of climate change. Infosys Foundation was established in 1996 with a vision to boosting corporate responsibility initiatives. This was long before the Companies Act, 2013 mandated that a company should function through a registered trust or society for any CSR activities to be undertaken by it. The reason for marginally less spending in 2015-16 is that some of the large programmes are multiyear projects.

6. HDFC Bank Ltd.

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalisation of the Indian Banking Industry in 1994. HDFC bank's business philosophy is based on four core values - Customer Focus, Operational Excellence, Product Leadership and People. They believe that the ultimate identity and success of their bank will reside in the exceptional quality of people and their extraordinary efforts. HDFC Bank's mission is to be a World-Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. The HDFC Bank is committed to maintain the highest level of ethical standards, professional integrity and regulatory compliance. The objective of the HDFC Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one- step window for all his/her requirements. The HDFC Bank plus and the investment advisory services programs

have been designed keeping in mind needs of customers who seeks distinct financial solutions, information and advice on various investment avenues.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 12,296.21	₹ 9,636.74	₹ 192.73	₹ 194.81	0.02%
2014-15	₹ 10,215.92	₹ 8,473.53	₹ 169.47	₹ 118.55	-0.60%

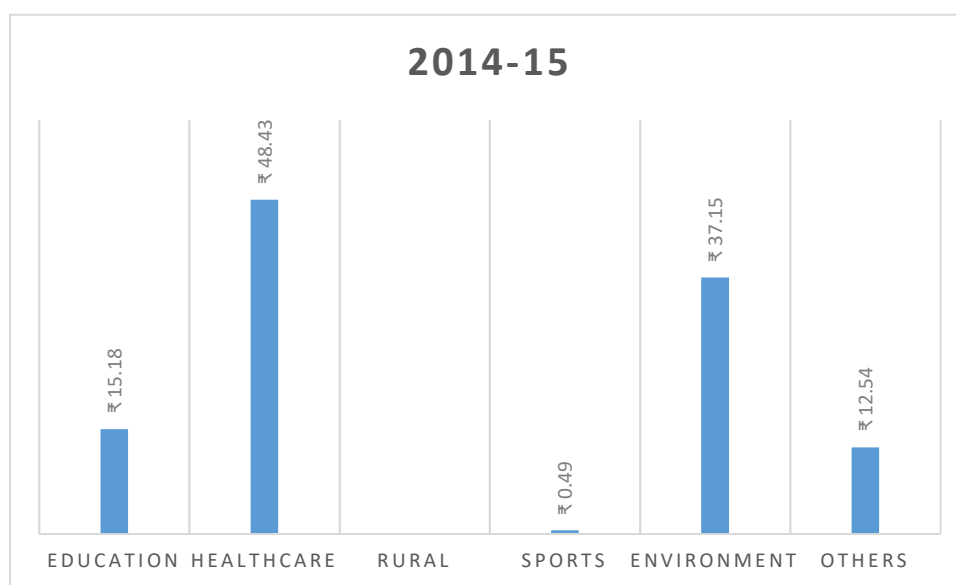
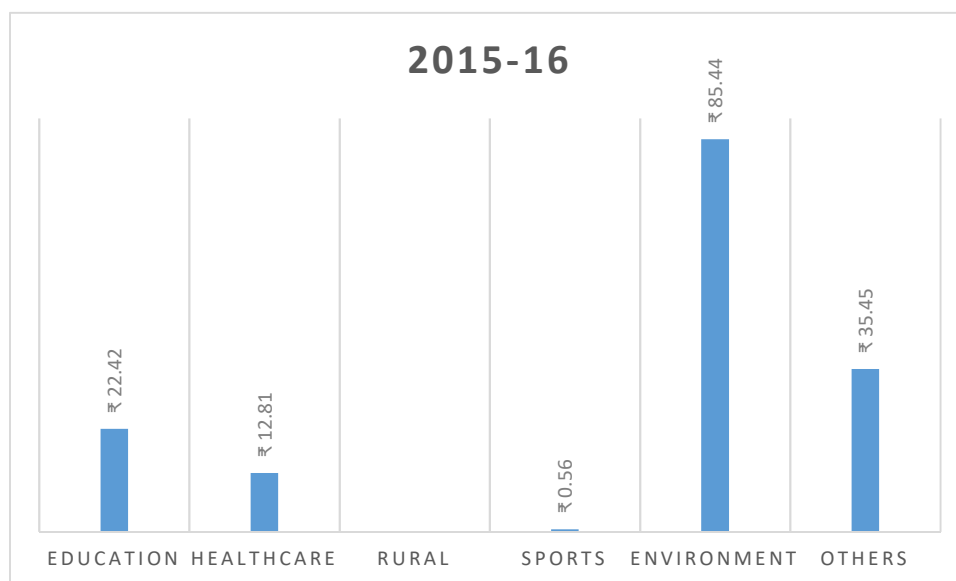


Building sustainable communities especially in rural India is a core CSR objective of the HDFC Bank. It has identified Integrated Rural Development as a vehicle for socio-economic change and community building. The focus areas are promoting education, enhancing livelihood, rural development and environmental sustainability. Within these broad areas, particular focus is to impart financial literacy / inclusion and sanitation. The recipients of these interventions are primarily youth and women from the marginal sections of society. The Bank's initiatives and material aspects are driven by internal teams and implementation partners, which are monitored on a regular basis.

7. Indian Oil Corporation

Indian Oil Corporation is India's Largest Commercial Enterprise, with a net profit of ₹10,399 Crore for the financial year 2015-16. In accordance with its corporate vision of being 'The Energy of India', Indian Oil has been successfully meeting the energy demands of India for more than five decades. It is the leading Indian Corporate in Fortune's prestigious 'Global 500' listing of world's largest corporates at 161st position for the year 2016, and has a 33,000 strong workforce. It is also the 18th largest petroleum company in the world and the No. 1 petroleum trading company among the national oil companies in the Asia-Pacific region. Indian Oil's business interests overlap the entire hydrocarbon value-chain, including refining, pipeline transportation, and marketing of petroleum products, exploration and production of crude oil, natural gas and petrochemicals. Also, Indian Oil has ventured into alternative energy and globalization of downstream operations. With subsidiaries in Sri Lanka, Mauritius and the UAE, Indian Oil is scouting for new business opportunities in the energy markets across Asia and Africa. It has also formed about 20 joint ventures with reputed business partners from India and abroad to pursue diverse business interests. Indian Oil accounts for nearly half of India's petroleum products market share, 35% national refining capacity (together with its subsidiary Chennai Petroleum Corporation Ltd., or CPCL), and 71% downstream sector pipelines through capacity.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 10,399.03	₹ 5,855.05	₹ 117.10	₹ 156.68	0.68%
2014-15	₹ 5,273.00	₹ 6,437.07	₹ 128.74	₹ 113.79	-0.23%



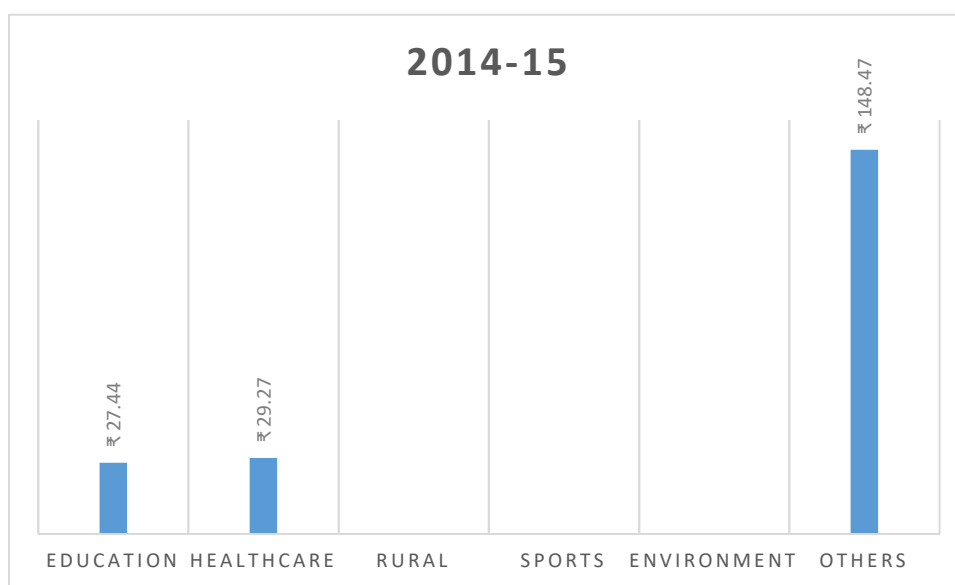
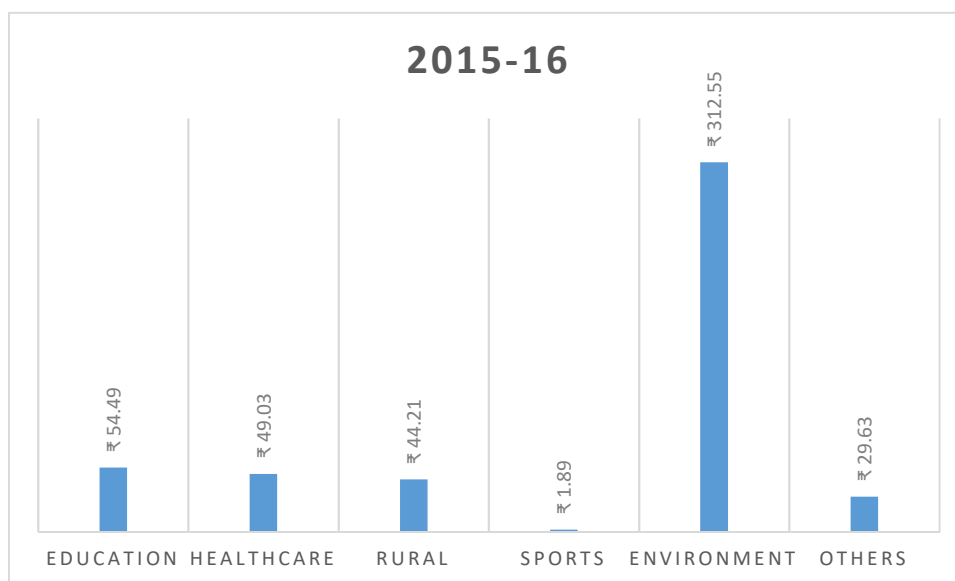
In line with its CSR vision and mission, Indian Oil's CSR budget is allocated and spent on high-priority thrust areas like safe drinking water, healthcare & sanitation, education

& employment enhancing vocational skills, empowering women & socially / economically backward groups, environment sustainability, protection of national heritage and promotion of art & culture, rural development etc. The programs are undertaken preferably in the vicinity of Indian Oil's major installations / establishments for improving the quality of life of the concerned communities, which include marginalized groups such as SCs, STs, etc. And as PSU, it contributed significantly to government Pradhan Mantri Ujjwala Yojana and Swachh Bharat Abhiyan projects. Most of the CSR projects by Indian Oil are implemented directly through their own in-house teams.

