

**CORPORATE SOCIAL RESPONSIBILITY PRACTICES
OF KERALA BASED LISTED COMPANIES**

*Thesis Submitted to the
University of Calicut
for the Award of the Degree of*
**DOCTOR OF PHILOSOPHY
IN
COMMERCE**

By
SUCHITRA A.

Under the Supervision of
Dr. P.V. BASHEER AHAMMED

**PG Department of Commerce
P.S.M.O. College Tirurangadi
Malappuram, Kerala
(Affiliated to University of Calicut)**

August 2019

Suchitra A.

Research Scholar

PG Department of Commerce

P.S.M.O. College Tirurangadi

(Affiliated to University of Calicut)

Malappuram, Kerala - 673 306

DECLARATION

I hereby declare that this thesis entitled '**Corporate Social Responsibility Practices of Kerala Based Listed Companies**' submitted to the University of Calicut for the award of the Degree of Doctor of Philosophy is an original record of research work carried out by me under the guidance and supervision of Dr.P.V.Basheer Ahammed, PG Department of Commerce, P.S.M.O. College, Tirurangadi.

I also declare that no part of this thesis has been presented for the award of any degree, diploma, fellowship, or other similar title or recognition of any University/Institution before.

Place: Tirurangadi

Date: 03/08/2019

Suchitra .A

Dr. P.V. Basheer Ahammed

Associate Professor (Rtd)
PG Department of Commerce
P.S.M.O. College Tirurangadi
(Affiliated to University of Calicut)
Malappuram, Kerala – 676306
Email: pvbaman@gmail.com

CERTIFICATE

This is to certify that this thesis entitled ‘**Corporate Social Responsibility Practices of Kerala Based Listed Companies**’ prepared by Mrs. Suchitra A., for the award of the Degree of Doctor of Philosophy in Commerce of the University of Calicut, is a record of bonafide research work carried out by her under my supervision and guidance. No part of the thesis has been submitted for any degree, diploma, fellowship or other similar title or recognition before.

Place: Tirurangadi
Date: 03/08/2019

Dr. P.V. Basheer Ahammed
Research Supervisor

Acknowledgement

First and foremost, I would like to thank God Almighty for giving me the opportunity and strength to undertake this study and to complete it satisfactorily. I owe this work to God Almighty and all my teachers who taught me throughout my life till this day.

For the successful completion of this thesis I am indebted to all the inspiration and constant support I received from various sources. I wish to express my deep sense of gratitude to all those who helped me in carrying out this study and completing the thesis.

I would like to express my profound thanks and indebtedness to my distinguished guide Dr. P.V. Basheer Ahammed, Associate Professor (Rtd.), P.S.M.O. College, Tirurangadi. His invaluable guidance, inspiration and admirable patience helped me for the successful completion of my thesis. He has given me all the freedom to pursue my research, while non-obtrusively ensuring that I stay on course and do not deviate from the core and context of my research. The work would not have been possible without his guidance, constant support and continuous encouragement.

I hereby thank Directorate of Research for their timely help during the period of study.

I would like to express my sincere thanks to the authorities of P.S.M.O. College who provided me an opportunity to undertake this research work in their reputed institution. I am grateful to M.K Abdurahiman (Manager) and Dr. K. Azeez (Principal) of P.S.M.O College for their support and assistance. I also acknowledge my gratitude to Prof. N. Abdurahiman, Dr. P.M. Alavikkutty, Prof. M. Haroon, Dr. M.A Zubair (Former Principals) of P.S.M.O College for their support and inspiration. I am grateful to Dr.P.M.Habeeburahman, Dr. Yakoob C. and Dr.K.P. Vinodkumar for their support. I am also thankful to Mr.Ahammed Koolath (Senior Superintendent) Mr.C.H.Ibrahim Khaleel (Librarian), Sri.Haris.A.K.(Digital Library), Mr.Kunhimammed A. (UGC Network Resource Centre) and other non-teaching staff members of the college who provide their service for timely completion of my work.

I am thankful to Mr.Musthafa. K, Head, P.G.Dept. of Commerce and Centre of Research, P.S.M.O. College, Tirurangadi, for his encouragements. I wish to express my sincere thanks to Dr. Sreesh.C.H., Dr.Jubair T., Dr.Nissar P., Dr.Munavver Azeem Mullappallykayamkulath, Dr. Abdul Nasar V., Dr.Jisana P. and Mrs. Saleena for their generous help in my research work. I am highly indebted to my fellow doctoral students in the department for their inspiration, support and constructive criticism.

I would like to express my sincere thanks to Head and all the faculties in Department of Commerce and Management Studies, University of Calicut for their support during my research work.

I sincerely thank Dr.Sreejith S., Assistant Professor, School of legal Studies, Cochin University of Science and technology for the seamless help rendered in the analysis part of the thesis as well as in the completion of my work.

I am grateful to the authorities and CSR team of Cochin Shipyard Limited especially Mr.Sambath Kumar P.N. and Mr.Yoosaf A.K. for offering their whole hearted support in carrying on this research based on CSL's CSR project at Chottanikkara Panchayath. I also express my thankfulness to the Panchayath Member Mr. Johnson of Ambadimala, Chottanikkara Panchayat for helping me with the data collection.

I am also grateful to all respondents who have been patient enough to spend their valuable time to answer my questions which has been the backbone of the study. I am also thankful to Corporate Ethos Private Limited, Palarivattom, Cochin for the help rendered in framing the initial focus for my study. I also wish to express my appreciation for the work done by Shyam Lal in designing the layout of the thesis. I also owe my thanks to Mr. Sidhique, who took me everywhere I needed to go as a part of my research work.

I am indebted to all my dear teachers, especially Mr.Janardhanan P., Dr. Rajagopalan P., Mr. Nandakumaran C., and Dr.M.K.Ramakrishnan for their inspiration. I also thank the Principal and my colleagues at Sree Sankara Vidyapeetom College, Ernakulam and Sreekrishnapuram V T B College, Palakkad. I also thank my students for their constant enquiries regarding my research work. I thank my dear friends Ms.Nawal Mohammed P.K, Ms. Ramya Ramakrishnan C.R. and Ms. Sunanda K. for their encouragement.

I express my sincere gratitude to my whole family for their support in fulfilling this endeavor. I feel grateful to my parents for encouraging me in every stage of my education and for making me who am today. I also express my love and gratitude to my husband, Mr. Harigovind P.C. for constantly supporting me in this journey to realise my dream.

Finally I would like to express my sincere thanks to one and all that have extended their support directly or indirectly to me for the successful completion of this work.

Suchitra A.

CONTENTS

| <i>Chapter No.</i> | <i>Particulars</i> | <i>Page No.</i> |
|--------------------|---|-----------------|
| | <i>Acknowledgement</i> ----- | <i>i</i> |
| | <i>List of Tables</i> ----- | <i>iv</i> |
| | <i>List of Figures</i> ----- | <i>ix</i> |
| Chapter 1 | INTRODUCTION ----- | 1 |
| Chapter 2 | REVIEW OF LITERATURE ----- | 24 |
| Chapter 3 | THEORETICAL AND LEGAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA ----- | 63 |
| Chapter 4 | CSR PRACTICES AND COMPLIANCE OF KERALA BASED LISTED COMPANIES ----- | 109 |
| Chapter 5 | CSR PROJECT OF COCHIN SHIPYARD LIMITED ----- | 161 |
| Chapter 6 | PERCEPTION OF THE BENEFICIARIES REGARDING CORPORATE SOCIAL RESPONSIBILITY ----- | 179 |
| Chapter 7 | PERCEPTION OF THE BENEFICIARIES REGARDING CSR PROJECT OF COCHIN SHIPYARD LIMITED ----- | 210 |
| Chapter 8 | FINDINGS, SUGGESTIONS AND CONCLUSION ----- | 256 |
| | BIBLIOGRAPHY ----- | 280 |
| | APPENDICES | |

LIST OF TABLES

| <i>Table No.</i> | <i>Particulars</i> | <i>Page No.</i> |
|------------------|---|-----------------|
| Table 1.1: | State wise CSR spending for the year 2018 ----- | 4 |
| Table 1.2: | Variables studied using secondary data ----- | 11 |
| Table 1.3: | Variables used in the primary Data Analysis----- | 14 |
| Table 4.1: | List of the Kerala Based Listed Companies ----- | 110 |
| Table 4.2: | Classification of the Companies according to Industry----- | 111 |
| Table 4.3: | Formation of CSR committee ----- | 113 |
| Table 4.4: | Number of members in the CSR committee----- | 114 |
| Table 4.5: | Presence of Independent Directors in the Committee----- | 114 |
| Table 4.6: | Number of Independent Directors in the Committee----- | 115 |
| Table 4.7: | Presence of women directors in the committee ----- | 115 |
| Table 4.8: | Number of women directors in the committee ----- | 115 |
| Table 4.9: | Disclosure of the CSR committee composition in the director's annual report ----- | 116 |
| Table 4.10: | Disclosure of role of CSR committee in the director's annual report ----- | 116 |
| Table 4.11: | CSR committee meetings held in a year ----- | 117 |
| Table 4.12: | Formulation of CSR Policy ----- | 118 |
| Table 4.13: | Availability of CSR policy in public domain and the policy link in the director's annual report----- | 119 |
| Table 4.14: | Number of Companies made the disclosures through the CSR policy----- | 119 |
| Table 4.15: | Number of Companies which made the disclosure of the treatment of surplus----- | 120 |
| Table 4.16: | Nature of disclosure made regarding the treatment of surplus----- | 121 |
| Table 4.17: | Reporting of CSR in the annual report ----- | 122 |
| Table 4.18: | Reporting of CSR in the format prescribed by the Act ----- | 123 |
| Table 4.19: | Reporting of the responsibility statement----- | 123 |
| Table 4.20: | Comparison of Prescribed Expenditure and Actual Expenditure-- | 124 |
| Table 4.21: | Major sectors of CSR spending ----- | 125 |
| Table 4.22: | Comparison of Prescribed Expenditure and Actual Expenditure-- | 125 |
| Table 4.23: | Major sectors of CSR spending ----- | 126 |
| Table 4.24: | Comparison of Prescribed Expenditure and Actual Expenditure-- | 126 |
| Table 4.25: | Major sectors of CSR spending ----- | 126 |

| | |
|---|-----|
| Table 4.26: Comparison of Prescribed Expenditure and Actual Expenditure-- | 127 |
| Table 4.27: Major sectors of CSR spending ----- | 127 |
| Table 4.28: Comparison of Prescribed Expenditure and Actual Expenditure-- | 128 |
| Table 4.29: Major sectors of CSR spending ----- | 128 |
| Table 4.30: Comparison of Prescribed Expenditure and Actual Expenditure-- | 129 |
| Table 4.31: Major sectors of CSR spending ----- | 129 |
| Table 4.32: Comparison of Prescribed Expenditure and Actual Expenditure-- | 130 |
| Table 4.33: Major sectors of CSR spending ----- | 130 |
| Table 4.34: Comparison of Prescribed Expenditure and Actual Expenditure-- | 131 |
| Table 4.35: Major sectors of CSR spending ----- | 131 |
| Table 4.36: Comparison of Prescribed Expenditure and Actual Expenditure-- | 131 |
| Table 4.37: Major sectors of CSR spending ----- | 132 |
| Table 4.38: Comparison of Prescribed Expenditure and Actual Expenditure-- | 132 |
| Table 4.39: Major sectors of CSR spending ----- | 133 |
| Table 4.40: Comparison of Prescribed Expenditure and Actual Expenditure-- | 133 |
| Table 4.41: Major sectors of CSR spending ----- | 134 |
| Table 4.42: Comparison of Prescribed Expenditure and Actual Expenditure-- | 134 |
| Table 4.43: Major sectors of CSR spending ----- | 135 |
| Table 4.44: Comparison of Prescribed Expenditure and Actual Expenditure-- | 135 |
| Table 4.45: Major sectors of CSR spending ----- | 136 |
| Table 4.46: Comparison of Prescribed Expenditure and Actual Expenditure-- | 136 |
| Table 4.47: Major sectors of CSR spending ----- | 137 |
| Table 4.48: Comparison of Prescribed Expenditure and Actual Expenditure-- | 137 |
| Table 4.49: Major sectors of CSR spending ----- | 138 |
| Table 4.50: Comparison of Prescribed Expenditure and Actual Expenditure-- | 138 |
| Table 4.51: Major sectors of CSR spending ----- | 139 |
| Table 4.52: Comparison of Prescribed Expenditure and Actual Expenditure-- | 139 |
| Table 4.53: Major sectors of CSR spending ----- | 139 |
| Table 4.54: Comparison of Prescribed Expenditure and Actual Expenditure-- | 140 |
| Table 4.55: Major sectors of CSR spending ----- | 140 |
| Table 4.56: Comparison of Prescribed Expenditure and Actual Expenditure-- | 141 |
| Table 4.57: Major sectors of CSR spending ----- | 141 |
| Table 4.58: Comparison of Prescribed Expenditure and Actual Expenditure-- | 142 |
| Table 4.59: Major sectors of CSR spending ----- | 142 |