8. NTPC Ltd.

NTPC is India's largest energy conglomerate with roots planted way back in 1975 to accelerate power development in India. Since then it has established itself as the dominant power major with presence in the entire value chain of the power generation business. From fossil fuels it has forayed into generating electricity via hydro, nuclear and renewable energy sources. This foray will play a major role in lowering its carbon footprint by reducing greenhouse gas emissions. To strengthen its core business, the corporation has diversified into the fields of consultancy, power trading, training of power professionals, rural electrification, ash utilization and coal mining as well. NTPC became a Maharatna company in May 2010 and ranked 400th in the '2016, Forbes Global 2000' ranking of the World's biggest companies. NTPC is not only the foremost power generator; it is also among the great places to work. The company is guided by the "People before Plant Load Factor" mantra which is the template for all its human resource related policies. NTPC has been ranked as "6th Best Company to work for in India" among the Public Sector Undertakings and Large Enterprises for the year 2014, by the Great Places to Work Institute, India Chapter in collaboration with The Economic Times.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 10,242.91	₹ 10,518.82	₹ 210.38	₹ 491.80	2.68%
2014-15	₹ 10,290.86	₹ 10,746.78	₹ 214.94	₹ 205.18	-0.09%



CSR has been synonymous with Company's core business of power generation. The Company's spirit of caring and sharing is embedded in its mission statement. The

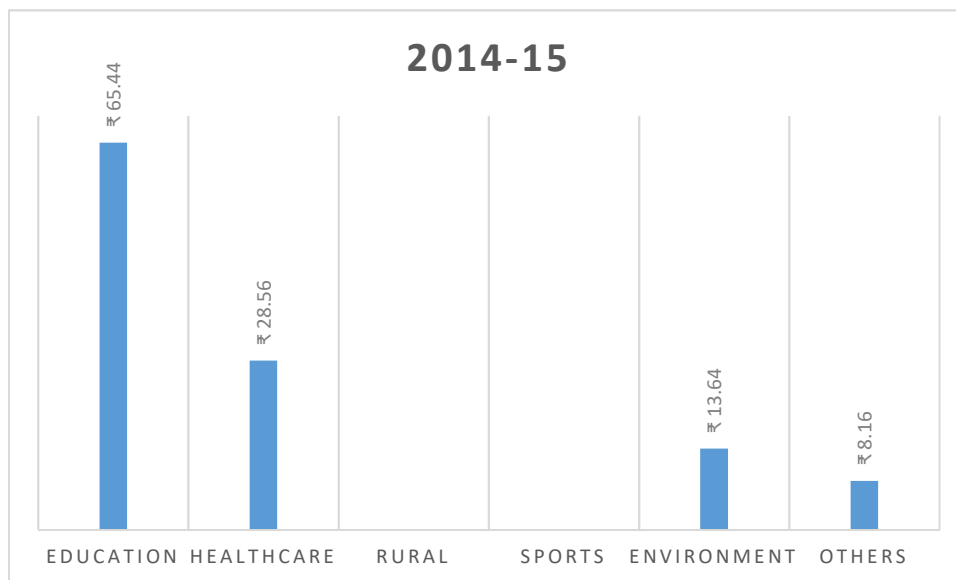
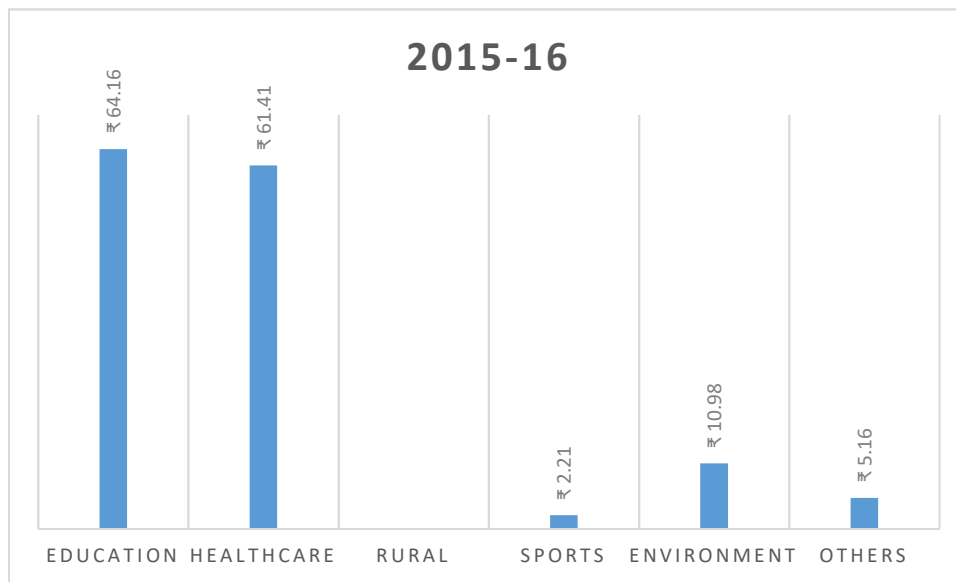
Company has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities which has been revised and updated from time to time. CD activities in green field area are initiated as soon as project is conceived and thereafter extensive community / peripheral development activities are taken up along with the project development. Preference for CSR & Sustainability activities is given to local areas around Company's operations, ensuring that majority CSR funds are spent for activities in local areas. During Financial Year 2015-16, your Company spent approx 492 crore on CSR activities, well above the mandated threshold of 2% of PAT, which demonstrates its proactive approach towards contributing to the society. Among the major initiatives undertaken was completion of about 29,000 toilets as part of the Swachh Bharat – Swachh Vidyalaya Abhiyan.

9. State Bank of India

State Bank of India (SBI) is an Indian government owned multinational public sector banking and financial services company with its headquarters in Mumbai, Maharashtra. It is the oldest commercial bank in the Indian subcontinent, and is India's largest commercial Bank in terms of assets, deposits, profits, branches, number of customers and employees. SBI provides a wide range of products and services to personal, commercial enterprises, large corporates, public bodies and institutional customers through its various branches and outlets joint ventures, subsidiaries and associate companies. On 01.04.2017, State Bank of India, which is India's large Bank merged five of its Associate Banks (State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) and Bharatiya Mahila Bank with itself. With the merger, State Bank of India will enter the league of top 50 global banks with a balance sheet size of ₹41 trillion, 277,000 employees, 500 million customers, and more than 22,500 branches and 58,000 ATMs. SBI's market share will increase to 22 percent from 17 per cent. SBI is ranked 232nd on the Fortune Global 500 list of the world's biggest corporations as of 2016. SBI was named the 29th most reputed company in the world according to

Forbes 2009 rankings. SBI was 50th Most Trusted brand in India as per the Brand Trust Report 2013, and subsequently, in the Brand Trust Report 2014, SBI finished as India's 19th Most Trusted Brand in India.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 9,950.65	₹ 12,364.77	₹ 247.30	₹ 143.92	-0.84%
2014-15	₹ 13,101.57	₹ 12,699.24	₹ 253.98	₹ 115.80	-1.09%



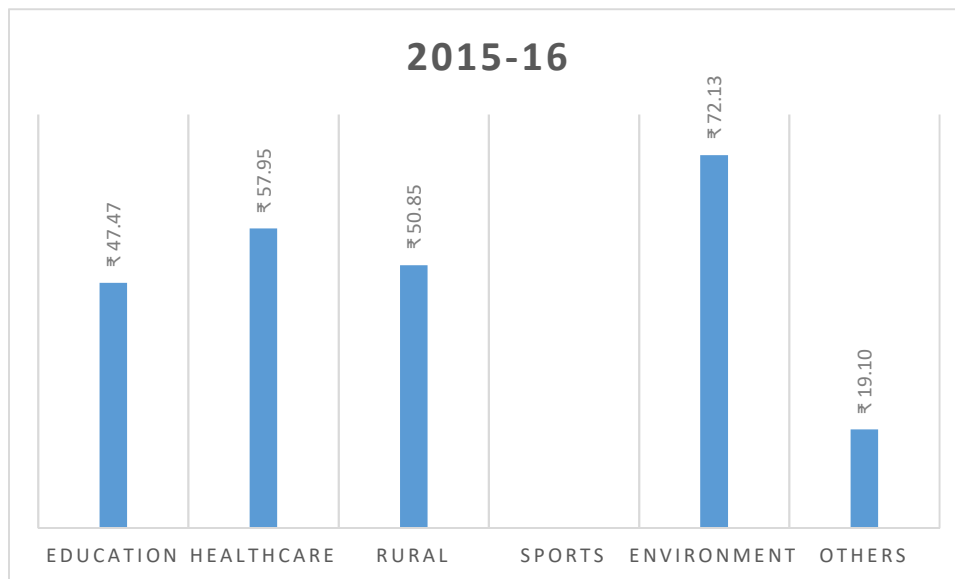
State Bank of India has been a pioneer in the space of Corporate Social Responsibility within the Indian Banking ecosystem. Your Bank believes that it owes a solemn duty to the less fortunate and underprivileged members of the society to make sustainable social change in their lives. Social Responsibility is an integral part of its business and a key aspect of its corporate strategy since 1973. Even before the legal requirement of spending 2% on CSR in Companies Act 2013, it has been setting aside 1% of its net profit for CSR initiatives and made a true difference in the lives of millions from underserved communities. To strengthen the State Bank Group's CSR activities and make it more sustainable, it has formed SBI Foundation, a Not-for-Profit company (subsidiary), registered under Section 8 of the Companies Act, 2013. SBI Foundation would support pooling of the CSR dedicated funds of the entire State Bank Group under one umbrella and direct these resources towards comprehensive CSR activities aligned with the Group's Vision. SBI also has won 10 awards for its CSR initiatives during FY2016.

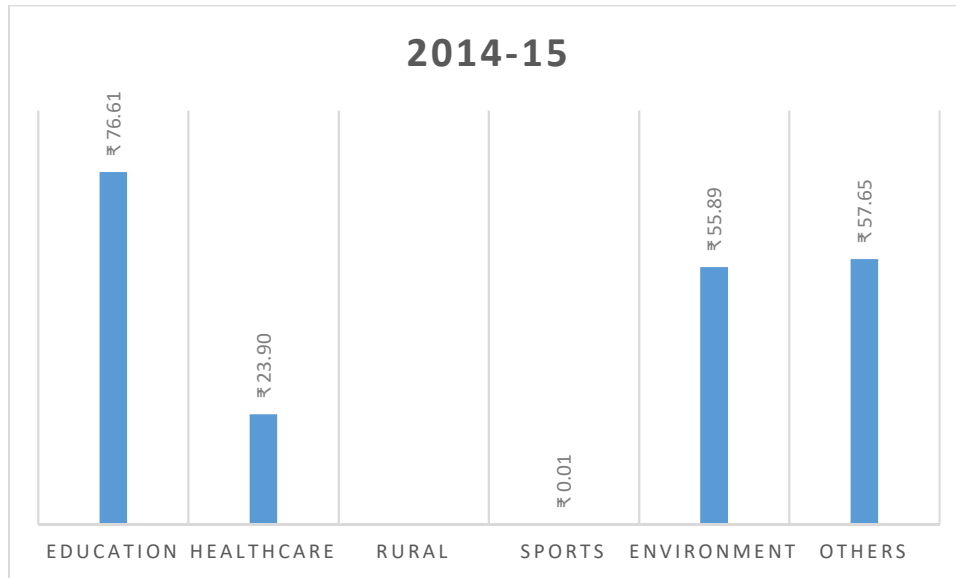
10. ITC Ltd.

ITC Limited which previously stood for Imperial Tobacco Company of India Limited is one of India's foremost multi-business enterprise with a market capitalization of US \$ 45 billion and a turnover of US \$ 8 billion. ITC features as one of world's largest sustainable value creator in the consumer goods industry in a study by the Boston Consulting Group. ITC has been listed among India's Most Valuable Companies by Business Today magazine. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri - Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery. As one of India's most valuable and respected corporations, ITC is widely perceived to be

dedicatedly nation-oriented. Chairman Y C Deveshwar calls this source of inspiration "a commitment beyond the market". In his own words: "ITC believes that its aspiration to create enduring value for the nation provides the motive force to sustain growing shareholder value. ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to enhancing the competitiveness of larger value chain of which it is a part. ITC's Agri-Business is one of India's largest exporters of agricultural products. ITC is one of the country's biggest foreign exchange earners (US \$ 3.2 billion in the last decade). The company's 'e-Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet. It is ITC's aspiration to become India's no 1 FMCG player. The Company aims at achieving a revenue of Rs 1,00,000 crores from the new FMCG businesses by 2030.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 9,844.71	₹ 9,333.56	₹ 186.67	₹ 247.50	0.65%
2014-15	₹ 9,607.73	₹ 8,603.78	₹ 172.08	₹ 214.06	0.49%



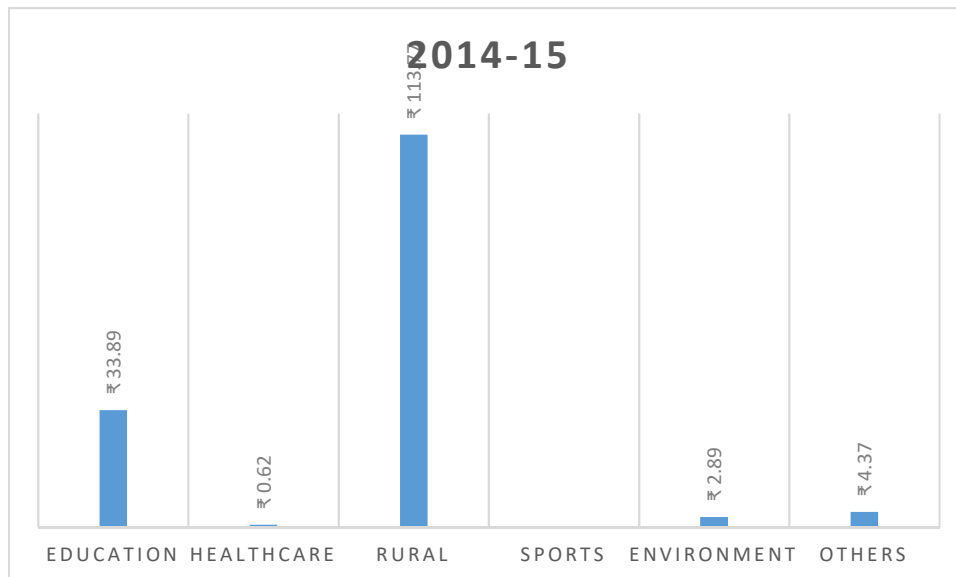
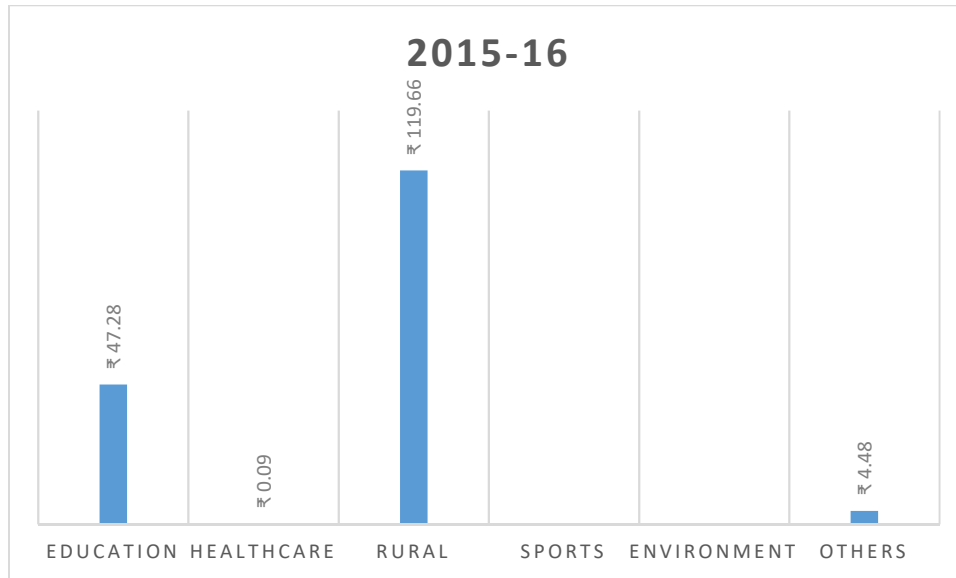


ITC's overarching aspiration to create significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. Towards this end, ITC adopted a comprehensive CSR policy in 2014-15 outlining programmes, projects and activities it plans to undertake to create a significant positive impact on identified stakeholders. The key elements of ITC's CSR is to work with key stakeholders with whom it has enduring partnerships comprising (a) rural communities in the its Agri Business operational areas and (b) communities residing in close proximity to its production units. Within these groups, its CSR activities specially target poor and marginalised communities/ groups to ensure inclusive development. ITC implement its CSR in partnerships with 3rd party implementation agencies.

11. ICICI Bank Ltd.

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI Bank is India's largest private sector bank in market capitalization and second largest overall in terms of assets. It has total assets of ₹ 7,206.95 billion at March 31, 2016 and profit after tax ₹ 97.26 billion for the year ended March 31, 2016, a network of over 4,850 branches, and 13,882 ATMs. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank is also the largest issuer of credit cards in India. ICICI Bank has got its equity shares listed on the stock exchanges at Kolkata and Vadodara, Mumbai and the National Stock Exchange of India Limited. In 2000, ICICI Bank became the first Indian bank to list on the New York Stock Exchange with its five million American depository shares issue generating a demand book 13 times the offer size.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 9,726.29	₹ 9,770.43	₹ 195.41	₹ 171.51	-0.24%
2014-15	₹ 11,175.35	₹ 8,200.40	₹ 164.01	₹ 155.54	-0.10%



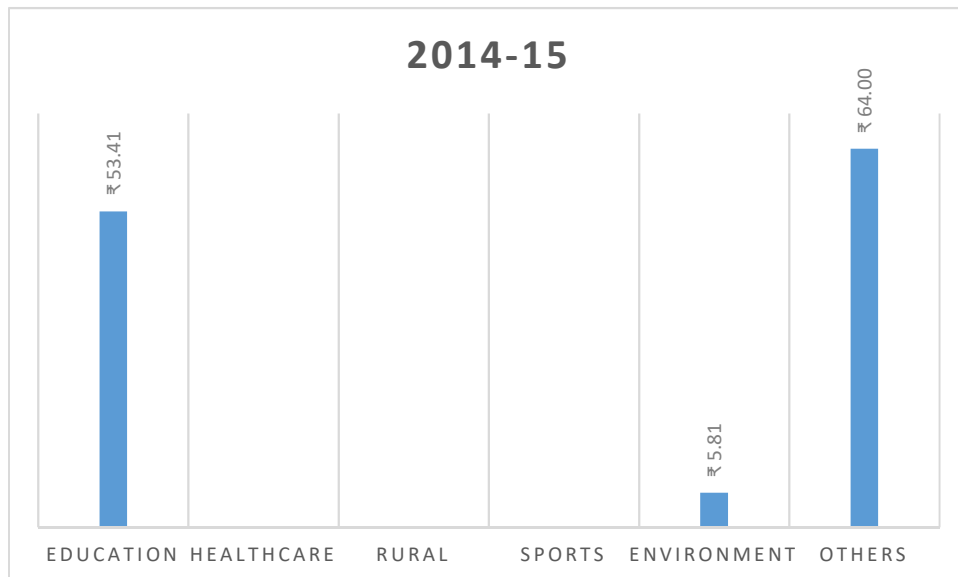
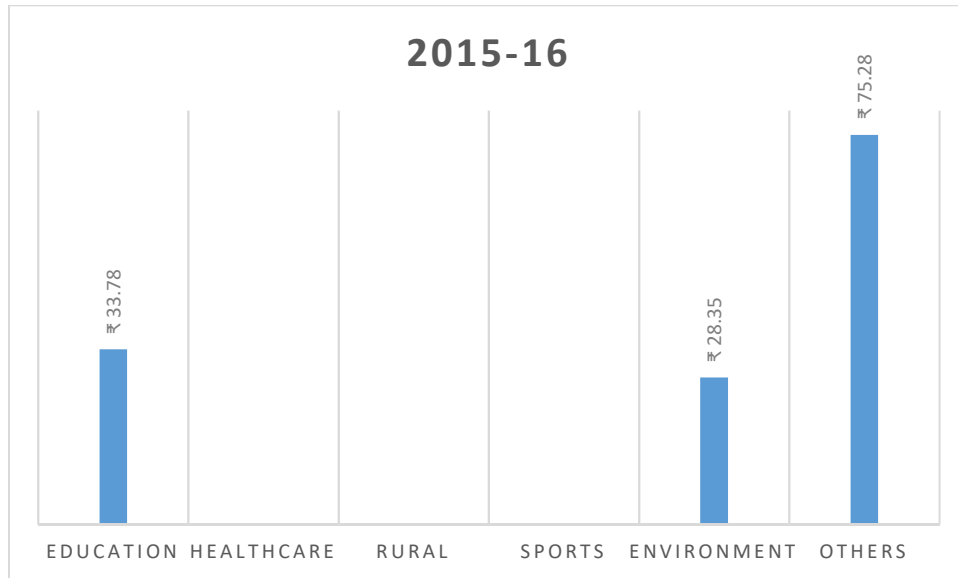
Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Bank. The Bank's contribution to social sector development includes several pioneering interventions, such as digitising 100 villages, ICICI Academy for Skills, etc. and is implemented through the involvement of stakeholders within the Bank and through the broader community. The Bank established the ICICI Foundation in 2008 with a view to significantly expand the activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has

built capabilities for direct project implementation as opposed to extending financial support to other organisations. The reason given for lower CSR spending is due to lower than anticipated project requirements and delay in implementation of certain planned spends.

12. Axis Bank Ltd.

Axis Bank (Initially UTI Bank) began its operations in 1993, after the Government of India allowed new private banks to be established. The Bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI), Life Insurance Corporation of India (LIC), General Insurance Corporation, National Insurance Company, The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. Axis Bank is the third largest private sector bank in India offering a comprehensive suite of financial products. Headquartered in Mumbai, the Bank has 2,904 branches, 12,743 ATMs and nine international offices. The Bank employs over 50,000 people and had a market capitalization of 105,833 crores (as on 31 March, 2016). It offers the entire spectrum of financial services to customer segments, spanning large and mid-corporates, SME, and retail businesses. In 2003 Axis Bank became the first Indian bank to launch the travel currency card and in 2005, Axis Bank got listed on London Stock Exchange.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 8,223.66	₹ 6,977.77	₹ 139.56	₹ 137.41	-0.03%
2014-15	₹ 7,357.82	₹ 6,251.64	₹ 125.03	₹ 63.59	-0.98%



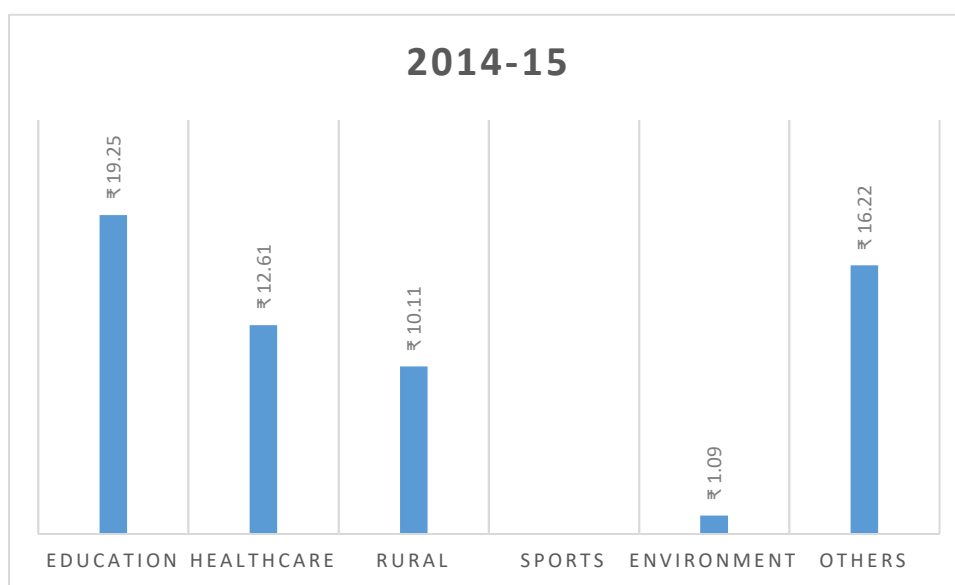
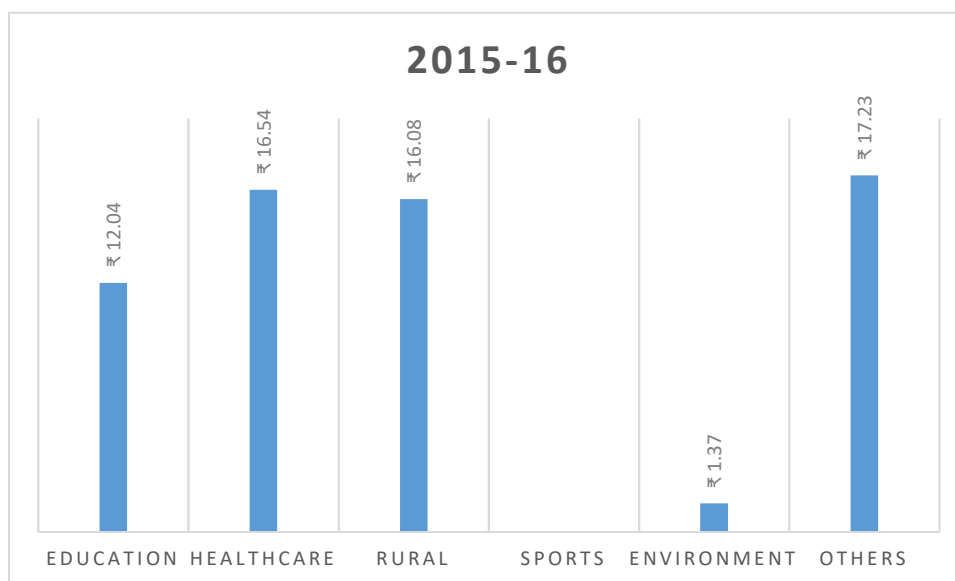
Axis Bank's primary CSR philosophy rests on a purpose driven approach to create a meaningful and measurable positive impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Bank, through Axis Bank Foundation, supports the sustainable livelihoods program. Financial inclusion and literacy is one of the key national priorities and the bank leverages its pan Indian presence to reduce inequalities faced by socially and

economically backward groups. The bank supports MSME sector development through knowledge sharing programs and undertakes skill development programs for youth to equip them with employable skills for better opportunities. Axis Bank has set up a Trust – the Axis Bank Foundation (ABF) to channel its philanthropic initiatives and it aims to provide one million sustainable livelihoods to the underprivileged in some of the most backward regions of the country in the next five years, with 60% of the beneficiaries being women.