| | | |
|-------------|--|-----|
| Table 4.60: | Comparison of CSR spend to Average net profit and Prescribed CSR Expenditure from 2014-15 to 2017-18 ----- | 143 |
| Table 4.61: | List of companies which have not implemented CSR ----- | 143 |
| Table 4.62: | Compliance level of the Companies with Mandatory CSR Clause ----- | 143 |
| Table 4.63: | Top CSR Performers in 2014-15 ----- | 144 |
| Table 4.64: | Top CSR Performers in 2015-16 ----- | 145 |
| Table 4.65: | Top CSR Performers in 2016-17 ----- | 145 |
| Table 4.66: | Top CSR Performers in 2017-18 ----- | 146 |
| Table 4.67: | Total CSR Expenditure incurred by the Kerala based Listed Companies ----- | 147 |
| Table 4.68: | Number of companies with unspent CSR ----- | 148 |
| Table 4.69: | Number of companies with unspent CSR ----- | 148 |
| Table 4.70: | Reason for not spending ----- | 149 |
| Table 4.71: | Companies which carried forward the unspent amount ----- | 150 |
| Table 4.72: | Companies which disclosed the CSR administrative expenses --- | 150 |
| Table 4.73: | Implementation mode of CSR ----- | 151 |
| Table 4.74: | Location of CSR Spending ----- | 151 |
| Table 4.75: | Sector wise CSR spending in 2014-15 ----- | 152 |
| Table 4.76: | Sector wise CSR spending in 2015-16 ----- | 153 |
| Table 4.77: | Sector wise CSR spending in 2016-17 ----- | 154 |
| Table 4.78: | Sector wise CSR spending in 2017-18 ----- | 155 |
| Table 5.1: | Demographic Profile of the Respondents ----- | 167 |
| Table 5.2: | Socio Economic Profile of the respondents ----- | 168 |
| Table 5.3: | Main Source of water used by the beneficiaries ----- | 169 |
| Table 5.4: | Water Availability and Usage ----- | 170 |
| Table 5.5: | Average quantity of water used per day ----- | 172 |
| Table 5.6: | Breakdown of Water Supply and Redressal System ----- | 173 |
| Table 5.7: | Payment for water usage ----- | 174 |
| Table 5.8: | Committee for water management ----- | 175 |
| Table 5.9: | Suggestions from the beneficiaries for improving the project implementation ----- | 176 |
| Table 6.1: | Cronbach's Alpha for the CSR Variables ----- | 180 |
| Table 6.2: | KMO and Bartlett's Test for Sphericity ----- | 181 |
| Table 6.3: | Communalities of CSR Variables ----- | 182 |
| Table 6.4: | Total Variance Explained of the CSR variables ----- | 183 |

| | | |
|-------------|---|-----|
| Table 6.5: | Rotated Component Matrix of CSR Variables ----- | 185 |
| Table 6.6: | Descriptive Statistics of Transparency ----- | 188 |
| Table 6.7: | One sample Statistics ----- | 189 |
| Table 6.8: | Demographic Profile wise classifications----- | 189 |
| Table 6.9: | Socio Economic Profile wise Classifications ----- | 190 |
| Table 6.10: | Descriptive Statistics of Responsibility ----- | 191 |
| Table 6.11: | One sample Statistics ----- | 192 |
| Table 6.12: | Demographic Profile wise classifications----- | 192 |
| Table 6.13: | Socio Economic Profile wise classifications ----- | 193 |
| Table 6.14: | Descriptive Statistics of Sustainability ----- | 195 |
| Table 6.15: | Showing the One sample Statistics ----- | 196 |
| Table 6.16: | Demographic Profile wise Classifications ----- | 196 |
| Table 6.17: | Socio Economic Profile wise Classifications ----- | 198 |
| Table 6.18: | Model Summary of Cluster analysis----- | 200 |
| Table 6.19: | Clusters and CSR Perception ----- | 203 |
| Table 6.20: | Information regarding data sets ----- | 204 |
| Table 6.21: | Information regarding network ----- | 204 |
| Table 6.22: | Modal Summary ----- | 205 |
| Table 6.23: | Parameter Estimates----- | 206 |
| Table 6.24: | Classification Table ----- | 207 |
| Table 7.1: | Cronbach's Alpha for CSR Project Variables----- | 211 |
| Table 7.2: | KMO and Bartlett's Test for Sphericity for CSR Project Variables -- | 211 |
| Table 7.3: | Communalities of CSR Project Variables ----- | 213 |
| Table 7.4: | Total Variance Explained of the CSR Project variables ----- | 214 |
| Table 7.5: | Rotated Component matrix of CSR Project Variables ----- | 217 |
| Table 7.6: | Descriptive Statistics of Project Quality ----- | 222 |
| Table 7.7: | One sample Statistics ----- | 223 |
| Table 7.8: | Demographic Profile wise Classifications ----- | 223 |
| Table 7.9: | Socio Economic Profile wise Classifications ----- | 224 |
| Table 7.10: | Descriptive Statistics of Project Management ----- | 225 |
| Table 7.11: | One sample Statistics ----- | 226 |
| Table 7.12: | Demographic Profile wise Classifications ----- | 226 |
| Table 7.13: | Socio Economic Profile wise Classifications ----- | 227 |
| Table 7.14: | Descriptive Statistics of Project Execution ----- | 228 |
| Table 7.15: | One sample Statistics ----- | 229 |

| | |
|--|-----|
| Table 7.16: Demographic Profile wise Classifications ----- | 229 |
| Table 7.17: Socio Economic Profile wise Classifications ----- | 230 |
| Table 7.18: Descriptive Statistics of Project Viability----- | 231 |
| Table 7.19: One sample Statistics ----- | 231 |
| Table 7.20: Demographic Profile wise Classifications ----- | 232 |
| Table 7.21: Socio Economic Profile wise Classifications ----- | 232 |
| Table 7.22: Descriptive Statistics of Project Governance----- | 233 |
| Table 7.23: One sample Statistics ----- | 234 |
| Table 7.24: Demographic Profile wise Classifications ----- | 234 |
| Table 7.25: Socio Economic Profile wise Classifications ----- | 235 |
| Table 7.26: Descriptive Statistics of Project Benefit ----- | 236 |
| Table 7.27: One sample Statistics ----- | 237 |
| Table 7.28: Demographic Profile wise Classifications ----- | 237 |
| Table 7.29: Socio Economic Profile wise Classifications ----- | 238 |
| Table 7.30: Descriptive Statistics of Project Control ----- | 239 |
| Table 7.31: One sample Statistics ----- | 239 |
| Table 7.32: Demographic Profile wise Classifications ----- | 240 |
| Table 7.33: Socio Economic Profile wise Classifications ----- | 240 |
| Table 7.34: Descriptive Statistics of Project Awareness ----- | 241 |
| Table 7.35: One sample Statistics ----- | 242 |
| Table 7.36: Demographic Profile wise Classifications ----- | 242 |
| Table 7.37: Socio Economic Profile wise Classifications ----- | 243 |
| Table 7.38: Descriptive Statistics of Project Mechanism ----- | 244 |
| Table 7.39: One sample Statistics ----- | 245 |
| Table 7.40: Demographic Profile wise Classifications ----- | 245 |
| Table 7.41: Socio Economic Profile wise Classifications ----- | 246 |
| Table 7.42: One sample statistics of Project perception----- | 248 |
| Table 7.43: Independent Sample t test for Project Rating ----- | 248 |
| Table 7.44: The effect of factors in determination of beneficiary perception-- | 250 |
| Table 7.45: Parameter Estimates----- | 252 |
| Table 8.1: Variables studied using secondary data ----- | 262 |
| Table 8.2: Disclosures made in CSR policy ----- | 264 |
| Table 8.3: Variables used in Primary Data Analysis ----- | 269 |

LIST OF FIGURES

| <i>Table No.</i> | <i>Particulars</i> | <i>Page No.</i> |
|------------------|---|-----------------|
| Figure 1.1: | Percentage of CSR spending from 2014-15 to 2018-19 ----- | 4 |
| Figure 3.1 | Stakeholder Diagram----- | 68 |
| Figure 3.2 | Classification of stakeholders----- | 69 |
| Figure 3.3 | Representation of triple bottom line concept ----- | 70 |
| Figure 4.1: | Number of Companies which formed CSR committee ----- | 113 |
| Figure 4.2: | Number of companies which formed CSR policy ----- | 118 |
| Figure 4.3: | Companies which reported CSR in the annual report ----- | 122 |
| Figure 4.4: | Compliance level of the companies with mandatory CSR ----- | 144 |
| Figure 4.5: | Percentage of actual CSR to prescribed CSR expenditure ----- | 147 |
| Figure 4.6: | Percentage of sector wise spending in 2014-15 ----- | 153 |
| Figure 4.7: | Percentage of CSR spending 2015-16----- | 154 |
| Figure 4.8: | Percentage of CSR spending 2016-17----- | 155 |
| Figure 4.9: | Percentage of CSR spending 2017-18----- | 156 |
| Figure 5.1: | Main source of water used by the beneficiaries ----- | 169 |
| Figure 5.2: | Frequency of water availability----- | 170 |
| Figure 5.3: | Usage of the water for drinking purpose ----- | 171 |
| Figure 5.4: | Various purposes for which water under the project is used ----- | 171 |
| Figure 5.5: | Purification of the water before usage----- | 172 |
| Figure 5.6: | Average quantity of water used ----- | 173 |
| Figure 5.7: | Break down of water supply ----- | 174 |
| Figure 5.8: | Payment for water supply by the beneficiaries ----- | 175 |
| Figure 5.9: | Existence of committee for water management ----- | 176 |
| Figure 5.10: | Suggestions of the beneficiaries for the improvement of the project ----- | 177 |
| Figure 6.1: | Screen Plot of CSR Variables----- | 184 |
| Figure 6.2: | Representation of Data Normality of CSR Factors using Box Plot----- | 187 |
| Figure 6.3: | Difference in the perception regarding transparency based on the number of earning members in the family of the respondents ----- | 191 |
| Figure 6.4: | Difference in the perception regarding responsibility based on the occupation of the respondents ----- | 194 |

| | | |
|--------------|--|-----|
| Figure 6.5: | Difference in the perception regarding responsibility of business based on the average monthly income of the respondents ----- | 195 |
| Figure 6.6: | Difference in the perception regarding sustainability based on the number of members in the household of the respondents ---- | 197 |
| Figure 6.6: | Difference in the perception regarding sustainability based on the occupation of the respondents ----- | 199 |
| Figure 6.7: | Showing the size of the clusters ----- | 201 |
| Figure 6.8: | Showing the predictor importance ----- | 202 |
| Figure 6.9: | Naming of the clusters ----- | 202 |
| Figure 6.10: | Diagrammatic representation of neural network ----- | 205 |
| Figure 6.11: | Normalised importance ----- | 207 |
| Figure 6.12: | Figure showing the comparison of normalised importance and predictor importance ----- | 208 |
| Figure 7.1: | Screen plot of CSR Project Variables ----- | 216 |
| Figure 7.2: | Normality of the CSR Project Factors ----- | 221 |
| Figure 7.3: | Difference in the perception regarding project management based on the average monthly income of the respondents----- | 228 |
| Figure 7.4: | Difference in the perception regarding project Governance based on educational qualification of the respondents ----- | 236 |
| Figure 7.5: | Difference in the perception regarding project awareness based on the occupation of respondents ----- | 244 |
| Figure 7.6: | Difference in the perception regarding project mechanism based on the number of members in the household ----- | 246 |
| Figure 7.7: | Difference in the perception regarding project mechanism based on the educational qualification of respondents ----- | 247 |
| Figure 7.8: | Summary of model fit----- | 249 |
| Figure 7.9: | Predictor of Importance----- | 251 |
| Figure 7.10: | Diagrammatic representation of the parameter estimates----- | 253 |

Chapter **1**

INTRODUCTION

- 1.1 Introduction
 - 1.2 Significance of the study
 - 1.3 Research Problem
 - 1.4 Objectives of the study
 - 1.5 Variables used for the study
 - 1.6 Scope of the study
 - 1.7 Operational Definitions used in the study
 - 1.8 Research Methodology
 - 1.9 Period of Study
 - 1.10 Limitations of the Study
 - 1.11 Presentation of the report
- References

1.1 Introduction

Corporate Social Responsibility – this can be considered as the most discussed, criticized and substantiated concept of the era. It deals with the business of the business which is beyond financial numbers. People, precisely called as stake holders are demanding more and more from the corporate houses. The need for practices like corporate social responsibility, corporate governance can be attributed to the growing expectations of the people around business.

Till the late twentieth century, the mission of business firms was exclusively economic. With the business environment being characterised by various developments including the shift of power from capital to knowledge, increased levels of literacy and the shrinkage of geographical boundaries due to faster means of travel and communication, people are by and large, becoming conscious of their rights which has led to a rise in the expectations of society from business. An organisation definitely receives all its necessary input from the society and there starts the obligation towards the people. CSR has increasingly become an important activity nationally and internationally. In recent years it has become a fundamental business practice and has gained much attention of the management and board of directors of the companies as it helps them in achieving good business practices and effective leadership. It can also be observed that the way today's corporate approach different social causes have changed considerably. It had changed from mere charity to empowerment.

CSR is generally viewed as the business contribution to sustainable development. Sustainable development is a concept which gains relevance day by day in the current scenario. Sustainable development can be defined as “development that meets the present needs without compromising the ability of future generations to meet their own needs”. When the triple bottom line concept (social, economic,

environment) work with the concept of sustainable development CSR become way an organisation try to achieve a balance between economic, social and environmental aspects while addressing the stakeholder expectations. So CSR has made an imperative change in the way a business is done. The concerns of the managers have shifted from mere economic aspect and they give due weightage to legal, ethical, moral, social and environmental impact of their actions while making a decision.