13. Hindustan Zinc Ltd.

Hindustan Zinc is a Vedanta Group company in zinc, lead and silver business. It is one of the world's largest and lowest cost integrated producers of zinc and are among leading global lead and silver producers Its core business comprises of mining and smelting of zinc and lead along with captive power generation. Hindustan Zinc have a metal production capacity of over one million tonnes per annum with their key lead-zinc mines in Rampura Agucha and Sindesar Khurd; and key modern smelting complexes in Chanderiya and Dariba, all in the state of Rajasthan in India. It is focused on operational excellence and long-term sustainability on the back of our high-quality assets, long mine life of over 25 years and low cost base. With reserves and resources of 389.9 million tonnes, Hindustan Zinc exploration programme is integral to its growth and future expansions. It also owns 474 MW of coal based thermal captive power plants in Rajasthan to support their metallurgical operations. In addition to coal based Hindustan Zinc also operates environment friendly power generation, which includes 274 MW of wind energy and 35.4 MW from waste heat generation.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 8,166.58	₹ 7,327.37	₹ 146.55	₹ 63.26	-1.14%
2014-15	₹ 8,178.00	₹ 6,443.38	₹ 128.87	₹ 59.28	-1.08%



Hindustan Zinc has integrated 'Corporate Social Responsibility' (CSR) with its objective of operational excellence and sustainability. It believes that its license to

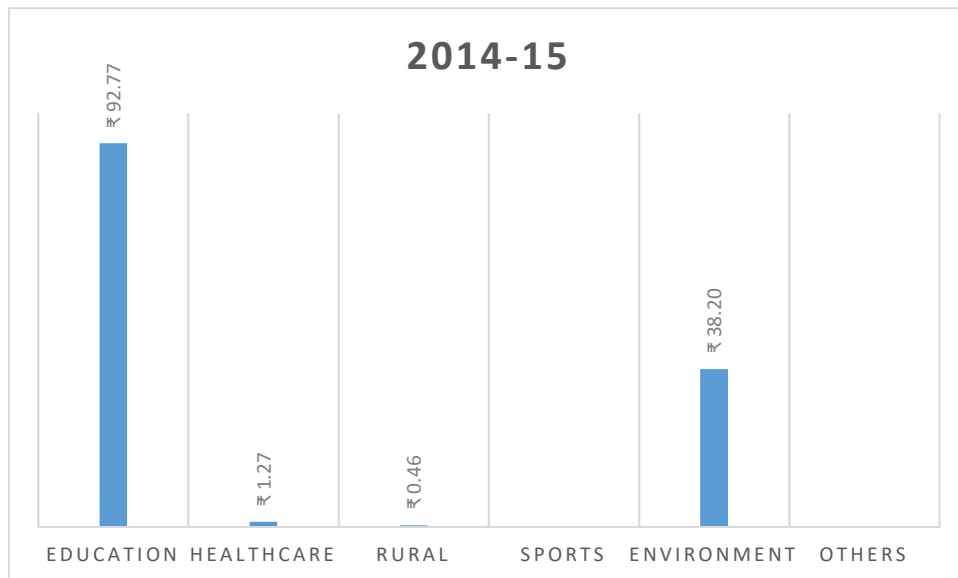
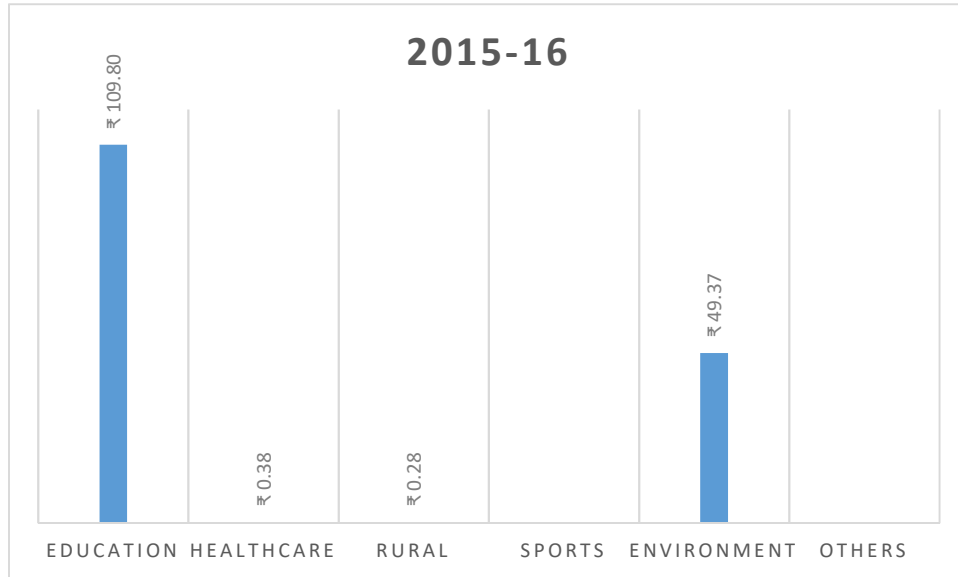
operate comes not only from the Government but also from the communities surrounding its operations and people of Rajasthan and growth has true meaning when it creates betterment opportunities for the people around us. Company's vision on CSR is to enhance the quality of life and the economic well-being of communities around our operations. The Company's CSR spending was not 2% of average of 3 preceding year's net profit and it has identified several new projects which are in different phases of implementation and the outgo will substantially increase in the coming years

14. Wipro Ltd.

Wipro started as a vegetable oil company in 1947 and later became a consumer goods company that produced hydrogenated cooking oils/fat company, laundry soap, wax and tin containers It later set up Wipro Fluid Power to manufacture hydraulic and pneumatic cylinders in 1975. At that time, it was valued at \$2 million. In 1977, when IBM was asked to leave India, Wipro entered the information technology sector. In 1979, Wipro began developing its own computers and in 1981, started selling the finished product. This was the first in a string of products that would make Wipro one of India's first computer makers The company licensed technology from Sentinel Computers in the United States and began building India's first mini-computers Wipro hired managers who were computer savvy, and strong on business experience. In 1980 Wipro moved in software development and started developing customized software packages for their hardware customers. This expanded their IT business and subsequently invented the first Indian 8086 chip. Since 1992, Wipro began to grow its roots off shore in United States and by 2000 Wipro Ltd ADRs were listed on the New York Stock Exchange. With over 25 years in the Information Technology business, Wipro Technologies is the largest outsourced R & D Services provider and one of the pioneers in the remote delivery of IT services. Being a global provider of consulting, IT Services, outsourced R&D, infrastructure outsourcing and business process

services, it deliver technology-driven business solutions that meet the strategic objectives of their Global 2000 customers

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 8,099.00	₹ 7,076.90	₹ 141.54	₹ 159.82	0.26%
2014-15	₹ 8,193.10	₹ 5,907.56	₹ 118.15	₹ 132.70	0.25%



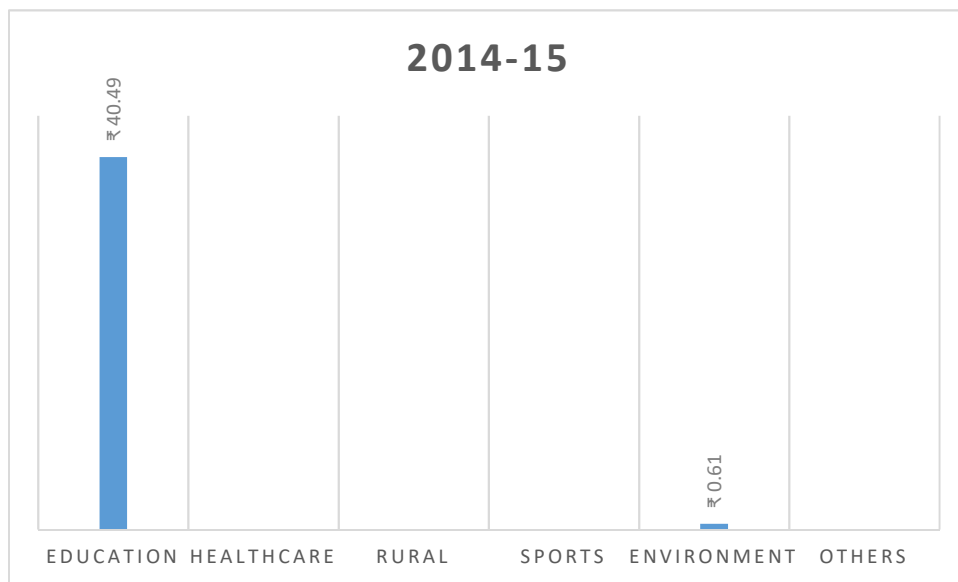
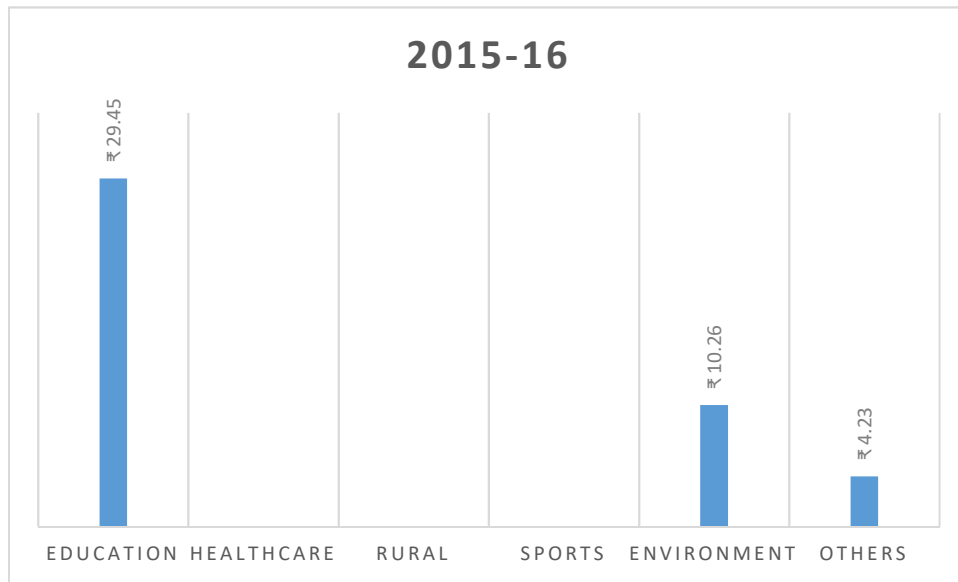
Wipro has been involved with social initiatives for more than decade and a half and engages in various activities in the field of education, primary healthcare and communities, ecology and environment, etc. It has won several awards and accolades for its CSR and sustainability efforts. A primary tenet of its CSR strategy is that it must engage with communities proximate to wherever it have significant operational presence in the world. Wipro employees are integral to many of its social programs. The Wipro Cares trust is built on a model of employee contribution that is matched by Wipro. Nearly one in three employees or more than 50,000 Wiproites are contributors to Wipro Cares making this possibly the largest such initiative in India and one of the largest in the world. During 2015-16, nearly 7500 employees from across 21 chapters collectively spent more than 13600 hours in voluntary engagement on a wide range of social initiatives.