CSR has its roots in the thinking of 20th century where the thinkers made suggestions to incorporate religious principles to business activities. It started with philanthropy where rich and generous people made contributions for the upliftment of downtrodden. The evolution happened gradually and lead to the steward principle which required the business and wealthy individuals to act as the caretakers of the society. It required the utilisation of the society's resources for the wellness of the society as a whole. Bowen, Carroll had their role in giving a definition to the concept of CSR.

One of the most accepted definition of CSR was given by World Business Council for Sustainable Development as “Corporate Social Responsibility is 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 of the local community and society at large.

1.1.1 CSR in India

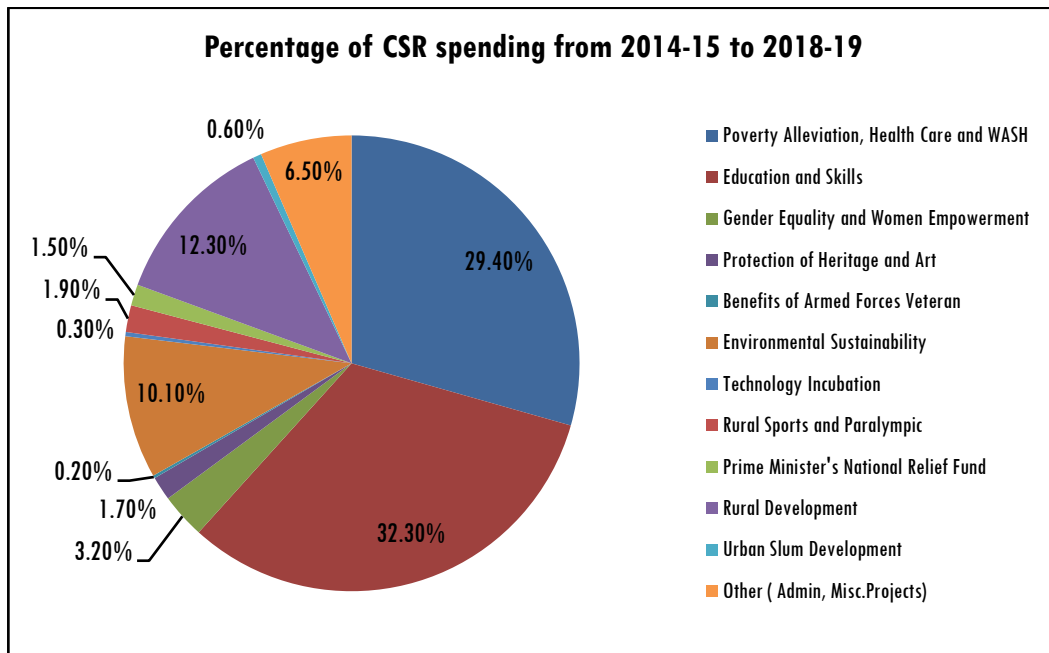
India has a richest tradition as far as corporate social responsibility is concerned. Even though the name was different in different periods, the concept of CSR dates back to over 100 years. This concept involved in the country from merchant charity to philanthropy and then to social responsibility. Industrialists like Bajaj, Birla and Tata established trusts and foundations and carried out many social initiatives. Later Gandhiji's idea of trusteeship was accepted by the industrialists and they involved in social reform through rural development, education and women empowerment. The next stage lead to the formation of the concept of social responsibility and the nationwide seminars conducted in this regard accelerated the

process. Finally businesses have started to accept CSR as a sustainable business strategy and woven the practice of social responsibility with their business. All the pioneers like Azim Hashim Premji, Shiv Nadar, and Wipro etc. continued to contribute to the society through various initiatives and the concept of CSR started to derive a formal shape since the introduction of Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs. This was followed by further guidelines in 2011 and then to the introduction of mandatory CSR in the Companies Act 2013.

1.1.2 CSR fund flow in India from 2014-15 to 2018-19

After the introduction of mandatory CSR when we look back, it can be concluded that India had done a good job in this regard. According to a study conducted by NGO BOX CSR BOX regarding the CSR fund flow in India, we see an array of business to government and government to business collaborations taking place in the areas of education, health care, rural development, and road safety awareness. The study also reveals that the total CSR fund investment by the companies in India is going to cross 50,000 crores by March 2019. Education is the most invested sector followed by healthcare and sanitation initiatives. The study was based on the big 500 companies of the country and the following are the major findings.

- CSR compliance in-line with the prescribed CSR/year is going to increase and would reach in the range of 97-99% by FY 2019-20.
- Education is the most preferred intervention area for companies, especially companies with medium CSR budget, and this is expected to remain the most preferred theme for years to come.
- CSR compliance level is set to increase, and in-depth (detailed) disclosures in the annual reports will be a common practice

Figure 1.1: Percentage of CSR spending from 2014-15 to 2018-19

Source: Report of NGO BOX and CSR BOX

- It is clear from the graph that education is the most invested sector i.e. about 15000cr and it is followed by poverty alleviation, healthcare and WASH initiatives (the projected amount is 14094 crores). Rural development and Environmental Sustainability also topped the list.
- Maharashtra topped the state- wise list of CSR spending. It contributed 15.59% of the total CSR spending in India.

Table 1.1: State wise CSR spending for the year 2018

| State | % of Share in India's CSR Fund | Rupees in Crores |
|-----------------|--------------------------------|------------------|
| Maharashtra | 15.59% | 7473 |
| Rajasthan | 6.18% | 2962 |
| Karnataka | 5.95% | 2852 |
| Gujarat | 5.28% | 2531 |
| West Bengal | 4.55% | 2181 |
| Tamil Nadu | 4.54% | 2176 |
| Odisha (Orissa) | 4.53% | 2171 |
| Andhra Pradesh | 4.52% | 2166 |
| Jharkhand | 3.60% | 1725 |
| Telangana | 3.23% | 1248 |

Source: Report of NGO BOX CSRBOX

- Reliance Industries Limited tops the companies list regarding the CSR spending. It is followed by ONGC Ltd. And TCS Ltd.

It is high time that the CSR initiatives in India take a new deviation by entering into new collaborations and partnerships for the effective implementation of CSR. As quoted in the report of NGOBOX “Shared vision and mission, shared objectives and co-created programmes by companies, not for profits and government agencies, are the future of corporate social responsibility and sooner we adopt that, the better our programs and greater our impacts will be”

1.1.3 CSR and Stakeholders

“Corporate Social Responsibility is measured in terms of businesses improving conditions of their employees, shareholders, communities and environment.”

- Klaus Schwab, Chairman, World Economic Forum

This quote reveals the relevance of stakeholders and today our corporate are increasingly interpreting CSR in terms of the interest of a specific but a large and diverse segment of stakeholders. Corporate strongly believe that the attempts made in CSR domain will help in generating favourable responses from the stakeholder group. CSR can foster very strong and positive relationships with the stakeholders of the company. The key for creating value from CSR lies in understanding the stakeholder’s perception and interpretation of the CSR activities. So having a stakeholder approach is the key to the success of any corporate house in the modern world.

1.1.4 CSR for Community Development

By community development, it is the improvement or benefits the community members have derived in different aspects of their life like health and sanitation, education, living standards etc. In a country like India, where the population and their problems are seamless, CSR can be used as a very effective tool. The corporate can easily contribute to the community development by reaching out to the local community where their business operates and thus help the government in reaching the ultimate goal of the development of the nation. The intervention of the corporate community in the social and environment needs of the country has become a necessity since our government policies

fail to reach the common people. CSR is a bridge in building a cordial relationship between the corporate and the community where the corporate operates. This relationship is mutually beneficial for the corporate and the community.

Apart from understanding in general about the CSR implementation by the Kerala based listed companies, the study also make an attempt to understand the stakeholder reaction to the CSR investments made by the companies. For this, the CSR project of Cochin Shipyard Limited is selected and an attempt is made to understand the perception of the beneficiary group.

1.1.5 About Cochin Shipyard Limited

Cochin shipyard is one of the leading PSU in Kerala. The company is a pioneer in shipbuilding & repair in India. It possesses an infrastructure that combines economy, scale, and flexibility, and has ISO 9001 accreditation. CSL also has an exclusive area set for offshore construction and future expansion. As one of the India's top 10 public sector undertakings, CSL has been rated excellent by the Government of India, four times in a row for achieving the targets. The company has a long history in CSR practices even before the introduction of mandatory CSR. The company was undertaking CSR activities following the guidelines of the Department of Public Enterprises for the past few years. The company covers various sectors like health, education, empowerment, Clean India etc.

1.1.6 About the CSR project of CSL- Drinking Water Project at Chottanikkara

The 750 families residing in Ambadimala settlement colony falling within the Chottanikkara Grama Panchayat were not having proper water supply due to the geographical constraints. The water supply by the water authority was not sufficient to meet the needs. The CSL has taken up this issue and addressed the water scarcity faced by the Ambadimala residents. Major works of the project included a well construction (water source), over head tank (1,00,000 litre) pipe lines, pumping house, water purification plant and distribution points. The project came under the category of Integrated Rural Development. The panchayat on the request of residents and ward members forwarded a request to CSL for considering the water scarcity problem of this area under the CSR project of CSL. The company considered the project and

screened and reviewed the project considering various factors like number of persons benefited, the cost associated with the implementation of the project etc. The total cost associated with the project was 75 lakhs. CSL provided 60 lakhs for the project implementation. The CSR team and the Civil Engineering Department of CSL made constant visits to the site of the project. The CSL continuously monitored the project construction and development. The inauguration of the scheme was held at the site on 27th February, 2016. Shri Madhu S Nair, C&MD, CSL dedicated the scheme and handed over the key to the Grama Panchayat. Shri Anoop Jacob, Honourable Civil Supplies and Education Minister, Govt. of Kerala inaugurated the function in the presence of the officials of Cochin Shipyard, government of Kerala and the residents. The CSR Cell and the Civil Department of CSL extended full support to the Panchayat in undertaking the project within the stipulated timeline ensuring the best quality. The local people also extended their support by providing the land for constructing the infrastructure needed for the project.

1.2 Significance of the study

Corporate responsibility of firms towards society dates back to the 1930s. It was then CSR became a huge discussion among economists and social activists. Different authors had presented their views regarding CSR from time to time. Business involvement in social welfare and development has been a tradition in India and its evolution from individuals' charity or philanthropy to Corporate Social Responsibility can be seen in the business sector over the years. The concept of parting with a portion of one's surplus wealth for the good of society is neither modern nor a Western import into India. From around 600BC, the merchant was considered an asset to society and was treated with respect and civility as is recorded in the Mahabharata and the Arthasasthra.

Over the centuries, this strong tradition of charity in almost all the business communities of India has acquired a secular character. The concept of CSR was practiced by the polluting industries like oil, chemicals etc in the earlier years. But the spread of CSR today is at a thriving rate. The companies are maintaining managers, officials etc for the proper implementation of CSR and the reporting is also given

greater attention through publishing reports of CSR activities in the official websites as well as the annual reports of the company. The introduction of mandatory CSR in the Companies Act 2013 had accelerated the process of CSR in India. The reflections of the CSR activities all over India can be seen in the state of Kerala also.

Many major companies of Kerala had come up with innovative ways of solving social problems. As per the latest CSR report of NGO BOX regarding the CSR spending, Kerala's share is only 1.68% of the total CSR spending in India. The study will help in understanding the CSR initiatives of the Kerala based listed companies. The study intend to identify the CSR practices of Kerala based listed companies. Another aspect covered in the study is the stakeholder perception regarding CSR. Many previous studies had covered the perception of managers, employees and customers. But very few studies project the perception of the beneficiary group regarding the initiative and its benefits. So the study also intends to understand the perception and satisfaction of the beneficiary group regarding the CSR project.

1.3 Research Problem

The increased awareness and concern amongst the stakeholders, has resulted in their demand that businesses of all types and sizes need to function with fairness and responsibility. Specifically, this calls for businesses being thoroughly aware and conscious of their social, environmental and economic responsibilities, and balance these different considerations in an ethical manner. The Government of our country has also taken this issue gravely and introduced many policies and regulations in this regard. The Ministry of Corporate Affairs had issued the voluntary guidelines for the implementation of CSR in 2009. They have also issued a revised guide line in 2011. Efforts were also made to make CSR mandatory based on certain conditions and this also came true by the introduction of mandatory CSR in the Companies At 2013. Further rules and amendments are also introduced in this regard. It is high time to make an analysis regarding the implementation of these regulations by various companies and how well they implement various projects as a part of their CSR initiative. All these made it inevitable to study how this is implemented by the companies in Kerala and the approach of beneficiaries to the CSR practices of companies in Kerala.

1.3.1 Research Questions

1. How the CSR implementation is done by the Kerala based listed companies?
2. Whether these companies are carrying on their
 - a) CSR policy formulation,
 - b) CSR committee formation and
 - c) CSR implementation
 - d) Selection of area of CSR intervention
 - e) CSR spendingin compliance with the CSR clause in Companies Act 2013?
3. What is the perception of beneficiaries regarding the concept of CSR?
4. Is there any difference in the perception of the beneficiaries regarding the concept of CSR based on their gender, educational qualification, occupation, age, religion, marital status, income, size of their family and number of earning members in the family?
5. What is the perception of the beneficiaries regarding CSR project of Cochin Shipyard Limited?
6. Is there any difference in the perception of the beneficiaries regarding the CSR project of Cochin Shipyard Limited based on their gender, educational qualification, occupation, age, religion, marital status, income, size of their family and number of earning members in the family?

1.3.2 Research Gap

The review of literature helped in understanding the studies so far happened in the area of corporate social responsibility. None of the earlier studies focus on the quantitative analysis of the CSR implementation by the companies and the compliance of its various aspects with the Companies Act 2013. Also very few studies are available regarding perception and satisfaction of the beneficiaries regarding a CSR project implemented by the company. The available studies focus only on the

perception of a local community regarding the CSR activities done by the companies around them. Other earlier studies focus on the perception of the employees and managers regarding corporate social responsibility. Being the persons who make use of the benefits of the CSR projects, it's important to understand how the beneficiary group perceives the concept of CSR and CSR project.

So this study of CSR implementation of the Kerala based listed Companies will be helpful in having an overview of CSR implementation of the Kerala based listed companies and its compliance with the Companies Act, 2013 and a specific feedback regarding the CSR project of Cochin Shipyard Limited.

1.4 Objectives of the study

The main purpose of the study is to make an analysis of the CSR practices of selected companies in Kerala. The objectives of the study are

- To make a comparative study of the CSR practices of Kerala based listed companies.
- To find out the compliance of Kerala based listed companies with the CSR legal framework in India.
- To identify the amount of CSR investment and major sectors of CSR investment.
- To understand the perception of beneficiaries regarding the concept of CSR
- To study the perception of beneficiaries regarding the CSR project of Cochin Shipyard Limited.
- To make suitable suggestions to the companies, Government and beneficiaries for improving the implementation of CSR projects.

1.5 Variables used for the study

Table 1.2: Variables studied using secondary data

| Variables | Sub Variables | Purpose |
|---------------|--|--|
| CSR Committee | <ul style="list-style-type: none"> • Formation of CSR Committee • Disclosure regarding CSR committee in the Director's annual report • Standalone CSR committee • Number of Members in the Committee • Number of Independent Directors in the Committee • Existence of Women Directors in the Committee • Disclosure of the role of the Committee in the annual report • Number of Committee meetings held in a year | To understand the extent of compliance of CSR regulations achieved by the companies regarding the formation of CSR committee |
| CSR Policy | <ul style="list-style-type: none"> • Availability of CSR policy in public domain • Availability of CSR policy link in the director's annual report • Disclosure of area of intervention in the CSR Policy • Disclosure of CSR vision/ mission/ philosophy in the CSR Policy • Disclosure regarding mode of implementation • Disclosure of details of the monitoring framework in the CSR policy • Disclosure about treatment of surplus in csr policy • Details of CSR Committee in the CSR Policy | To understand the extent of compliance of CSR regulations achieved by the companies regarding the formulation of CSR policy. |

| | | |
|---------------|--|--|
| CSR Reporting | <ul style="list-style-type: none"> • Disclosure of CSR in the format as prescribed by the act • Disclosure of outline of CSR Policy in the director's report • Disclosure of the details of projects and programmes undertaken • Disclosure of the average net profit of the company for the last 3 financial years • Disclosure of the prescribed CSR Expenditure • Disclosure of the details of the amount spent on CSR in the directors report • Disclosure of the unspent amount in the director's report • Disclosure on reason for unspent amount in the director's report • Disclosure of the sector in which CSR is spend in the director's report • Disclosure of the location of spending • Disclosure of the mode of implementation • Disclosure of the direct and overhead expenses incurred on the projects • Disclosure of the administrative expenses incurred on the projects | To understand the extent of compliance of CSR regulations achieved by the companies regarding the Disclosure / CSR Reporting |
|---------------|--|--|

| | | |
|----------------------------|--|--|
| | <ul style="list-style-type: none"> • Responsibility statement in the annual CSR disclosure. | |
| CSR Expenditure | <ul style="list-style-type: none"> • Prescribed Expenditure • Actual Expenditure • Unspent amount | <ul style="list-style-type: none"> • To understand the extent of compliance of CSR regulations achieved by the companies regarding the CSR expenditure • To make a comparison between the prescribed and actual expenditure • To identify the companies which belong to the unspent category and the reason |
| Implementation Mode of CSR | <ul style="list-style-type: none"> • Directly by the company • By establishing Foundations • Through NGOs | <ul style="list-style-type: none"> • To understand how the companies have implemented CSR |
| Location of CSR spending | | <ul style="list-style-type: none"> • To identify the geographical area chosen by the companies to make CSR investment |
| Area of CSR Intervention | | To identify the area of CSR intervention chosen by the companies |

Table 1.3: Variables used in the primary Data Analysis

| Variables | Sub Variables | Purpose |
|---|---|--|
| Demographic | <ul style="list-style-type: none"> • Gender • Age • Marital Status • Religion • Number of Family Members | To analyse the relationship between the demographic variables and the perception of the beneficiary group. |
| Socio-Economic | <ul style="list-style-type: none"> • Educational Qualification • Occupation • Earning Members • Average Monthly Income | To analyse the relationship between the socioeconomic variables and the perception of the beneficiary group. |
| Source of water used by the beneficiary group | <ul style="list-style-type: none"> • Individual pipe connection through project • Public tap under project • Individual pipe connection by water authority • Public tap by water authority • Own well | To analyse whether there is any difference in the perception of beneficiary group based on the main source water used by them. |
| CSR | <ul style="list-style-type: none"> • Responsibility towards stakeholders • Stakeholder awareness creation • Goodwill creation | Helpful in understanding the perception regarding the concept of corporate social responsibility |
| CSR Project | <ul style="list-style-type: none"> • Project Quality • Project Management • Project Execution • Project Viability • Project Governance • Project Benefit • Project Control • Project Awareness • Project Mechanism | Helpful in understanding the perception and satisfaction of the beneficiary group regarding the CSR project of Cochin Shipyard limited |

1.6 Scope of the study

The study is limited to the Kerala based listed companies. Only that company which has their registered office in Kerala and listed in NSE or BSE is selected for the study. The CSR compliance, CSR practices, CSR expenditure and other CSR related aspects of these companies come under the scope of the study. Also the study specifically makes an attempt to study in detail regarding the CSR project of Cochin Shipyard Limited. For this purpose, the beneficiaries of that particular project are also included in the study.

1.7 Operational Definitions used in the study

Corporate Social Responsibility

Corporate Social Responsibility includes the projects and programs relating to the activities specified in Schedule VII of the Companies Act, 2013 or the activities undertaken by the Board of Directors of the Company in pursuance of the recommendations of the CSR committee on the basis of the subjects listed in the Schedule VII of the Act

CSR Committee

The committee of the Board formed to formulate the CSR policy and make recommendations to the Board, implement and monitor the CSR activities of the company.

CSR Policy

CSR Policy is the document which contains all the details related to the CSR activities to be undertaken as specified in Schedule VII of the Act.

CSR Reporting

CSR reporting is the inclusion of the details of the CSR activities of the company in the annual report in the prescribed format

CSR Expenditure

It includes all the expenditure incurred for carrying on the projects and programs relating to CSR activities approved by the board and which comes under the purview of Schedule VII of the Act.

Kerala Based Listed Companies

The Companies which are having their registered office situated in Kerala and are listed in any of the stock exchanges.

Project Beneficiaries

Those who derive benefit from the implementation of a project

1.8 Research Methodology

The present study has been designed as descriptive one based on both secondary and primary data. It is the fact finding investigation. The study focuses on particular facts and dimensions of the problem. It makes use of various statistical methods to establish relationship between variables and to examine the quantitative data.

1.8.1 Source of Data**(a) Secondary data**

The data was collected from official websites of the companies, website of Ministry of Corporate Affairs, annual reports and published CSR policy and sustainability reports of the companies. Data was also collected from journals, periodicals, books available etc collected from research institutes, documentation centres and libraries. The Company Law Bhavan, Confederation of India Industry, and the corporate houses of the selected companies were personally visited by the investigator. The news report on the CSR activities of the various companies and CSR related sites like CSR India, Karmayog etc was followed by the investigator in collecting the secondary data.

(b) Primary data

Primary data was collected from the beneficiaries of CSR project of Cochin Shipyard limited. Survey method was used to collect the primary data. The data

regarding the perception of the beneficiaries on the concept of corporate social responsibility and the CSR project of CSL at Ambadimala towards the CSR activities have been collected through a detailed survey which was done using a pretested questionnaire.

1.8.2 Sample Design

Sample design used for the study is explained in the following sections.

Population and Sample size

The study is divided into two parts.

The first part constituted the analysis of the CSR implementation of the Kerala based listed companies. All the companies which are registered in Kerala and listed in the stock exchange constituted the population of the study. For conducting this study census method was used and all the 26 Kerala based listed companies were selected for the study.

Second part of the study was based on the perception of the beneficiaries of CSR project of Cochin Shipyard Limited.

The project was implemented in Ambadimala at Chottanikkara Panchayath, Ernakulam. The 750 families living in the Ambadimala area of Chottanikkara Panchayath constituted the population of the study. Simple random sampling technique using lottery method was employed to select the samples. The sample size was calculated on the basis of the formula developed by Krejice and Morgan (1976).

Calculation of sample size

$$\text{Sample size} = \frac{\chi^2 \times NP(1-p)}{d^2(N-1) + P(1-p)}$$

χ^2 = table value of chi-square for 1 degree of freedom at the significance level 5% (3.84)

N = Population Size

P = Population proportion (assumed to be .50 so that it would give the maximum sample size)

d = Degree of accuracy expressed as proportion i.e. 95% accuracy is expected i.e. .05

In this study, the population is known and the population = 750

$$\text{So the sample size} = \frac{3.84 \times 750 \times .05 \times .05}{(0.05)^2 \times 749 + 3.84 \times .05 \times .05} = 254 \text{ (rounded to 260)}$$

1.8.3 Pilot Study

The appropriateness of the tool is checked by conducting a pilot study. The pilot study was conducted among 40 beneficiaries. On the basis of the pilot study the questionnaire was further refined and that questionnaire was used for the final data collection. The questionnaire was self developed in consultation with the supervisor. The questionnaire was in closed form and it consisted of statements to understand the perception of the beneficiary respondents. The scale was 10 point Likert scale.

1.8.4 Reliability

It refers to the degree of dependency or consistency possessed by a scale. The reliability of the scale used in the study is measured using Cronbach's Alpha. An alpha value of 0.70 or above is considered to be a criterion for demonstrating strong internal consistency, alpha value of 0.60 or above is considered to be significant (Cronbach and Meehl, 1955). The perception regarding CSR is measured based on three factors and the Project perception is measured based on 9 factors. The reliability of the two sets of statements is checked and the results are shown in the concerned analysis chapters.

1.8.5 Scale Refinement and Validation

Validity test provide the most critical evaluation of the scale. Validity indicates the degree to which instrument measures, what it is believed to measure. . It can also be considered as utility, or the extent to which, differences found with a measuring instrument reflects the true differences among these to be tested (Koeske, 1994).

Content validity of the tool was measured by consulting with experts and academicians in this field. It is the process by which the standard of the measuring tool is determined. The researcher approached experts and academicians in the field and consulted them for to ensure that the questionnaire prepared for collecting the data regarding the perception of the beneficiary group is having content validity.

1.8.6 Data Preparation for Analysis

The data collected should be prepared for the analysis and the following processes were done as a part of data preparation.

Data Editing: The data collected was checked for completeness and edited if required.

Coding: The items in the questionnaire was coded to facilitate the data entry to the SPSS Program

Elimination of Blank Questionnaire: If 25% of items or more left unanswered, the questionnaire should be excluded from the analysis. Elimination of two questionnaires was done and the number of responses analysed in the study become 258.

1.8.7 Tools of data analysis

The data collected have been analysed by applying appropriate arithmetical and statistical techniques. The data so analysed were interpreted and arrived at unbiased and true inferences. The computer program SPSS was used to analyse the data. The following are the few techniques used in the study

Percentages

It is one of the frequent ways used to represent statistics. Percent simply means per hundred. A percentage frequency distribution is a display of data that specifies the percentage of observations that exist for each data point or grouping of data points. It is a particularly useful method of expressing the relative frequency of survey responses and other data. The secondary data was analysed using percentage.

Descriptive Analysis

The collected data were tabulated in the descriptive nature like mean, standard deviation, variance etc. It helped in identifying the significance of the variables in the study.

One Sample t – test

It is a test used to examine the statistical difference between the sample mean and the known value /hypothesised value of a population.

Independent Sample t test

It is used to compare the mean differences of two independent sample groups to identify whether there is significant difference between the associated population means.

One Way ANOVA

This is an extension of one sample t test. It provides a one way analysis of variance for a quantitative dependent variable by an independent variable. Normally it is used when there is a minimum of 3 groups. In this, one factor or the independent variable analysed will have three or more categorical groups.

Exploratory Factor Analysis

Exploratory Factor Analysis denotes a class of procedures primarily used for data reduction in summarization. While doing CSR research, there may be large number of variables which are correlated and which can be reduced to manageable level. So the relationship among these interrelated variables are examined and they are represented in terms of a few underlying factors.

Cluster Analysis

Cluster analysis is helpful in identifying the groups or segments that are more like each other than they are like members of other groups or segments. It is a class of techniques used to classify objects or cases into relatively homogenous groups called clusters. The study made use of cluster analysis

Artificial Neural Network

Artificial Neural Networks are computing algorithms that can solve complex problems imitating animal brain processes in a simplified manner. ANN model is a three-layered network of interconnected nodes: the input layer, the hidden layer, and the output layer. The nodes between input and output layers can form one or more hidden layers. Every neuron in one layer has a link to every other neuron in the next layer, but neurons belonging to the same layer have no connections between them. The study made use of artificial neural network for establishing the factors influencing perception of beneficiaries regarding corporate social responsibility.

Automatic Linear Model

Automatic Linear Model is also used in the study to establish the factors effecting the perception of the beneficiaries regarding the CSR project of CSL. It refers to a data mining approach which makes use of machine learning to find the best predictive model of the study using the available data.