15. Bharti Airtel Ltd.

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G wireless services and mobile commerce. Bharti Airtel had over 342 million customers across its operations at the end of March 2016. Airtel is credited with pioneering the business strategy of outsourcing all of its business operations except marketing, sales and finance and building the 'minutes factory' model of low cost and high volumes. The strategy has since been adopted by several operators. Airtel's equipment is provided and maintained by Ericsson and Nokia Solutions and Networks whereas IT support is provided by IBM. The transmission towers are maintained by subsidiaries and joint venture companies of Bharti including Bharti Infratel and Indus Towers in India.

Ericsson agreed for the first time to be paid by the minute for installation and maintenance of their equipment rather than being paid up front, which allowed Airtel to provide low call rates of ₹1 (1.5¢ US)/minute.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 7,546.50	₹ 8,299.00	₹ 165.98	₹ 43.94	-1.47%
2014-15	₹ 13,200.50	₹ 5,808.33	₹ 116.17	₹ 41.10	-1.29%



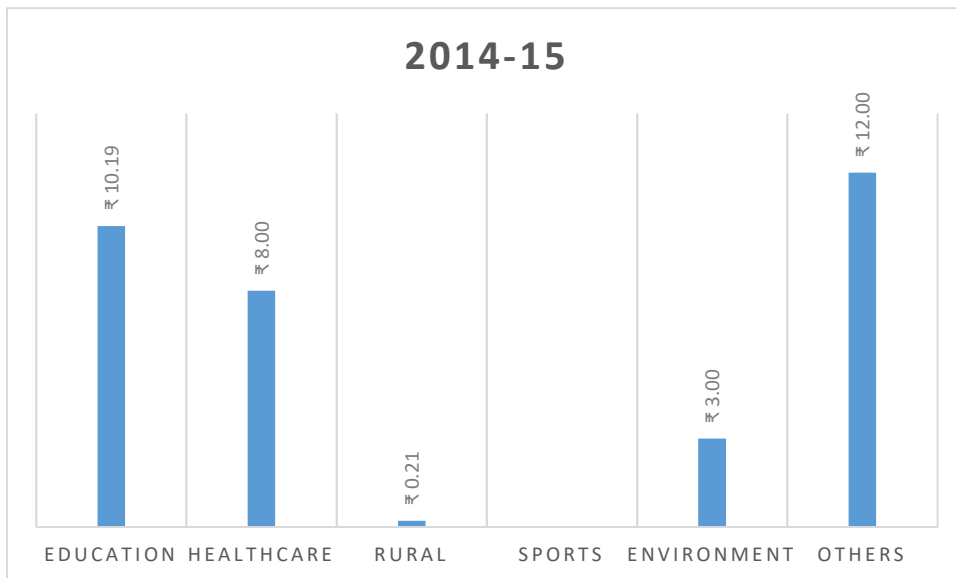
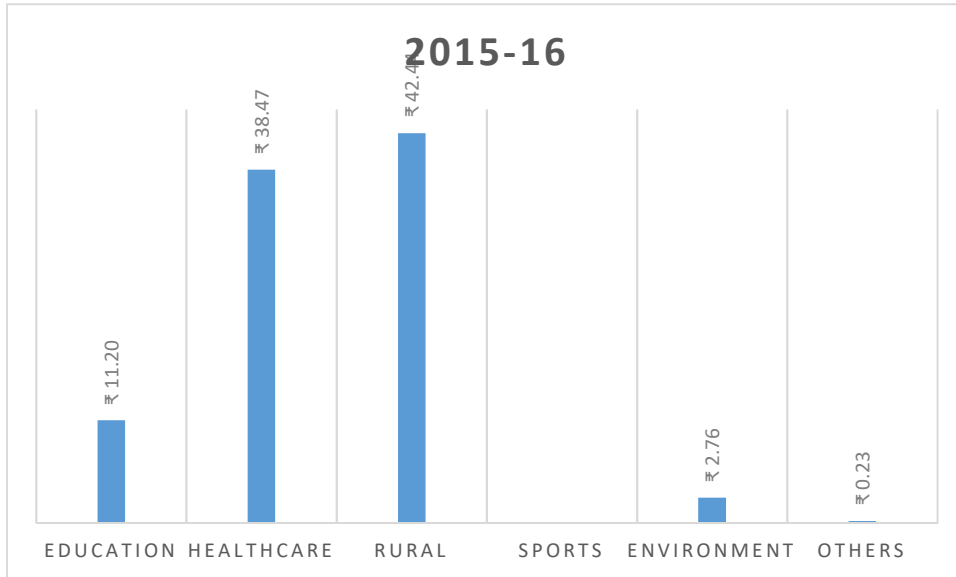
At Bharti Airtel, Corporate Social Responsibility encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Over the years, the Company has aligned its business processes and goals to make a more deep-rooted impact on the society's sustainable development. The Company's CSR and welfare activities centres around promoting education with special emphasis on girl child, livelihood enhancement education programmes, eradicating hunger, promoting preventive healthcare and sanitation and providing legal assistance to underprivileged under-trials. Bharti Airtel implements majority of its CSR activities through Bharti Foundation. Although the CSR spending is increased compared to previous years, it is still less than what is required under Clause 135 of Companies Act 2013. The reason given is that being in the initial years of implementation, the company is persistently exploring new opportunities to increase its CSR expenditure to the prescribed level. As a socially responsible company, it is committed to play a larger role in India's sustainable development by embedding wider economic, social and ecological objectives.

16. Bharat Petroleum Corporation Ltd.

Bharat Petroleum Corporation Limited (BPCL) is one of India's largest PSU companies, with Global Fortune 500 rank of 358 (2016). In 1976, the Burmah Shell was taken over by the Government of India to form Bharat Refineries Limited. On 1 August 1977, it was renamed Bharat Petroleum Corporation Limited. It was also the first refinery to process newly found indigenous crude Bombay High. As the name suggests, its interests are in petroleum sector. It is involved in the refining and retailing of petroleum products. Bharat Petroleum is considered to be a pioneer in Indian petroleum industry with various path-breaking initiatives such as Pure for Sure campaign, Petro card, Fleet card etc. One of the single digit Indian representatives in the Fortune 500 & Forbes 2000 listings, BPCL is often referred to as an "MNC in PSU garb". It is considered a pioneer in marketing initiatives, and employs "Best in Class" practices. BPCL specializes in refining, processing, and distributing petroleum

products. It offers petrol, diesel, aviation fuel, liquefied petroleum gas (LPG) and lubricants.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 7,431.88	₹ 3,929.43	₹ 78.59	₹ 95.10	0.42%
2014-15	₹ 5,084.51	₹ 2,671.68	₹ 53.43	₹ 33.40	-0.75%



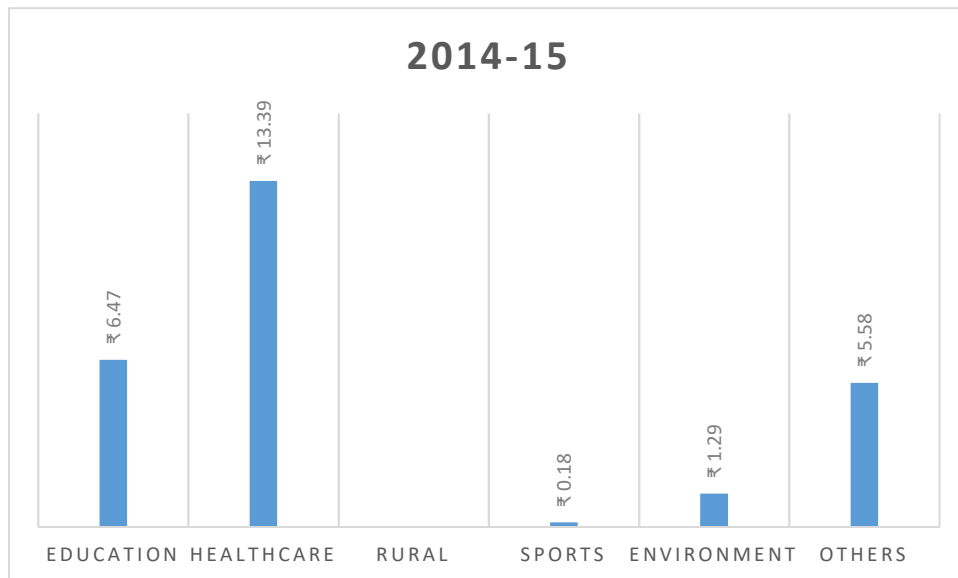
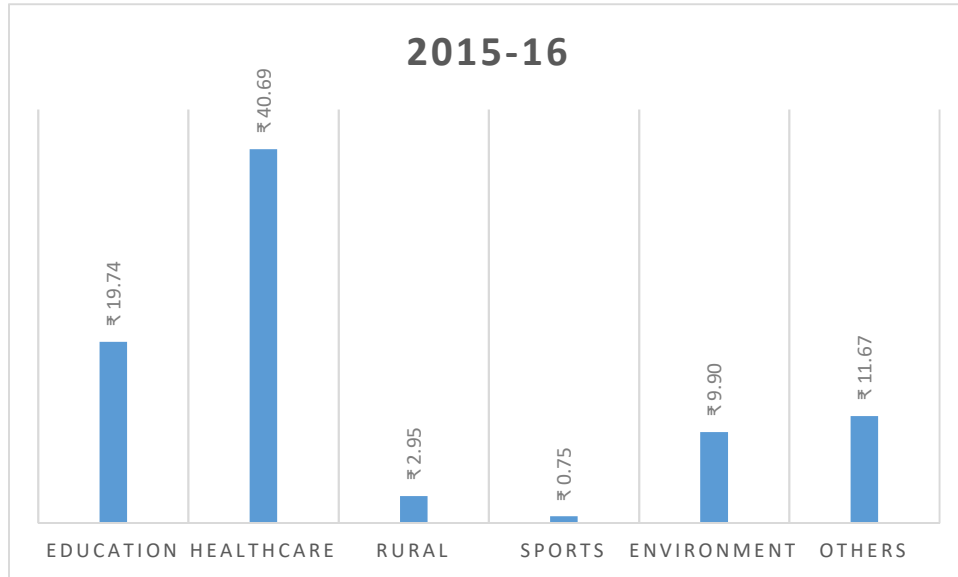
BPCL weighs its performance by its Triple Bottom Line contribution to building economic, social and environmental stability. At BPCL, energizing lives through Corporate Social Responsibility initiatives is a commitment it has pledged to fulfil as a Corporate Citizen. CSR being ingrained in its DNA, it constantly endeavours to maximize the positive impacts of its activities and ensure the benefits reach all stakeholders. BPCL has made significant progress over the years in its core thrust areas of Education, Water Conservation, Skill Development, Health & Hygiene and Community Development. Through its CSR initiatives, BPCL has strived to improve the livelihood opportunities and achieve sustainable changes in the communities neighbouring its businesses across the country as well as in rural and tribal areas. BPCL has piloted several projects in the development sector, pan India. The outcome and impact evaluation have exhibited that projects have triggered a positive outcome and established a sense of community ownership in the broader social context.