1.9 Period of Study

The period of study is from 2013 to 2019. The data relating to the CSR initiatives of banks were collected from the annual reports and official websites of the companies selected for the study. Secondary data analysis was conducted based on the annual reports of the companies from 2014-15 to 2017-18. The survey was conducted among beneficiaries of CSR project of Cochin Shipyard Limited during a period of 6 months from June 2018 to November 2018.

1.10 Limitations of the Study

- The beneficiaries interviewed were lacking awareness about the concept of CSR. Only few were highly knowledgeable about this concept and CSR activities of different companies. This might affect the accuracy of the data.
- The study about the CSR implementation of Kerala based listed companies was done purely based on the reports published by the companies.
- The beneficiary group of only one CSR project of a company is selected for the study. This is because CSR projects of the companies do not have a common nature regarding the area of intervention, amount spent, geographical area, beneficiary group etc.

1.11 Presentation of the report

The report of this study is presented in eight chapters.

The **first chapter** gives a brief account of the concept of corporate social responsibility. It also introduces the problem, objectives, variables used, scope, period of study, methodology, limitations of the study and presentation of the report

The **second chapter** reviews the existing literature on the concept of CSR, the CSR activities in India and perception of the stakeholders regarding CSR activities of the companies.

The **third chapter** provides the theoretical and legal framework of CSR in India. Theoretical part deals with the concept of CSR, History of CSR, CSR in world, CSR in Asia and CSR in India. It deals with the evolution and the present position of CSR in our country. Legal Framework part deals with the existing regulatory framework for CSR practice in India. It discusses in detail the formulation of regulations regarding corporate social responsibility. It starts with voluntary guidelines issued by Ministry of Corporate Affairs in 2009 and 2011, CSR clause and Schedule VII of the Companies Act 2013 and the amendments and new rules formulated in this regard.

The **fourth chapter** deals with CSR Practices of Kerala Based Listed Companies. The chapter studies the CSR compliance, CSR Practices, CSR Expenditure, Sector of CSR Spending and all the CSR related aspects of Kerala Based Listed Companies.

The **fifth chapter** provides a background study regarding the CSR project of Cochin Shipyard Limited. It also covers the demographic, social and economic characteristics of the beneficiaries.

The **sixth chapter** deals with the analysis of the perception of beneficiaries regarding the concept of Corporate Social Responsibility.

The **seventh chapter** deals with analysis of the perception of beneficiaries regarding the Corporate Social Responsibility Project of Cochin Shipyard Limited.

The **eighth chapter** contains the summary of the study, findings, suggestions conclusion and the areas of further research work derived there from.

References

1. Archie.B.Carroll(July2016),Carroll’s Pyramid of CSR: taking another look, *International Journal of Corporate Social responsibility* accessed through <https://jcsr.springeropen.com/articles/10.1186/s40991-016-0004-6>
2. Cronbach, L.J., & Meehl, P.E., *Construct validity in psychological tests*, *Psychological Bulletin*, 52, 1994, pp. 281-302.
3. Companies Act 2013 accessed through <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf>
4. CSR IN INDIA : The numbers do add up – an analysis of CSR fund flow in India from FY 2014-15 to 2017-18 accessed through https://csrbox.org/media/CSR%20in_India_Numbers_Do_Add_Up_Report-2018_Web-lite.pdf
5. Dean Roy N, (May 2017), *Evaluation of Corporate Social Responsibility of Central PSUs in Kerala* (Doctoral Dissertation), Department of Commerce, Mahatma Gandhi University
6. Evolution of CSR in India assessed through https://www.janafoundation.org/wpcontent/uploads/2015/10/evolution_of_csr_in_india.pdf
7. Lisa Cuevas Shaw, (2012). *Brief Guide to Corporate Social Responsibility*, SAGE Publications, Inc.
8. Naresh K.Malhotra & Satyabushan Dash,(2007), *Marketing Research : An applied Orientation*, Pearson, Seventh Edition
9. Nick Lee & Ian Lings, (2008), *Doing Business Research: A Guide to Theory and Practice*, Sage Publications India Pvt.Ltd. pp.356-358
10. Nick Z. Zacharis (2016) *Predicting student academic performance in blended learning using artificial neural networks* , *International Journal of Artificial Intelligence and Applications (IJAIA)*, Vol. 7, No. 5, September 2016 , DOI: 10.5121/ijaia.2016.7502 pp. 17-29
11. Pushpa Sundar, (2013) *Business & Community – The Story of Corporate Social Responsibility in India*, Sage Publications India Pvt. Ltd.

Chapter 2

REVIEW OF LITERATURE

2.1 Introduction

2.2 Studies Related to Corporate Social Responsibility Practices

2.3 Studies Related to CSR and Stakeholders

2.4 Summary

REVIEW OF LITERATURE**2.1 Introduction**

This chapter provides a summary of various previous studies and existing literature in the area of study – Corporate Social Responsibility. The review of literature lays a strong foundation for research projects. It has an important role to play in the determination of the research problem. The review helps the researcher to establish the credibility of his study because through the literature review he describes what is already studied in the area of research. The literature review of this study is divided into two parts.

- i) Studies related to Corporate Social Responsibility Practices
- ii) Studies related to CSR and Stakeholders.

2.2 Studies Related to Corporate Social Responsibility Practices

Srinivas (2008) studied the CSR initiative of listed companies in Pune and the strategic approach adopted by the companies. The study covered the codes and standards related to CSR concepts, reasons for the varying practices approaches and attitudes on CSR and also the relationship between CSR and financial performance of the companies. The BSE listed companies in Pune District constitute the population of the study. The study pointed out that only very few companies have addressed the need to have a clear cut CSR vision, mission etc. The researcher also identified that the CSR activities of most of the companies are not related to their area of expertise of business. The CSR activities of most of the companies revolve around the addressing of environmental issues. The study also identified that only very few firms adopted a strategic approach towards CSR. The study stressed on the need for mandatory reporting of the CSR activities of the company and the need for providing clear guidelines for implementation.

Sharma (2009) has made a study on Corporate Social Responsibility in India. The study provides an overview regarding the growth of CSR in India over the years. The author describes India as the country with richest tradition in the world. The approach of the Indian companies was shifted from philanthropy to stakeholder based. The article describe the change happened in the attitude of the business. Both the public sector and private sector enterprises have realised the importance of satisfying its stakeholders to ensure their long term success. The efforts made by both the sectors in ensuring the welfare of the community are also discussed. The PSUs tried to reduce the unemployment by creating employment opportunities and they ensured the well being of the employees post independence. . The liberalisation led to the entry of large number of MNCs to the country and the desire to compete and succeed had led the Indian companies to build CSR as a sustainable business strategy. The researcher suggested integrating CSR into business strategy and promoting multi-stakeholder approach. It was also recommended to spread CSR along with the supply chain and give priority to public private partnerships. The study also stress on the need for CSR reporting practice by the companies.

Scholtens (2009) explored the CSR in the International Banking Industry and provided a framework for assessing the CSR of these banks. The performance of the banks with respect to reporting, adoption of international codes, certified management systems for internal environmental policies and also the availability of financial products that aim sustainable development was analysed in the study. The developed framework consisted of 29 indicators and an assessment of the compliance of the banks with these indicators was made. 32 banks of three regions were compared on the basis of these indicators and there was no significant difference based on region. But the individual assessment show difference in the performance of the banks. Also there was positive and significant association between the CSR score of the bank and its financial size and quality.

Srichampa (2010) had studied the CSR initiatives of Indian businesses in Thailand. It was found that the Indian business in Thailand had done a lot for the development of the Thai society. They have done their work in areas like education, health, rural development etc. the study deal with various Indian business which have its roots in

India. The author depicts the advantages enjoyed by the Indian business in Thailand like goodwill, loyalty from employees and the consumers will prefer to use the products of that company more.

Naji (2010) had studied the CSR of Arabian companies. A comparative study was done between YCGSI and YCIC. It was identified that the companies are unaware of the requirements; they are also not good in aligning the CSR initiatives with their business goals. The study compared the different CSR programs sponsored by these two companies. The programs include social, educational, religion, environment, health, sports etc.

Singh et al. (2011) studied the concept of corporate social responsibility and business ethics in their paper. They tried to understand to what extent the academicians are imparting the importance of these concepts to the future managers. It also studied to what extent it is practiced by the existing managers and the MNCs.

Saboji and Zahedirad (2011) had studied the role of Indian firms in ensuring environmental sustainability. Environment responsibility can be viewed as a part of corporate social responsibility and sustainable development and CSR have a close association. The researcher had made the study on the basis of CSR Karmayog rating. The article also deals with necessities regarding the CSR Karmayog rating. The study try to identify whether there is any difference in the environment responsibility of different companies according to the size of different companies. It was seen that environment activities of large companies are significantly different from the medium and small companies, this shows that large sized companies compare with medium and small sized companies gave more importance to environmental activities. The activities of the company include the use of renewable energy, water conversation and recycling, controlling air and water pollution.

Yeung (2011) had made an attempt to study the role of banks in corporate social responsibility. The study was conducted among the major banks in Hongkong. Data was collected from 65 employees of different banks. The four different factors identified were implementing meaningful strategy, accountability for credibility, process and people management and consideration of stakeholders. It was identified

that respondents with age over 31 are most concerned on the banks implementing strategy. Among the employees, administrators are most concerned about implementing strategy. The researcher also feels that accountability and credibility towards the customers can be effectively demonstrated by undertaking effective and efficient internal audit, reducing risk and enhancing quality.

Sharma and Kiran (2012) had studied the CSR practices of major companies of India. The study showed that companies like IT and auto industry is concentrating more on CSR activities than the FMCG sector. The researchers feel that a lot have to be done in this field and India is only on a starting stage as far as CSR activities are concerned. It was found that the major areas concentrated by the banks were education, health care and environment. The best CSR initiatives identified were providing free education and counselling sessions and recycling of products etc.

Srivastava et al. (2012) studied the CSR practices of TATA Group. The researchers identified that the TATA Group had directed all their CSR activities for the upliftment of common people, protection of the environment and development of the nation. They identified that the TATA group had made a change in the clause of articles of association for incorporating its social and moral responsibilities to consumers, employees, shareholders, society and the local community. The clause stated that group companies had to actively assist in improving the quality of life of the communities around them. They operate in areas like women empowerment, health care projects, economic empowerment, and supporting social welfare organisations etc.

Ramesh and Goel (2012) had studied and measured the corporate social responsibility from the Indian perspective. The author had identified three examples from India. The e-CHOUPAL initiative of ITC limited was the first example. The Hyundai Motor India Foundation had undertaken a project called GO GREEN. The project envisages distribution of one lakh saplings to the farmers in a phased manner. Tata Motors, the largest truck maker in India had joined their hands with different NGOs in establishing training institutes to train truck drivers. The author also make use of the Karmayog CSR rating which present a quick shot of the CSR performance of the 500 companies in India. From the comparison of the CSR rating of the last 4

years 2007 to 2010 and it was identified that there was a considerable drop in the number of companies undertaking no CSR

Sharma (2012) had studied the CSR practices existing in India. He is of the opinion that CSR should never be viewed as a cost or charity done but as a source of opportunity. The paper observes the things to be done to keep a company going in the society. The paper gives hints about the latest developments in the law against the unethical practices happening around in the business world. It states about the whistle blower policy where the official of a company who observes an unethical or improper practice can approach the audit committee of the company without informing his supervisors. The researcher concluded that CSR had become the need of the hour and many companies around us are focusing on value based management now days.

Singh et.al (2013) had studied the impact of corporate social responsibility as a tool of brand preference. The study dealt with how the social messages conveyed by the company help in their brand performance. The study was conducted on the basis of primary data which was collected from 101 respondents who were aware about the social messages. It was found that 30% of the respondents felt that the social message of TATA Group is the most effective one. About half of the respondents started to search for product variants and 34% of the respondents started recommending the product, 18% of them started buying the product. 40 of the consumers feel that this will help in increasing the goodwill of the company. Advertising was seen as the most effective way of CSR campaigning by the respondents. Customers feel that education and corruption should be given special care by the company.

Shankar and Rajashekar (2013) had studied in their paper the impact of the proposed CSR mandate in the Companies Bill 2012 of India. The paper mainly deals with the CSR status of the companies in India before the introduction of Companies Bill in 2012. The author had identified that CSR activity by the private sector companies in India was mostly started after 1991. It was also seen that three-fifth of the private companies in India had initiated their CSR activities during the 1991- 2005 period. It was also identified that the companies mostly focused on education. The researchers critically analyse the bill and bring out the need to amend the company's bill by including punitive clause for not adhering to the CSR mandate.

Choudhary and Tandon (2013) had studied the CSR practices existing among the public sector banks in India. They have made a case study and identified the thrust areas the banks are concentrating on. The banks are making their contributions by employment generation, education, health care, farmer training, women welfare and women empowerment. They suggested that the banks should disclose the amount they spend on CSR through annual reports. They feel that the non financial reporting should be made mandatory.

Sharma and Mani (2013) had made an analysis of the CSR among Indian Commercial Banks. They had taken up the annual reports of the banks on their CSR activities. The variables selected were, rural branch expansion, priority sector lending, environment protection, community and women welfare, education and farmer's welfare, new CSR initiatives and financial literacy. It was seen that syndicate bank got the highest score and YES bank got the lowest score on the basis of the analysis of these variables in 2009 - 10. It changed to PNB and Standard Chartered Bank in 2010 - 11 and in 2011 - 12 the highest score was for PNB itself but the lowest was for Deutsche Bank.

Singh and Rastogi (2013) have studied the CSR practices and CSR reporting in Indian Banking sector. They have studied the major areas of CSR concentrated and the expenditure allocated by them. Another problem is that the banks are not concentrating on the proper disclosure of CSR activities. They recommended that the banks should Ismail (2013) had analysed the CSR activities in selected local commercial banks in Sri Lanka. Data was collected from secondary sources. It is concluded that all four banks such as Nations Trust Bank, Hatton National Bank, Commercial Bank and Sampath Bank undertake their CSR on education. NTB, HNB and CB undertake their CSR on health. NTB and HNB undertake their CSR on environment. In addition, CB and SB undertake their CSR on disaster and entrepreneurship. It was identified that there is a strong association between the number of CSR areas and the number of stakeholders who are benefiting from these CSR activities.

Sharma and Kiran (2013) had studied the driving forces and challenges of CSR. The researchers point out that the concept of CSR is drawing the attention of business man

as well as all other stakeholders. They have made a review of literature of past few years and identified the evolution happened to the concept of corporate social responsibility. It was identified from the study that a shift is happening in the concept. Earlier it was focused on the philanthropy concept were as the dimensions had changed in the later stage to Carroll's social responsibility dimensions. It was also identified that the Combination of four of Carroll's responsibilities, including education, health, and environment will help in the formulation and implementation of social responsibility practices.

Govindarajan and Amilan (2013) had studied the CSR initiatives and its effect on the financial performance of the organisation. The study was conducted in the petro, oil and gas products industry for a period of 6 years. To calculate the CSR score of the company the CSR ratings given by the company and company's allocation of fund for CSR activities in the annual budget of the company and the areas addressed by different companies. The financial parameters taken for analysis were the total income, total assets, net worth and the number of employees the company have. The CSR activities engaged by the companies were classified as health care, education and training programs, environment, rural development and other community welfare activities.

Moharana (2013) had also studied the existing CSR practices among public sector banks. The banks selected were Allahabad bank, Andhra bank, Bank of Baroda, State Bank of India, and UCO Bank. It was seen that banks are making efforts but are restricted within certain fields like rural development education, community welfare, women and children.

Rajput et.al (2013) had studied the gender composition and director diversity effect on the corporate social responsibility and profitability. Data of the companies with female directors were identified from the fortune 2012 world's most admired companies list. Sample from fortune 500 companies and a sample BSE Companies. The hypothesis tested was that the companies with diversity in the board and increased number of female directors have high CSR ratings and high CSR rating leads to high profitability. It was identified that both the hypothesis were accepted and

in the world of conscious and informed consumers, the companies which cater to social norms are the most preferred consumer destination.

Ahmed and Rao (2013) had identified the CSR of Indian Insurance Industry. The paper aimed at analyzing the CSR initiatives of LIC and other private insurance companies like Bajaj Allianz, Aviva, SBI, HDFC etc. the study was based on secondary data and it identified the various social issues addressed by the life insurance sector. It was found that the contribution of LIC is highly worthy. LIC schemes like Janashree Bima Yojana, Aam Aadmi Yojana etc are designed to concentrate on the downtrodden section of the society. The private sector in life insurance has also done their part in addressing social issues like health, education etc. It was also identified that the CSR initiatives will help bond the employees as a team with the organisation and in creating a dedicated work force.

Murthy and Sreekanth (2013) had studied the corporate social responsibility practices of Singareni Calories Company Ltd. The study aimed to analyse the effectiveness and awareness among the beneficiaries of the CSR activity of the company. It was found that 96% of the beneficiaries were unaware about this initiative. Nobody even knows the name of the initiative. 40% of them agreed that they were benefited from the program. But as they were not aware that this is a CSR initiative of Singareni Calories Company Ltd 96% of them said that they do not benefit from the program. It was suggested that the company must take effort to publicize and create awareness among the public about their CSR activities.

Katia (2014) had analysed the provisions and the social concerns of corporate social responsibility. The study deals with the provisions in the Companies Act, 2013 regarding corporate social responsibility. The researcher suggest that Maximum number of companies should be included in the preview of the act so that medium and small scale companies could be involved in the act of philanthropy to change the fate of country and Companies act should provide provisions for penalty and punishment for failure in spending of funds for CSR activities.

Jena (2014) had made a study on the CSR practices of Balasore Alloys limited. The researcher had reviewed the previous studies on CSR to identify the CSR practices of

different companies. The researcher had examined the CSR activities of Balasore Alloys Limited and it was identified that the policy of the company is to ensure immediate development in the neighbouring areas and improve the standard of living of the people of the locality. The company believes that it is essential for the survival of the company. The activities in CSR arena are being carried out in a systematic manner with the active involvement of employers, employees and local peoples. The main areas addressed by the company are infrastructure development, healthcare and medical facilities, skill development, education, environment protection, drinking water facilities, assistance to poor and needy people, promotion of local talented, etc. it was also identified that the company had not disclosed the part of the profit spend on the CSR activities. It was suggested by the researcher that is essential to disclose the amount spend on CSR activities by every company.

Aggarwal (2014) had examined in his paper the CSR issues in the banking sector. The researcher had identified the efforts taken internationally in making the CSR activities popular. The efforts taken by Indian banking sector to address social and economic issues were also depicted in the paper. It was identified that Indian banks are keenly interested in incorporating sustainability practices in their business models. The lacking factor is that only few companies are interested in reporting their practices. The study also states that certain banks have a false motion for social and environmental concerns and they deal with CSR as it is unrelated to their business process. The researcher also suggests that it is essential that every banking company should have a CSR policy which will help them in identifying the priorities for social spending.

Ajmeri (2014) studied the relation between the approach towards CSR and the growth of the companies. The study focused on the employees of IT sector. The first part of the study covers the CSR practices followed by the companies in IT sector. The study highlights the role of NASSCOM in cultivating CSR practices among the young corporate houses. It was also identified that companies maintain strong and ethical relation with their stakeholders. The companies are involved in CSR practices irrespective of their annual turnover. The study analysed the association between CSR status and the turnover and it was identified that no such relation exists.

Faize Nabi et al. (2014) had examined the corporate social responsibility, green practices and profitability of the top 100 corporate units in India. They have tried to make an association between corporate financial performance, corporate social performance and corporate environment performance of these concerns. They have adopted the list of corporate units from the Forbes Magazine's top 100 corporate units list. CSR was measured on the basis of CSR Index calculated on the basis of actual spending on CSR and the stipulated 2% of average profits per tax. Environmental social performance data was driven from the BSE GreenEx rankings. It was identified that out of 100 units 45 units have not disclosed their annual CSR spending in official websites or their annual reports and 8 of them had incurred a loss. So only 47 units out of 100 units were used as an effective sample of the study. Using spearman rank correlation method the association between these three variables was analyzed. A high correlation was identified between the corporate having high environment performance and high social performance. Also the firms which are highly environment responsible are having higher profit also. But there is lack of correlation between the social performance and the profitability of the business.

Nomani and Nasir (2014) had examined in their study the need of corporate social responsibility practices in a country like India. They have analysed that it is the need of the hour because of the increasing concentration of wealth and resource in private hands. The paper tried to understand the potential of the introduction of CSR in the Companies Act 2013. The study examined the basics of the concept of CSR, the evolution of this concept in India and a detailed evaluation of the clause regarding CSR in the Companies Act 2013. The study also deals with the latest CSR trends practiced internationally.

Azhar and Talib (2014) had studied the green practices existing in the automobile sector of India. The automobile sector is very much a contributing sector to the increased environmental problems and pollution in our country. The details of the CSR activities of different corporations were derived from the annual reports and websites of the companies. It was seen that most of the companies like Mahindra; Toyota etc were indulged in various green practices which will reduce the ill effect of their activities. Mahindra had planted millions of trees in collaboration with Nandi

Foundation and also by their employees. Toyota aimed at establishing a low – carbon society and also insists on environmental protection and to create a society in harmony with the nature. The authors feel that the CSR is very important for the society and it affects directly or indirectly to our environment and human life and therefore it is very important to use practices defined by the environment regulating agencies for minimizing the risk on the society.

Jain (2014) had made a study on the social responsibility of corporate bodies. The study elaborate on the concept of CSR, CSR practices in India etc. The study deal with the CSR practices of companies like Infosys, TATA, GIL, AVIVA, CAVIN KARE etc. the researcher identified that most of the corporate have recognised the need for CSR practices and it is important for protecting the good will and reputation of the company. The CSR activities of these corporate ranges from community development to education, health care and environment etc. corporate are also joining their hands with Non Governmental Organisations which work to address social causes.

Vijaya and Divya (2014) had studied the impact of CSR initiatives of Indian Banking sector. They have studied the CSR activities of Indian Banks. Almost all the banks concentrate on rural development. The banks were also giving importance to educational support, micro financing, vocational training etc. They have also studied the customer satisfaction on CSR activities of Indian Banks. It was seen that the CSR activities have providing more satisfaction to the educational people and gender wise particularly the women in selected banks. The structural changes of the selected commercial banks showed that the stability and growth of the banking activities through CSR in India.

Sikka and Singh (2014) had made a comparative analysis of corporate social responsibility activities of TATA and Birla. Birla focused on rural development by concentrating on health, education, infrastructure, sustainable livelihood and social cause. TATA gave more importance to the protection of cultural and heritage, aids awareness, sanitation, drinking water etc. The researchers also suggested that Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time do proper CSR reporting.

Dhingra and Mittal (2014) studied the CSR practices in Indian Banking Sector. They have identified the core social areas concentrated by the public sector banks. It mainly included rural development, women empowerment, poverty eradication, community welfare, vocational training, education and employment. They have also depicted the recent CSR activities taken up by the Indian Banks.

Kumar (2014) had studied the impact and challenges of implementing CSR in India. The author felt that CSR is implemented in our country in much organised manner and it had shifted the focus from mere philanthropic activities. The study discussed the challenges faced in the implementation of CSR like lack of community participation and need for capacity building of the local nongovernmental organisations etc. The author substantiate that CSR is definitely creating a positive impact in our society, corporations and educational organisations. It was also found that there is a need to create awareness about CSR amongst the general public to make CSR initiatives more effective.

Katara and Arora (2014) had studied the emerging trends in corporate social responsibility of Indian banks. Banks are mainly engaged in CSR activities in the areas like rural development, education, health care, women empowerment etc. it was found that the banks are trying to implement CSR as a business model. Only by spreading the awareness about CSR activities, its wide implementation will be possible. It was seen that CSR in Indian Banking Sector is aimed towards providing financial services to the unbanked or untapped areas of the country, the socio-economic development of the country by focusing on the activities like, poverty eradication, health and medical care, rural area development, self employment training and financial literacy trainings, infrastructure development, education, and environmental Protection etc. The banks are following the guidelines of RBI in the CSR implementation. Efforts are also made by them for the reporting of CSR practices.

Bhawnani and Bhawnani (2014) had studied the corporate social responsibility of Bhilai Steel Plant. The study aimed at understanding the green initiatives taken by a public sector unit like Bhilai Steel Plant. The main area of focus of CSR were education, health care, calamity aid, vocational training, transportation, water, preservation of art and culture etc. they had also taken effort to reduce the gap between rural and urban area. 79 villages were identified as model steel village by the

unit and they undertake various developmental activities there. BSP is the first public sector company in India to have published this report and second steel plant in world to publish sustainability report as per GRI G3 guidelines.

Siddiquei (2014) had examined how corporate social responsibility can be used a device to address the inclusive growth of the deprived section in India. The article tries to address whether the CSR activities of the corporate are real or they are turning beneficial to the society. The author brings out several corporate examples of CSR initiative in India. The author examine that there is a huge difference between the actual spending in CSR and the desired CSR spending of many corporate. The researcher also suggest ways like financial inclusion, tax exemption, low premium insurance policy, discount on interest rates etc to ensure inclusive growth through corporate social responsibility.

Rathi (2014) had made a study on the CSR practices in the selected steel manufacturing organisations. The study aimed to understand the CSR practices adopted by the organizations in this sector and the attitude of the beneficiaries. The major findings revealed that top management is directly looking after the CSR initiatives in these organisations. The organisations there made it a practice to adopt nearby villages as a part of this initiative. The practices adopted by the organisations vary and almost all the sectors are covered by the organisations through their CSR initiatives. The beneficiaries expressed a positive attitude towards the CSR initiatives of the organisation. But there are instances where the beneficiaries actually lack awareness about the CSR initiatives of the organisations.

Josan (2015) had made a critical analysis of corporate social responsibility. The researcher states that three factors can be attributed for the increasing relevance of CSR. They are changing social expectations, increasing affluence and globalization. CSR also deal with CSR illustrations all over the world.

Rajput and Shweta (2015) had examined the concept of CSR and the initiatives taken by the important companies and also the provisions of the Companies Act 2013. The researchers had discussed the different phases of CSR in India. The company also discusses the CSR activities of different Indian Companies. The study also deals with

the provisions of the Companies Act and the activities prescribed under schedule VII of the Companies Act. The researchers suggest that the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders' objectives.

Mazumder and Jayaseelan (2016) had studied the role of business ethics and social responsibility in achieving competitive advantage and ensuring sustainable business. A field study was conducted among industrial companies and from the point of view of departmental senior managers of these companies. The results of the study showed a statistically significant effect of business ethics (independence and objectivity, integrity, probity, fairness and transparency) to achieve competitive advantage (cost reduction, innovation and renewal) in Jordanian industrial companies. The study also showed a significant effect of corporate social responsibility to achieve competitive advantage. The researchers also suggest that it is important to develop and promote the business ethics and it is important to develop a code for ethical practices to be made by the companies.