17. Housing Development Finance Corporation Ltd.

In 1977 HDFC was incorporated as a public limited company and it was promoted by the Industrial Credit and Investment Corporation of India. HDFC is a holding company and it pioneered the housing finance segment and till date it has financed approx. 5.7 million cumulative units with gross loans of approx. ₹ 3.3 trillion. It also has a presence in banking, life and general insurance, asset management, venture capital and education loans. It offers insurance products, such as motor, health, travel, home and personal accident in the retail division, and customized products, such as property, marine, aviation and liability insurance in the corporate division. It also provides portfolio management, mutual fund, property investment management, project management, investment consultancy and property related services. Its distribution network includes over 420 offices in cities all over India and 3 offices in Dubai, London, and Singapore for offering home loan products to NRI's. Its subsidiaries include HDFC

Bank, HDFC Developers Ltd., HDFC Investments Ltd., HDFC Trustee Co. Ltd. and HDFC Asset Management Co. Ltd., among others

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 7,093.10	₹ 5,426.24	₹ 108.52	₹ 85.70	-0.42%
2014-15	₹ 5,990.14	₹ 4,803.73	₹ 96.07	₹ 26.91	-1.44%

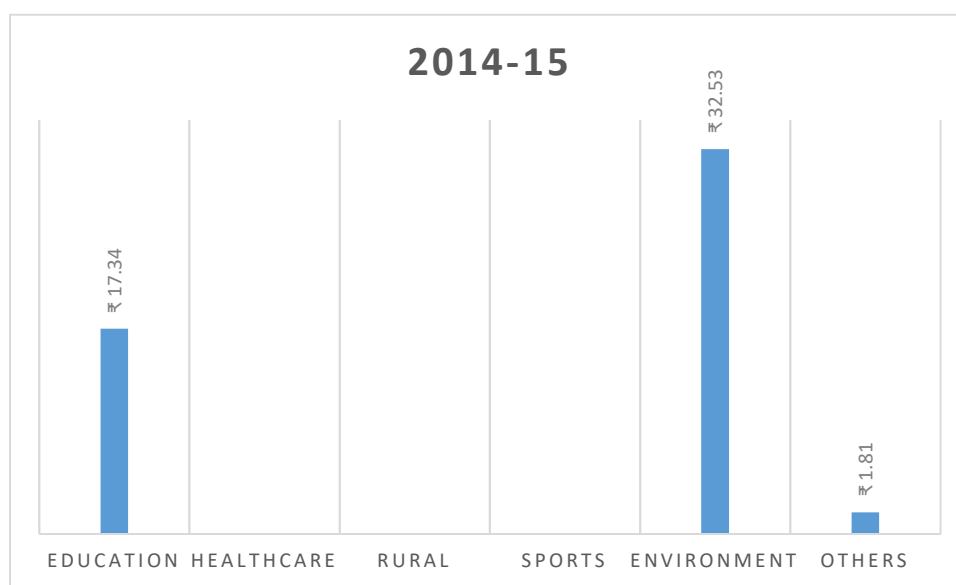
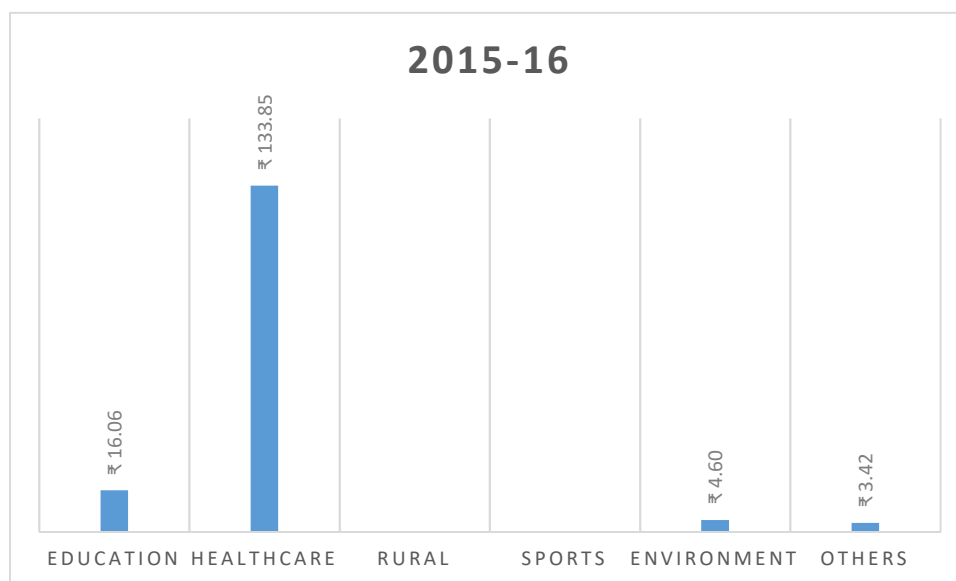


The guiding principle of HDFC's CSR activities is that institutional giving should focus on building organisations that will eventually be self-reliant and empower the beneficiaries. Accordingly, HDFC continues to support a range of social interventions and development initiatives (irrespective of the size of the implementing organisation), to facilitate deep and long-term impact for a developed and inclusive society. As early as 1988, HDFC established a fund called the Shelter Assistance Reserve (SAR) with the main objective of participating and supporting worthwhile social projects. This year, the focus of HDFC's CSR activities has been across 3 thematic areas – healthcare, education and sanitation. Most of the CSR activities in HDFC are contributed through H T Parekh Foundation.

18. Power Finance Corporation Ltd.

Power Finance Corporation Limited is a non-banking financial company engaged in business of financing companies. The Company's principal products/services include interest on loans and income from other services. The Company's principal business is to provide financial assistance to the power sector. Its fund-based financial policies/products include takeout financing, asset acquisition, bridge loan, buyer's line of credit, credit facility for purchase of power through power exchange, financing of fuel supply projects and equipment manufacturers, lease financing for purchase of equipment's, lease financing for wind power projects and line of credit for import of coal. Its non-fund based financial policies/products include guarantee, letter of comfort and policy for guarantee for credit enhancement. The Company also provides consultancy and capital advisory services. PFC presently has nine subsidiary companies. PFC Consulting Ltd. (PFCCL) is a wholly owned subsidiary handling fee based services. The six other companies, namely Coastal Karnataka Power Limited, Coastal Tamil Nadu Power Limited, Coastal Maharashtra Power Limited, Orissa Integrated Power Limited, Jharkhand Integrated Power Limited and Akaltara Power Limited, are SPVs (Shell Companies) created for implementing the Ultra Mega Power Projects.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 6,113.48	₹ 5,265.56	₹ 105.31	₹ 157.93	1.00%
2014-15	₹ 5,959.33	₹ 4,289.70	₹ 85.79	₹ 51.68	-0.80%



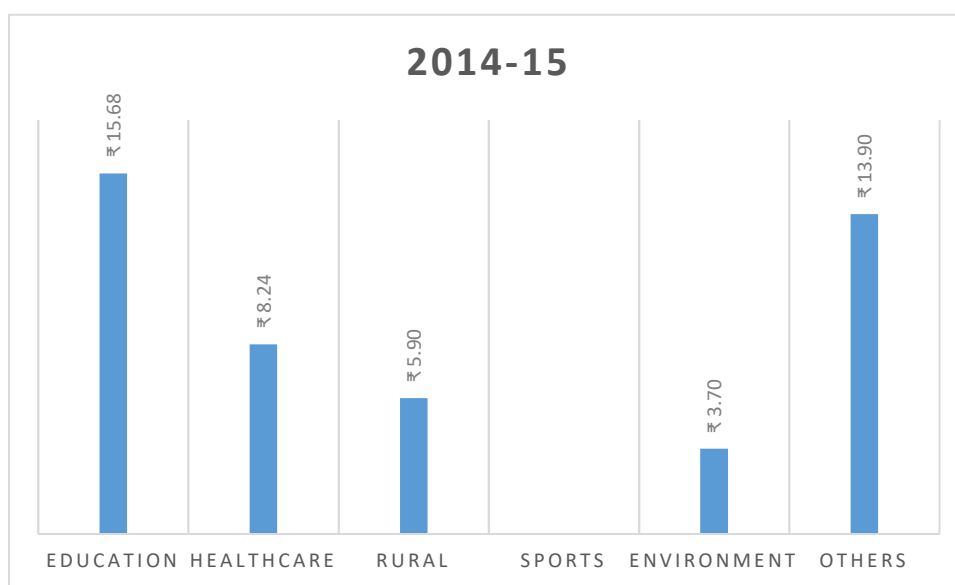
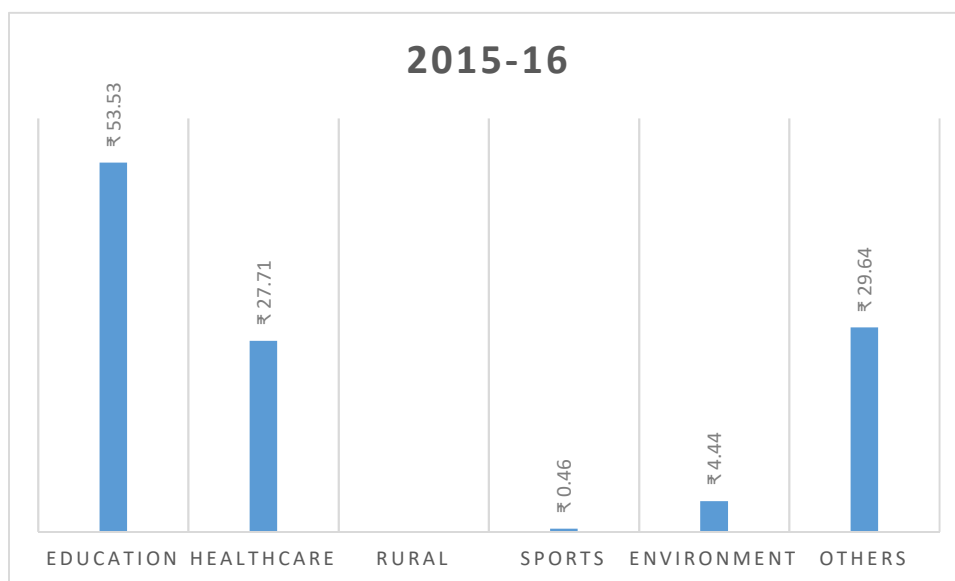
The guiding principle of PFC’s CSR policy is “Impact through Empowerment,” where empowerment is a process of strengthening the future today, so that risks are

minimized, value created and certainty is experienced. As a constructive partner in the community in which it operates, PFC has been taking concrete action to realize its social responsibility objectives through provision of clean & reliable power by installing micro solar PV power plants across Indian districts and by promoting education, arts, culture, music, dance, sports, afforestation through sponsorship support. PFC had constructed or provided funds for 9,200 toilets in Govt. schools of Andhra Pradesh and Rajasthan under “Swachh Bharat Abhiyan” mission. Similarly, as part of “Swachh Vidyalaya Abhiyan” of GoI, financial assistance has been provided for conducting Vocational Skill development Training for Unprivileged/ Unemployed Youth of SC/ST/OBC/PWD/Women & EWS of society through CIPET for 2000 participants.

19. Power Grid Corporation of India Ltd.

Power Grid Corporation of India Limited is a Navratna PSU and is a transmission company engaged in the power transmission business with responsibility for planning, implementation, operation and maintenance of Inter-State Transmission System and operation of National and Regional Load Dispatch Centres. Power grid transmits about 50% of the total power generated in India on its transmission network. The Company's segments include Transmission, Telecom and Consultancy. The Transmission segment includes extra high voltage/high voltage (EHV/HV) networks and grid management. It also owns EHV alternating current (AC) and HV direct current (HVDC) sub-stations. The Consultancy segment includes planning, design, engineering, load dispatch, procurement management, operation and maintenance, financing and project management. The Telecom segment includes transmission infrastructure, enterprise services and topologies. It owns and operates over 129,350 circuit kilometres of EHV transmission lines. It has approximately 210 sub-stations. Its Smart Grid enables real time monitoring and control of power system.

Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 6,026.72	₹ 4,818.59	₹ 96.37	₹ 115.78	0.40%
2014-15	₹ 4,979.17	₹ 4,570.36	₹ 91.41	₹ 47.42	-0.96%



Power Grid Corporate Social Responsibility addresses the issues of Community Development (including livelihood generation through skill development, Infrastructure

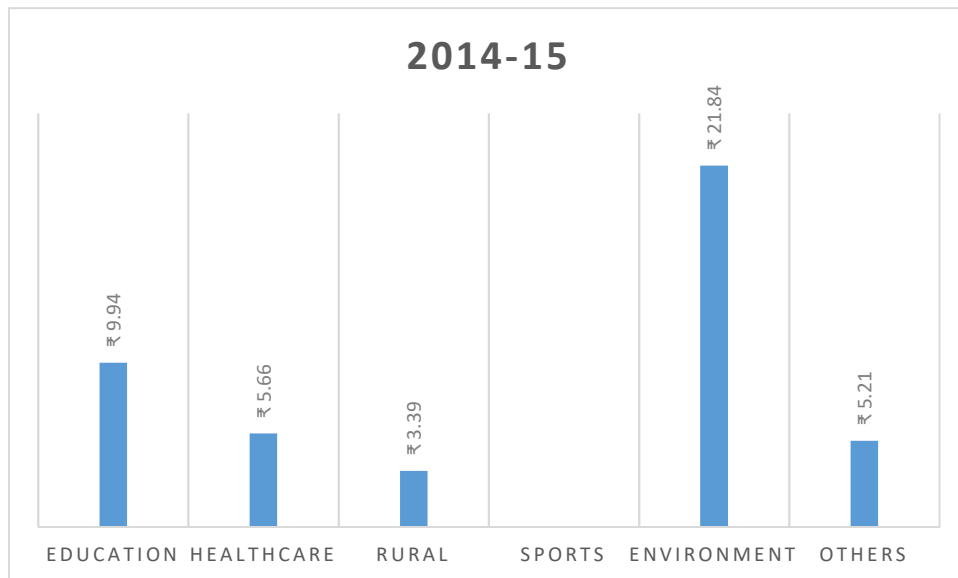
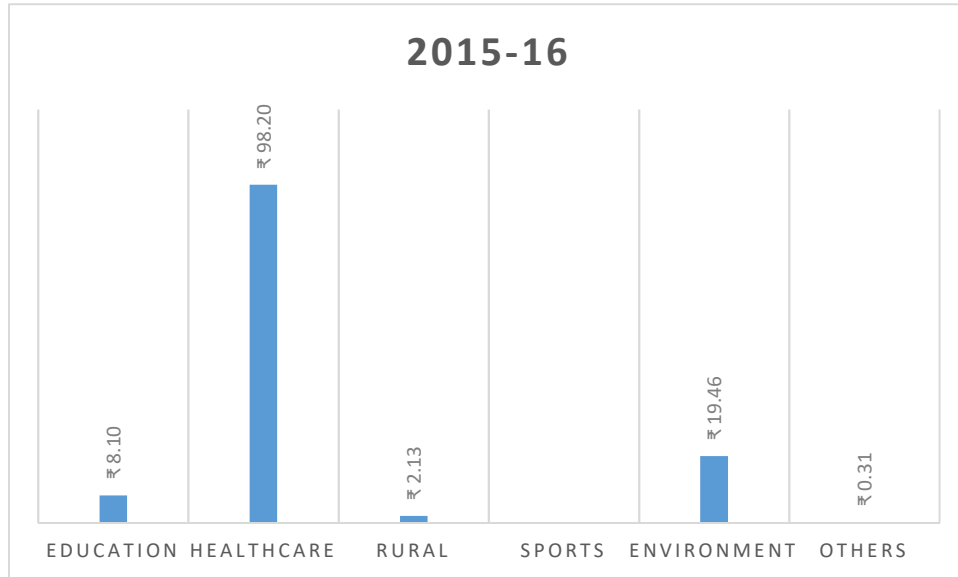
creation for Rural Development, environmental sustainability, education, health etc.) primarily around our areas of operations. The ratio of CSR spends between the local areas and outside would be approximately 75:25. However, projects/ activities executed under the directives of Government of India or of foremost concern in the national development agenda will be outside the purview of this ratio. During the year, your Company participated in the “Swachh Bharat Abhiyan” by constructing about 9500 toilets in about 4,250 Government schools in several states of India. Primary focus of the CSR intervention of Power Grid was for inclusive development of under-privileged, vulnerable and deprived section of the society. A large number of women, SC/ST/Minority, poor & marginalized section of the population were benefitted as a result of CSR initiatives. Various CSR initiatives such as construction of roads, Solar street lights, Water supply pumps, treatment plants, Water ATMs, community centres in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, Scholarship to students, supply of Ambulances, aids and appliances to Divyangs, medical devices etc. were undertaken.

20. Rural Electrification Corporation Ltd.

Rural Electrification Corporation Limited (REC), a listed Navratna PSU and is a Non-Banking Financial Company with 'Infrastructure Finance Company' status. The Company provides finance to power sector. It finances and promotes rural electrification projects all over the country. It provides financial assistance to State Electricity Boards, State Government Departments and Rural Electric Cooperatives for rural electrification projects as are sponsored by them. It provides loan assistance to state electricity boards (SEBs)/State Power Utilities for investments in rural electrification schemes through its corporate office located at New Delhi and over 20 field units, which are located in most of the states. It has sanctioned approximately 580 transmission and distribution schemes, which include primary power evacuation schemes associated with generating plants, system improvement schemes, including

feeder segregation schemes, bulk loan schemes, intensive electrification schemes and pump set energization schemes.

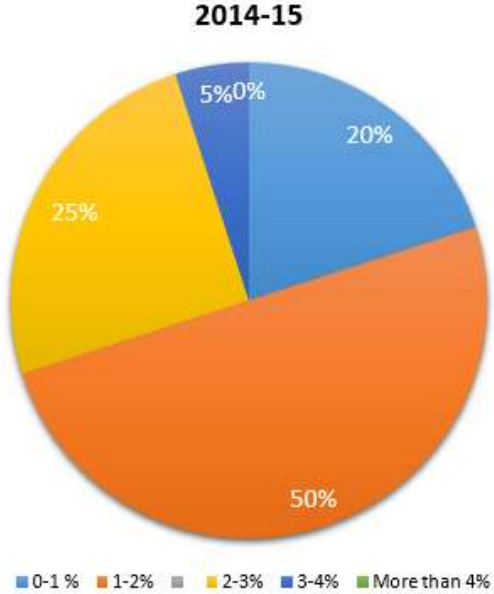
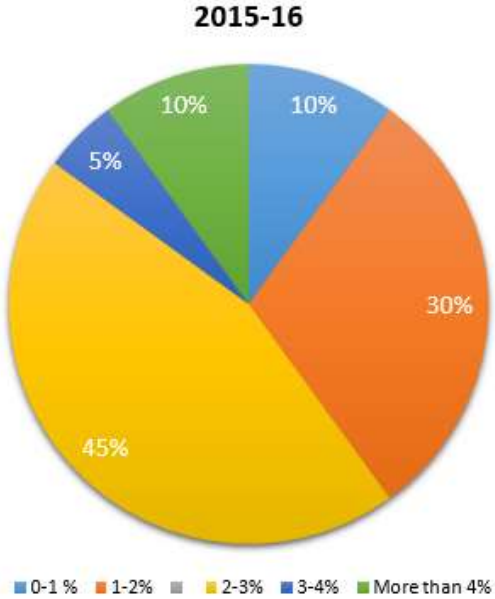
Year	Profit (₹ in Cr)	Avg. Profit (3 Yrs) (₹ in Cr)	Prescribed CSR (₹ in Cr)	Actual CSR (₹ in Cr)	Deviation
2015-16	₹ 5,627.66	₹ 4,587.06	₹ 91.74	₹ 128.20	0.79%
2014-15	₹ 5,259.87	₹ 3,772.78	₹ 75.46	₹ 46.04	-0.78%



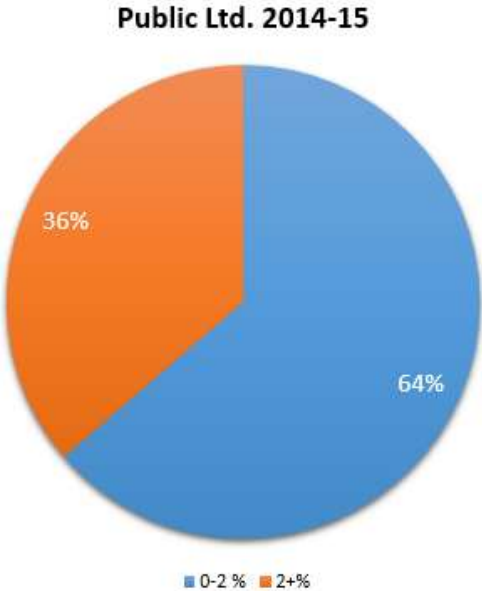
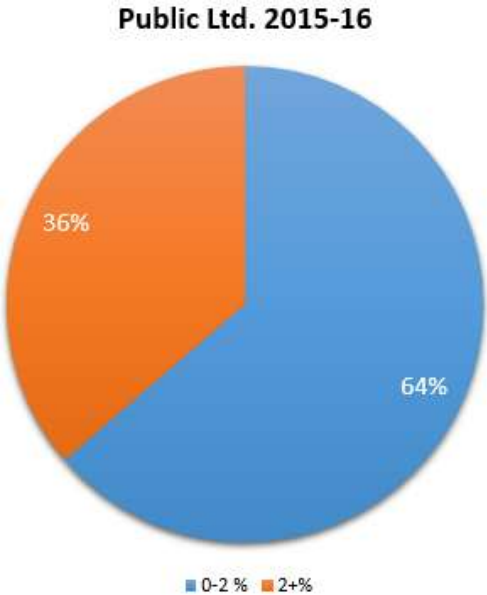
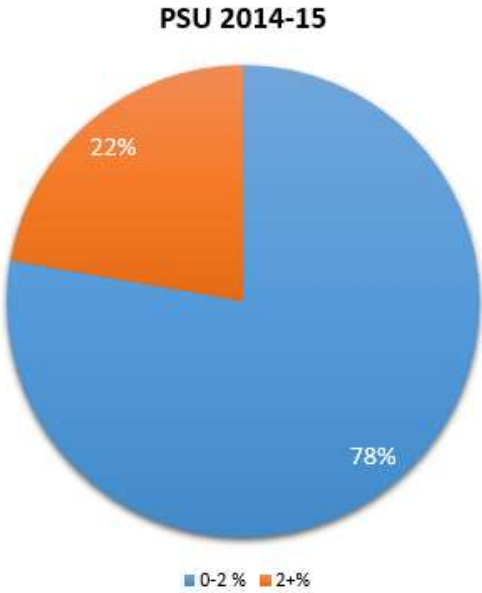
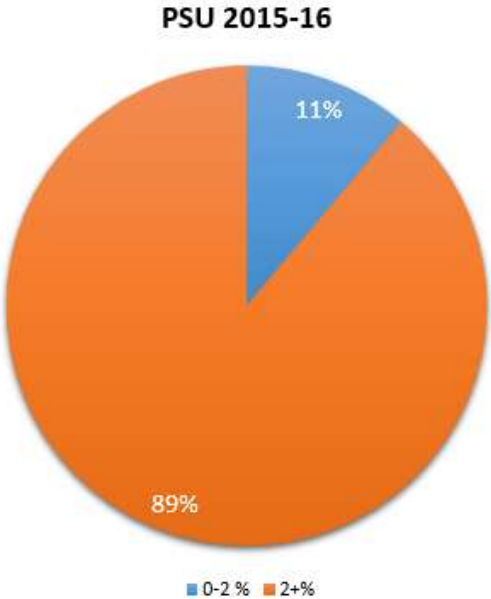
Corporate Social Responsibility and Sustainable Development initiatives of the REC were continued with its view to integrate business operations with social processes while recognizing the interests of its stakeholders. CSR projects were linked with the principle of sustainable development. The strategic focus was aimed at CSR initiative towards fulfilling the National Plan goals and objectives including Millennium Development Goals ensuring gender sensitivity, skill enhancement, entrepreneurship and employment generation by co-creating value with local institutions/ people. Although the Company may select CSR projects from a vast range of available options, priority would be accorded to activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country in the given chosen/focus area(s) and environment sustainability. While identifying such initiatives the Company has adopted an integrated approach to address the community, societal and environmental concerns measured in terms of triple bottom line approach. During the year, the Company has undertaken various CSR initiatives in the fields of skill development programmes, education, environmental sustainability, promotion of health care including for old age and persons with disabilities, drinking water and sanitation facilities including participation in Swachh Vidyalaya Abhiyan, solar smart micro grid lights in select un-electrified/ poorly electrified villages, etc. REC had engaged its wholly owned subsidiary, RECPDCL, as Project Implementing and Monitoring Agency for building of toilets in schools under its CSR initiatives under 'Swachh Vidyalaya Abhiyan'. REC has also contributed funds for distribution of solar lanterns under its CSR initiatives.