Nandi and Bal (2016) had made an attempt to study the sustainability reporting practices of selected Indian companies and the association between the sustainability performance and the financial performance of the companies. The study was based on secondary data and the top listed companies in BSE on the basis of market capitalization were selected. The sustainability performance was analysed on the basis of community involvement, human resources, natural environment, governance and consumers. For measuring the accounting performance Return on Capital Employed, Return on Assets, Return on Equity and Return on Sales were used. Correlation, regression and ANOVA were used to study the association. It was found that corporate sustainability has no significant influence on the financial performance. It was also found that corporate reporting has become an important practice among the corporate.

Malik (2016) explored the CSR practices of the Indian Insurance Sector. The study aimed to understand the impact of the CSR practices two insurance companies on its employees and customers. The impact of CSR was analysed based on four dimensions. The dimensions are social, legal, economic and philanthropy. The ethical

CSR aspect is significantly different in relation to the customers as well as employees. It was identified that LIC works better than ICICI Prudential life. The legal aspect has worked on the customers and employees and it is statistically significant. The customers and employees felt that economic aspect didn't work in the case of both the companies. The philanthropic CSR aspect is also different between these two companies and it was identified that LIC are far ahead of ICICI in its CSR practice towards customers and employees. It was suggested that the ICICI Prudential Life Insurance Company should work on CSR investment for creating trust worthiness, loyalty and satisfaction of employees.

Babu (2016) focused on the analysis of the impact of CSR initiatives of CSR activities of Coal Mining Industry. The researcher studied the impact of two set of CSR initiatives. Infrastructure facilities and health facilities are the facilities provided for the villagers and the study search whether there is any mismatch of services provided and services required by the villagers. The study on infrastructure facility was based on the following parameters. They were facilities meeting the needs, accessibility, quality of the facilities, facilities meeting emergency, un – interrupted usage and reduction in cost of living, increased efficiency and increased ease of living. The health parameters consisted of accessibility, facilities meeting needs, frequency of visit of doctors and nurses, reduced travelling expenses, and reduced medical expenses. There is no common prioritized CSR area. In the health sector, reduction in medical expenses, frequencies of visit of the doctors, accessibility were the common prioritized areas. From the study it was understood that in spite of spending huge amount of money under CSR initiatives by the coal company, there are shortcomings in the process of need assessment and implementation. It lacks positive impact on the lives of village beneficiaries and this can be eliminated by the company by adopting suitable CSR strategies. Suggestions were made to improve the facilities and the other areas which need to be addressed were also projected in the study.

Rajapadmanabhan (2016) analysed the impact of CSR on rural development, profits, study covers the capital investment made by the companies, the revenue, profits and nature of business and the CSR initiatives taken up by the companies for rural development. It was identified that the younger age groups, women as well as the

educated group felt that CSR had brought significant transformation in the rural development. The study also identified that health and education are the major themes chosen by the companies for CSR investment and this is in line with the findings of many early studies. More than half of the companies felt that they created an impact in the society through their CSR activities. The study also covered the view point of the beneficiaries regarding the benefits and impact of CSR programmes. Majority of the respondents had the opinion that the CSR programmes of the companies were useful. The beneficiaries offered negative response and nil response regarding certain aspects of the impact of CSR. They were the participation, promotion of health, promotion of vocational skills, sustained the environment etc. The aspects which do not receive any responses from the beneficiaries were impact on rural health, negative impact of business, boosting education etc. The researcher also made an effort to identify the reason for these negative and nil responses. The major reason identified was the sense of distrust the villagers possess about the companies. For the detailed study social accounting matrix was employed by the researcher. Based on the SAM approach to CSR it was concluded that the root cause of social causes in a village is linked in some way or other way with the lack of resources or poverty and it suggested based on the study to direct the CSR expenditure of the company in such a way that it will result in the enhancement of resources.

Dhingra (2017) had made an analysis of the CSR practices of 20 CPSEs and the perspective of the employees of the companies in light of the introduction of mandatory CSR. The study analysed the implementation of CSR in respect of existence, duration and senior management involvement. Majority of the companies had a separate department to manage the CSR activities and they are engaged in CSR for the past 5 years about three fourth of the employees had a positive response regarding the involvement of the senior managers in CSR. The response regarding CSR communication in the organization was also good. The study also revealed the areas of CSR chosen by the CPSEs. According to the employees, the major problems faced by CPSEs are lack of knowhow in social field, cost of CSR outweighing its benefits, objectives of the company being economic centric and lack of efficient institutions to assist the implementation of CSR.

Roy (2017) studied the CSR of the Central PSUs in Kerala. The study was based on 8 Central PSUs working in Kerala. The study intended to cover the CSR practices, planning and implementation of CSR, impact of CSR on the brand image and equity of the companies, effectiveness of the CSR activities and the measurement, accounting and reporting of CSR. Based on the study, it was identified that all the PSUs have engaged in CSR activities. Different groups of stakeholders also expressed a similar opinion regarding the CSR activities of the PSUs. The study covered the opinion of managers, employees and public regarding the CSR performance of PSUs. The CSR investment of the PSUs covered all the sectors like health, education, environment, promotion of green technology etc. The managers are well aware about the planning and implementation of CSR. The general public had the opinion that they are benefitted by the CSR practices of PSUs. It was also identified that there is significant difference in the measurement, reporting and the accounting practices of these PSUs. The study suggested that there is scope for further improvement in the CSR activities of the companies and made some recommendations. The main problem of the PSUs is that sometimes they are loss making but they still cover the CSR aspect. But this situation cannot continue for more and making profits are important. It also suggests the managers to consider the need of the local community before designing a project. It also makes suggestions to the employees to take initiatives and become a part of the CSR initiatives of the company and the public to be vigilant and evaluating regarding the practices of the companies.

Saha (2018) studied the CSR practices of Indian MNCs. The study was based on the annual report of 21 MNCs. The study found that the companies have undertaken CSR practices on the basis of the operational perspective of the company. The study considered the CSR spending by the MNC and the change happened in the spending percentage after the introduction of CSR in the Companies Act 2013. The study also covered how the corporate disclosures are made by all these companies. The study made use of content analysis. It was identified that the CSR spending of all MNCs recorded an increase after the introduction of mandatory CSR. Another aspect covered was the disclosure by the company on labour practice, human rights, social responsibility and product responsibility. The industries do not display similar patterns

studied. The study also made remarkable suggestions for the improvement of CSR practice in the country. A separate clear cut statutory guideline can be issued by the Government for MNCs, the companies should realize the importance of human rights and socially responsible products and the need for CSR education etc. were some of the suggestions made in the study.

2.3 Studies Related to CSR and Stakeholders

Riordan and Fairbrass (2008) studied the models and theories of corporate social responsibility with stakeholder approach in the pharmaceutical firms. An empirical research is conducted to identify the stakeholder dialogue practices among UK and German pharmaceutical firms. The nature of relationship and communications with the stakeholders are important for pharmaceutical companies as they face informed, critical and active shareholder attention. Different models with stakeholder approach are reviewed in the study. The four basic decision domains identified in the model are the context, stakeholders, particular events and the response of pharmaceutical company managers. It was understood that these four components will be critical to the way in which the pharmaceutical companies address their CSR and engage with its stakeholders. Entering in stakeholder dialogue might provide a fruitful approach to manage stakeholder relations.

Valentine and Fleischman (2008) explored the positive relationships between ethics codes and job satisfaction based on the perception of the business professionals regarding CSR. The study is conducted on the basis of 4 parameters. They were presence of ethics codes, communication of the ethics code, presence of ethics training and hours spend on ethics training. Also a linkage was established between perceived CSR and the efforts taken to enhance the ethics of the organisation. It was identified from the study that job satisfaction is positively associated with the existence of ethics code and ethics training in the organisation. . The study was concluded by a suggestion to the companies to focus on growing ethical culture, provide ethics training and the need for CSR activity.

Cacioppe, Forster and Fox (2008) studied the manager's perceptions regarding ethics and CSR and its effect on company's success. The study is conducted on 60

reputed Australian and International companies and how the ethical and social responsibilities of these companies were viewed by the managers and professionals. The survey also aimed to understand how the participants perceive or consider as ethical and socially responsible behaviour of the organisations. The study identified that the perception of the managers and professionals towards the ethical and socially responsible activities of the company affect their attitude towards the organisation and also an impact on the intended behaviour. The social responsibility of the business induced the professionals and managers in making decisions regarding whether to work for an organisation, use the services of an organisation and also to buy the shares of such companies. The respondents were asked to give their opinion regarding the top characteristics of ethical companies and socially responsible companies. The top rated characteristic of a ethical company was whether the company or the employees break the law. And regarding social responsibility how the company treat environment was the top rated characteristic.

Turker (2009) studied the influence of CSR on organizational commitment. The study was conducted among a sample of 269 business professionals. The key predictors used for assessing the organizational commitment were CSR to social and non social stakeholders, CSR to employees and CSR to customers. Based on the study it was observed that the CSR to employees was the most significant predictor. There existed a strong linkage between fulfillment of employee needs through CSR and their organizational commitment. They study also gave importance to the CSR to customers and its effect on organizational commitment. The employees preferred to work in an organisation where the needs of the consumers are considered. The study identified that the CSR to Government or fulfilment of the legal obligations of the corporate is not considered relevant by the employees. The researcher provide a new definition for CSR considering this aspect and CSR is defined as corporate behaviors which are affecting stakeholders positively and going beyond its economic interests and legal obligations.

Nien-he-Hsieh (2009) studied the corporate social responsibility and the priority of shareholders. According to many previous theories, the shareholders do not have any claim on corporate resources such that they could limit the managers from using it to

alleviate human misery. But the author point out the theory of shareholder primacy and hold the claim of the shareholders in using the corporate resources relative to other non shareholders. The author made use of Dunfee's approach in explaining the prioritization of shareholders over non shareholders.

Bhattacharya et.al (2009) explored the benefits of stakeholder approach of CSR and suggested a model explaining the benefits derived by the stakeholders and how these benefits from CSR initiatives of the company influence the quality of the relationship between the stakeholder and the company. The authors provided evidence by stating earlier literatures in this regard. Based on the model it can be concluded that stakeholder response to CSR is purely based on the personal benefits derived by the individual because of the CSR initiatives of the company. Also the nature of the relationship between the stakeholder and the company is determined by the type of benefit accrued to the individual. The model also stress on the importance of distinguishing between the third party measures of CSR spending and stakeholder perception regarding the CSR initiative of the company. The study is concluded by stressing on the need for a company to engage in CSR activity and derive direct effects of such efforts.

Simeon et al. (2011) has studied the CSR from the employee's perspective of MARG Properties. The study dealt with concepts like corporate conscience, corporate citizenship, sustainable responsible business etc. The MARG properties undertake residential projects for the society. it is important for them to have goodwill and the authors state that undertaking CSR activities will help companies to build good reputation. They concentrate on areas like education, health, community and environment. They are also doing corporate cause promotion activities. They are actively involved in giving career counselling to the young generation. Employees of this organisation are highly motivated in involving in CSR activities.

PHAM Duc Hieu (2011) conducted a study among the managers and executives in various enterprises in Vietnam and also among customers to understand their awareness and attitude towards CSR. The two main concern of the study was to identify whether CSR practice and reporting is influenced by management perception and CSR practices and disclosure influence the consumer's behaviour. Two

questionnaires was formulated and one was given to the management in selected 30 companies of three different business sectors and the other questionnaire to the customers of these three sectors.

Kwan and Tuuk (2012) studied the implications of corporate social responsibility on talent management and human resource management. The paper tried to identify the importance assigned by early career employees assigned to CSR while choosing their place of work. The study was based on an online survey among the students and young professionals in United States under the age 30. It was found that CSR is an important factor in an employee engagement strategy but it should be paired with other factors to create a balanced, total rewards strategy. 90% of the respondents felt that they are more likely to join or stay with a company which undertake CSR activities and support charitable initiatives. Most of the employees wanted a strong link between the CSR practices and the organizational image, culture, values etc. it was concluded that even though CSR activities of the organisations is an important factor considered by the employees in making a choice of their work place, but it is not the only important factor. The priority was always given for factors like compensation, opportunities for promotion and professional achievement.

Leonidas, Mary, Theofilos & Amalia, (2012) studied the perception of managers about CSR. The study was carried out among the company managers in Greece and a total of 48 managers had given their response. The findings revealed that most of the companies have a system that executed various CSR programs towards the employees, society and environment. How the CSR is managed depended on the size of the company was tested by a t test of independency. The company with larger size is better able to manage the CSR activities internally. The managers strongly feel that the CSR activities offer a competitive advantage for the company. They also realise the importance of CSR reporting. It was suggested by the managers that the CSR practices of the companies should be managed internally by a CSR department and an external agency must evaluate the progress of these CSR activities. The managers felt that the institutionalisation of CSR is essential and the support of manager is pre conditional for the institutionalisation of CSR.

Ahmed (2013) studied the role of human resource management in corporate social responsibility. He expressed the view that without the involvement of the human resource of an organisation, the CSR become the exercise of the public relations. The credibility of the organisation will be damaged when the public come to know about the non involvement of the employees of the organisation. HR professionals have an important role to play in motivating the employees and ensuring their involvement in the CSR activities of the organisation. CSR activities will help in ensuring the growth of the employees by participating and connecting with the society through it. It will help in instilling self confidence and self esteem in employees. It was also found that the critical success factors for implementing CSR is to have an over reaching vision. He also stated that it is important to understand how the CSR practices to be aligned to business and HR practices. He also suggested that the HR department should frame a sustainable policy for the employees and orientation programmes can be designed for newly recruited employees to be acquainted with CSR practices of the company.