Data Analysis of CSR Spending

CSR Compliance Meter

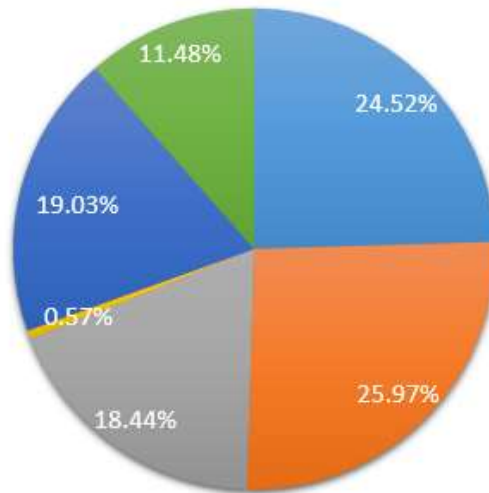


PSU Vs Public Ltd. Compliance



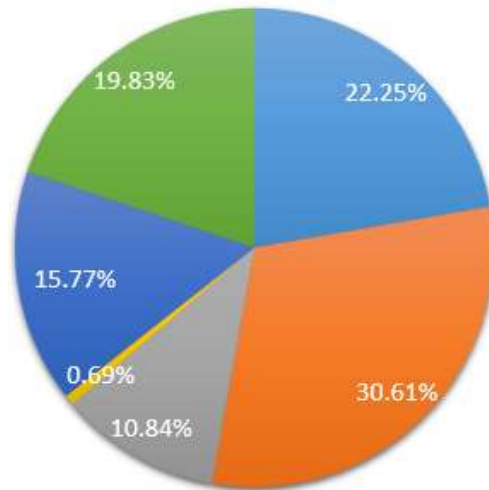
Theme-wise CSR Spend

2015-16



■ Education ■ Healthcare ■ Rural ■ Sports ■ Environment ■ Others

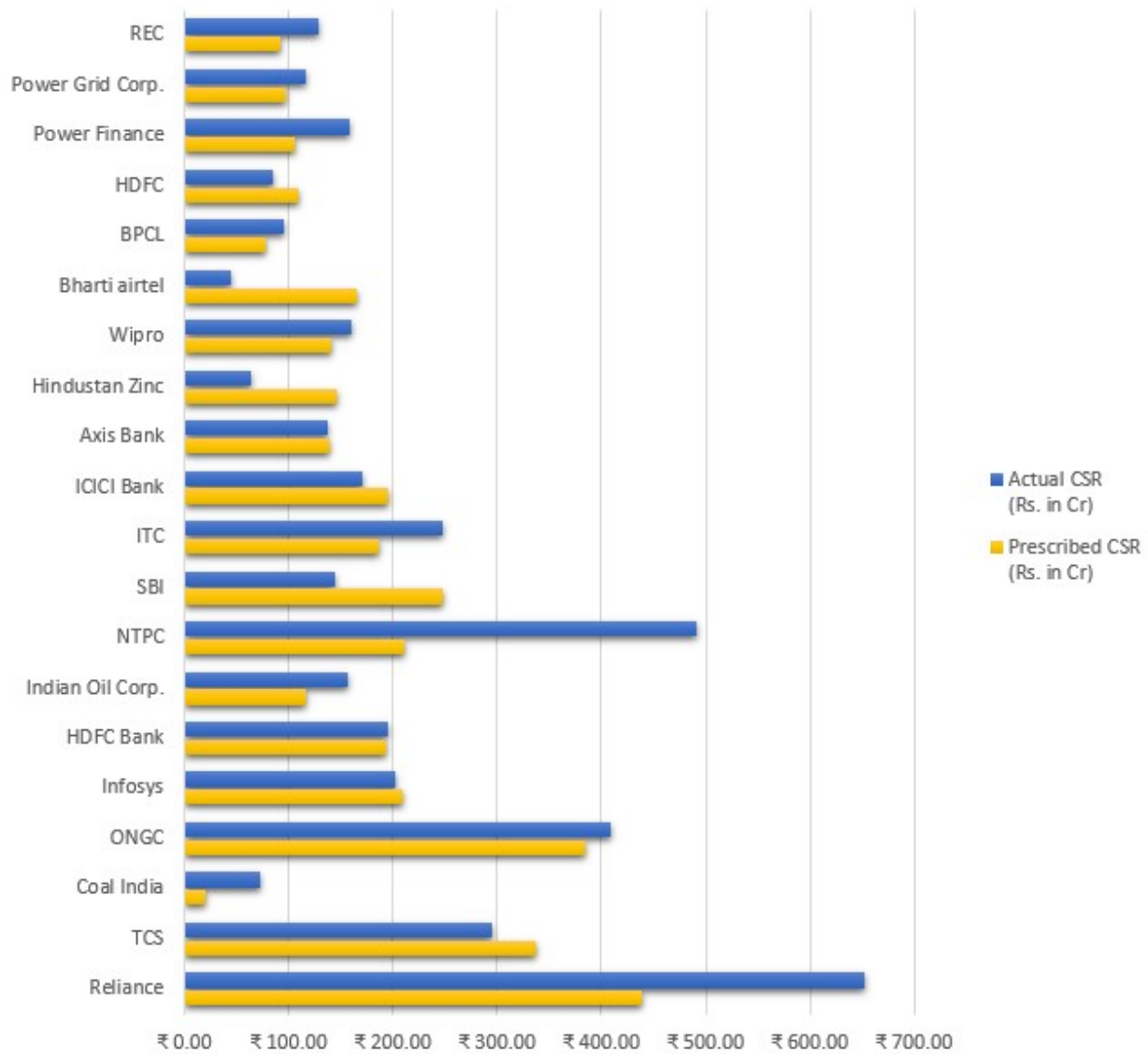
2014-15



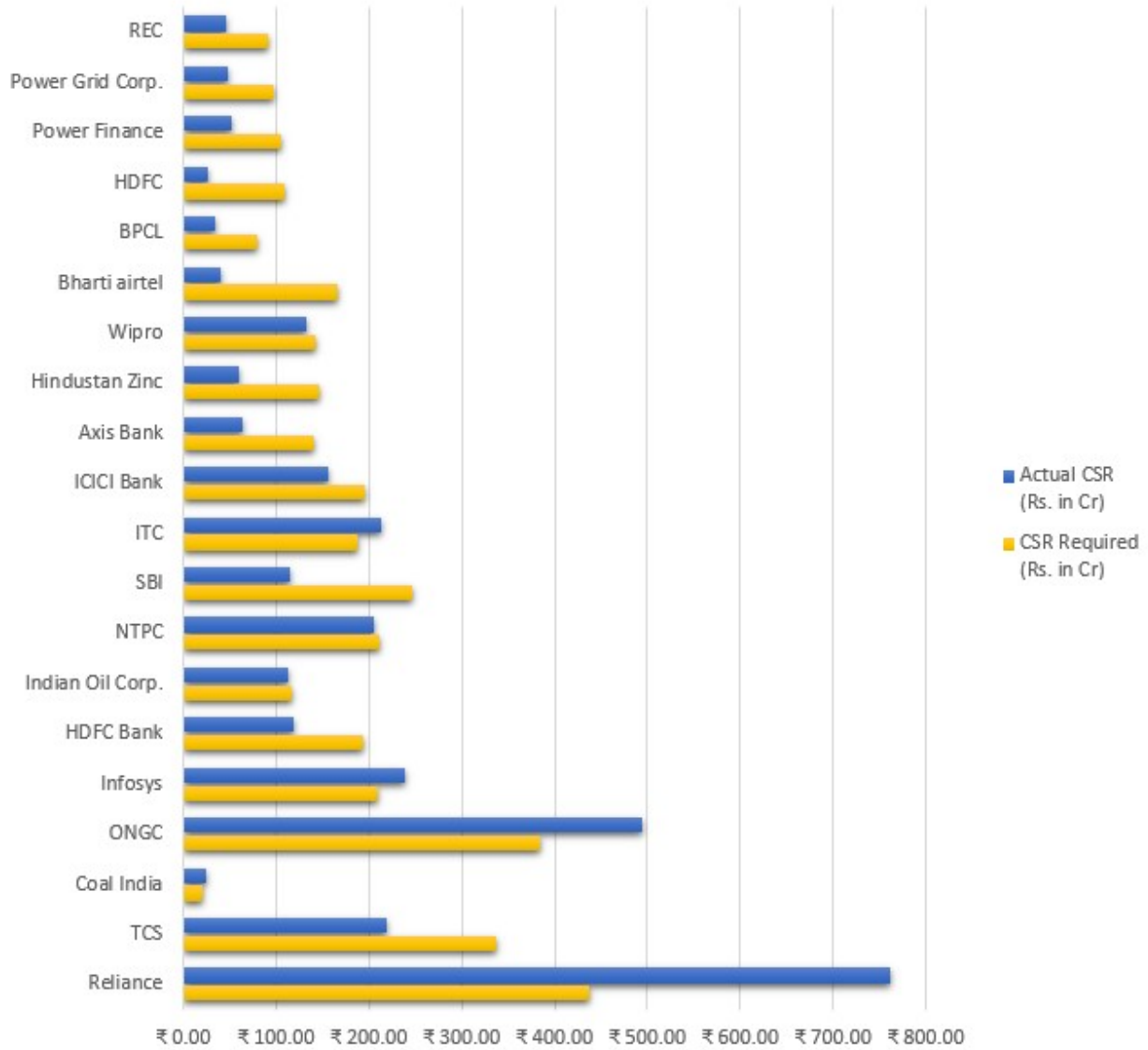
■ Education ■ Healthcare ■ Rural ■ Sports ■ Environment ■ Others

Actual vs Prescribed CSR

2015-16



2014-15



Conclusion

- In 2014-15 financial year only 30% of the companies in our sample spent more than mandatory 2% of average of preceding three year profits on CSR activities. The Clause 135 of Companies Act 2013 came into force on 1 April 2014, so this was the first year to meet the CSR spending requirement. Many of the companies were not prepared for this in the first year and not able to plan and implement CSR activities.
- In 2015-16 financial year more than 60% of the companies met or exceeded the CSR spending requirement.
- In our sample, 78% PSU's were not able to meet the CSR spending requirement in 2014-15, but improved a lot in 2015-16 when almost 90% of PSU's met this requirement. Whereas in case of Public Ltd. companies, in both the financial years' approximately 2/3 of the companies didn't met the CSR spending requirement.
- In both the financial years, Education and Healthcare sectors received the maximum amount and accounted for approximately 50% of the total amount spent by selected companies. In education sector companies are spending on basic education as well as vocational skill enhancement, IT, and financial trainings. In healthcare, the spending are mostly in providing basic healthcare facilities as well as clean drinking water facilities.
- Environment sector received 15-20% of the total CSR spending for initiatives like providing clean fuel through free LPG distribution under Prime Minister Ujjwala Yojna to lower income households and building toilets under Swachh Bharat Abhiyan. Investment in Rural infrastructure is also more than 10% in 2014-15 and close to 20% in 2015-16 financial year.
- The Sports sector saw the least spending of less than 1% of total amount spent in both the years, this probably gives indication on why despite having such a large population we don't have many world class sportspersons.

Corporate Social Responsibility, though obligatory and mandatory, has now transcended to such a convincing belief that many Corporates feel, for their business to be successful the communities around also have to prosper. It ought to be a mutually beneficial symbiotic co-existence. It is important to earn the trust and loyalty of the communities within the proximity of business operations to take forward one's own goals. Corporate social responsibility and volunteerism have no boundaries and are not constrained by race, colour, or religion. Sadly, concern for the community is often mistaken for socialism. On the contrary, capitalism thrives only when every citizen is an asset in economic activity and has opportunities to succeed. Corporate social responsibility is a culture and unwritten contract with the community. This invisible culture can shape brighter futures for nations.

Every country should embrace the remarkable concept of individuals and businesses forming a partnership to support social causes. In the context of India, such a partnership has enormous potential for strengthening society. It reduces dependency on the government for social change. Most governmental program quickly becomes embroiled in political manipulation, corruption, communal overtones, and bitter infighting. There is a need for public-private partnership with well-defined controls and processes for the best use of resources for social change. Social reforms driven by the community will bring people together, turn the attention of the masses to tasks that benefit society, and reinforce peace and harmony.

However, the challenges in India are enormous. Social responsibility should not be limited to large successful corporations; there should be greater participation from most small, medium, and large businesses. The goodwill firms can generate from acts of social responsibility may, in fact, be worth far more to the businesses than the amounts they give. Corporations collectively can make India a better place for every citizen.

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