Apoorva (2013) explored the influence of CSR on employee commitment in organizations. The study was conducted among the employees of Pune region. The representation of middle management was more in the sample for the study. The study identified a strong relationship towards employee perception and their commitment towards organization. The CSR initiatives of the organization towards social and non social stakeholders show strong relationships to organizational commitment among the entire category of employees. Also CSR create positive attitudinal changes in the top and middle level management. It was noticed that the perception of the employees towards CSR has significant effect on the organizational commitment.

Shah (2013) tried to analyse the impact of CSR activities of the telecommunication industry in Bangladesh. He carried on the study by evaluating the factors influencing the CSR adoption. Data was collected from 100 telecommunication subscribers all over Bangladesh. The author found that the CSR activities of the company had positive impact on environment, subscribers as well as various stake holders. Ten factors were identified by the author as influencing the CSR practices of Grameen Phone Ltd. in Bangladesh. They were subscriber's demand, government policy, workers welfare, organizational culture, service quality, environmental issues, legal

requirements, infrastructural decay and call rate. The author also found that most of the respondents feel that Grameen Phone Ltd played major role in the CSR practices in Bangladesh. The CSR activities of Grameen Phone Ltd concentrated mainly on Health care, education and environment. Customers were asked about their satisfaction regarding services and the CSR operations and it was identified that Grameen Phone Ltd is the most preferred telecommunication service provider among the telecommunication companies.

Omwenga (2013) studied the perception of the management towards corporate social responsibility. The managers of Kenya Power and Lightning Company constituted the population of the study and questionnaire was issued to 53 managers of the company and 48 responded to it. The managers of the company have a positive perception towards corporate social responsibility. The perception analysis was done following the Carroll's Model. It was analysed in 4 perspectives. From the economic perspective, the managers supported the view that engaging in CSR activities do not cause harm to the shareholders and it enhance the financial returns of the company. From the legal perspective, the respondents shown a high response and the company always comply with the necessary legal regulations. Regarding the ethical performance of the company, all the managers uniquely opinion that the company is an equal opportunity employer and it had good corporate governance which help the company in achieving its goals. The philanthropic performance of the company is also high according to them since the companies support various causes of the society and the managers suggest that the company should continue with the welfare activities.

Rekha and Gayathri (2013) had studied the relationship between human resource management and corporate social responsibility. It was identified that strong social responsibility culture in one enterprise could fulfill the business management in practice and will motivate the employees and management to become active citizens. The study identified that it is important to recognise the value of human resource as the most important capital of the organisation and it is important to reinforce the CSR awareness. The CSR is a necessity so that the employees can unite the social responsibility with the profit of the enterprise as well as their mutual interests.

Rajendran and Silambarasan (2013) had made a study on the changing role of human resource managers in promoting the corporate social responsibility. The study made an analysis of the importance of human resource department in the implementation of corporate social responsibility. It was stated that CSR is on the boundary of HR and PR. It also warns that it is dangerous for the company and human resource if the CSR is allowed to slide more towards PR. It was found that CSR provide great opportunities to HR for providing greater employee satisfaction and performance leading to the success of the business. The study also suggested the human resource leaders for properly defining the CSR policy and to establish metrics for measuring the impact of the CSR practices.

Nabi and Talib (2014) had made an attempt to study the relation between corporate social responsibility and employee engagement. The researcher had studied these to constructs and created a model of CSR and employee engagement. The researcher had done a review of previous studies which states that CSR will act as a motivating factor in contributing extra by the employees. The proposed model by the researchers was based on Carroll's CSR Model which consists of discretionary, legal, ethical and economical components. The two dimensions of employee engagement i.e. Job engagement and organizational engagement was also taken for the study. The researcher's have proposed the questions like which dimension of CSR is more related to employee engagement and which dimension of employee dimension is more related to CSR.

Hilali and Nasery (2014) had studied the customer perception towards the CSR initiatives through cause related marketing initiatives. The study was conducted in Kuwait and data was collected from 532 respondents. A situation actual cause related marketing was presented before the customers to understand their opinion. It was found that the perceived motive of the company, the importance customers assign to the addressed cause of the company and the trust people have in the organisation influence their perception. It was also found that the customers can be divided in to four according to their difference in the attitude. The classification is as pre contemplators, contemplators, actionists and maintainers. Pre contemplators can be described as a group which is market oriented and whose main concerns are price and

quality. It was seen that CRM had no impact on 54% of the customers in that group. And half of that group purely believes that only responsibility of business is making profit. Among the contemplators half of them were aware about CSR but they did not believe that participation in such activities will make a positive change in the society. Actionists are ready to support the CSR activities even though half of them had doubts regarding the intention of companies. The maintainers or the pro social individuals are a group which is in search of companies that are actively associated with social activities. They are even ready to switch over the brand and pay more to buy products of companies having CSR activities.

Murthy (2014) had identified the factors influencing the perception of managers towards CSR. He had identified eight factors based on the previous studies. The eight factors selected by the researcher were consumer preference, public image, financial performance, industrial relations, public relations, routine business, part of society and social obligations. Based on the factor loading of Public image and relations, three variables had high positive loadings. They were i) socially responsible activities are helpful in achieving favorable public image ii) firms perceived as socially responsible can improve their industrial relations and iii) there is no difference between involvement in socially responsible activities and positioning for public relations. The other factors identified were morality and ethics and monetary benefits. Based on the study, it was identified that CSR activities improve the image of the company. The ethical behaviour exhibited by the manager's show their positive inclination towards CSR. The managers also perceive the economic benefits like increased sales, investment etc as a result of CSR. All these findings are backed by the findings of the previous studies.

Jothi (2014) focused on studying the perception of the managers as well as the CSR practices of Public and Private Companies in Tamilnadu. The perception of the managers was analysed and it was identified that customers are the main stakeholders for the successful business practices. The other factors identified were ethical values to investors and employees, sustainability, contribution to socio economic development legal compliance, responsibility to the state and the return on investment. It is understood that the priority area of CSR is the accountability towards all the

stakeholders. The study also focused on the major areas of CSR selected by the companies in Tamilnadu. All the aspects regarding CSR practice and the perception of the managers towards it is identified through the study. The outcomes of the CSR practices were analysed and a direct linkage with the business operations was identified in the case of public companies except the banks. Also In the case of private companies, majority of them initiate the CSR activities through their own NGOs. The disclosure requirements are met mostly by the public companies. The study on the financial performance and CSR revealed different results in the case of public and private company. There is moderate positive correlation in the case of public companies and the correlation is moderately negative in the case of private companies. The joint analysis showed a weak negative correlation between the CSR practices and financial performance of both public and private companies in the study.

Khan et al. (2014) had made a study to understand the customer perception regarding the social responsibility of banks. They tried to study the perception of customers about CSR initiatives of Pakistan Banks. 300 customers were the sample size of the study. It was found that the customers are largely favouring the CSR initiatives of the banks. It was also identified that the customers give priority to the customer centric activities of the banks, secondly to the philanthropic activities and finally to environmental activities. On the basis of hypothesis testing it was proved that CSR activities can have a positive and significant impact on the attitude and behaviour of the Pakistani banking customers. The result of the correlation analysis indicated that due to customer centric activities, there occurred a more significant change as compared to the philanthropic and environmental activities of the business.

Naderian and Baharun (2015) had analysed the relationship between consumer behaviour and corporate social responsibility. The study is based on the hotel industry in Malaysia. The study is based on four dimensions of corporate social responsibility. They were employee support, community relation, and environment support and food quality. The hypothesis tested were the whether the four dimensions of CSR selected in the study created a positive impact on corporate social responsibility. it also aim at testing whether the CSR leads to customer satisfaction.

Vahdati et al. (2015) had studied the customer perception on corporate social responsibility. The study was conducted among the customers of dairy products. The major finding initiated by the Paper was that CSR have a relevant role in creating positive attitude in the mind of customers and it lead to or influence the buying behaviour of the customer. The study tried to connect the relationship between CSR activities of the companies and the attitude of the customers. It also tried to depict the influence of customer attitude on consumer buying behaviour. The first hypothesis was regarding the impact of CSR on the customer attitude. It was tested and found that every single dimension of CSR like supporting employees, protecting environment, moral, economic and humanitarian responsibility as identified by the author was tested and approved to be true. The effect of customer attitude on the buying behaviour was also tested and proved right. The third hypothesis was the impact of CSR on consumer buying behaviour with regard to customer attitude which is the mediating variable. It can be seen that when the indirect impact was proved the direct impact was rejected in hypothesis testing. The hypothesis testing finally proved that the implementation of CSR will create customer attitude and inculcate buying behaviour in them.

Anim and Cudjoe (2015) studied the influence of CSR awareness on the purchasing intention of the customers. 150 customers who are the network subscribers of MTN was selected for the study. It was found that the customers are aware about the CSR practices of the company. The customers were influenced by the brand name, quality services, reference groups, products and services offered by MTN. But CSR activities proved to be an important factor influencing their repurchase of the services of MTN.

Fonceca (2015) made an attempt to study the corporate social responsibility from the view point of employees as well as beneficiaries. The study aimed to understand the response of these groups towards CSR. The study was based on CSR responsiveness, Corporate Ethics, Social Responsibility, CSR practices, Support towards CSR, Beneficiaries involvement and Effectiveness of the CSR programmes taken up by the company. More than half of the employees had high level of perception regarding the responsiveness, ethics, responsibility, practices and support aspect. Also majority of them expressed a high level of opinion regarding the involvement of beneficiaries

towards CSR activities. The employees also rated high regarding the effectiveness of the programmes carried on by the organization. The same variables were studied from the point of view of the beneficiaries and it was noticed that the beneficiaries expresses a low rating regarding these variables. Suggestions were made in the study to overcome the low perception of the beneficiaries and it was suggested that the problem can be addressed through social case work. The study also stress on the importance of creating awareness among the community members.

Nagalatha (2018) had studied the perception of managers about CSR. The objective of the study was to identify the factors influencing the ethical ideologies and the perception of managers. Data was collected from 215 managers by purposive sampling and data was collected through a structured questionnaire and it was measured through Likert five point scales. It was identified that the ethical ideology of the managers are influenced by five factors namely holistic, utilitarian, subjective, and contingent and perfectionist personalities. Based on factor analysis, seven factors influencing the perception of managers were also identified. They were i) CSR is an additional burden to the companies ii) CSR projects are cost incurring iii) CSR is an expectation of the society iv) it is a profit making weapon v) CSR is an instrument which balance a firm vi) Firm performs CSR beyond responsibility and then finally (vii) CSR is an image builder of a firm. Gender does not create any significant differences in the ethical ideology and the perception of managers. Based on the ANOVA test it was identified that age, educational qualification, work experience, income level and nature of business create significant difference in the ethical ideology of the managers. It can also be seen that there is significant difference between the age group, work experience, educational qualification towards perception of managers on CSR. But there is no significant difference between monthly income level of managers and perception of CSR. It was concluded that the self actualised people and less relativistic managers give priority to ethics and social responsibility. It was seen that the managers have a positive opinion on CSR and most of them are interested in participating in CSR. The study depict that the firm mainly focus on consumer complaints and medical aids and the second priority is given to

environment. It was suggested that the companies have to innovate their CSR interventions.

2.4 Summary

The chapter provides a summary of some of the extant literature on corporate social responsibility and studies related to CSR and stakeholders. The review provides an understanding regarding what is already studied and what is yet to be studied. The studies are mainly centered in discussing the corporate social responsibility practices existing in different kinds of organisations. The first part of the review covers the major CSR practices adopted by different kinds of companies. Next part of the review concentrated on the studies made on different types of stakeholders and their perception regarding CSR. The stakeholders covered in the study are mainly managers, employees, customers etc of a company. Also very studies covering the perception of the public and beneficiaries are also reviewed.

References

1. Anahita Naderian and Rohaizat Baharun (2015)“Corporate Social Responsibility and Consumer Behavior”, *Asian J. Management* ISSN- 0976-495X6(4),pp. 249-255
2. Anupam Sharma and Ravi Kiran (2013), “Corporate Social Responsibility Initiatives of Major Companies of India with Focus on Health, Education and Environment”, *African Journal of Basic & Applied Sciences* ISSN 2079-2034, 4 (3): 95-105,
3. Anupam Sharma and Ravi Kiran(2013), “Corporate Social Responsibility: Driving Forces and Challenges”, *International Journal of Business Research and Development* ISSN 1929- 0977 | Vol. 2 No. 1, pp. 18- 27
4. Azam Malik, (2016), *Corporate Social Responsibility in Indian Insurance Sector* (Doctoral Dissertation), Department of Commerce, Aligarh Muslim University
5. Akkala Surendra Babu, (2016), *Analysis of impact of corporate social responsibility initiatives of Indian Coal Mining Industry- with special reference to Korbra Coalfields of Chhattisgarh (India)* (Doctoral Dissertation),Faculty of Management Studies, Manav Rachna International University.
6. Amit Kumar Srivastava, Gayatri Negi,Vipul Mishra and Shraddha Pandey (2012), Corporate Social Responsibility: A Case Study of Tata Group”, *IOSR Journal of Business and Management* ISSN:2278-487X, Vol 3, Issue 5, pp. 17 – 27
7. Dr. Artta Bandhu Jena (2014) “A Study on Corporate Social Responsibility (CSR) Activities of Balasore Alloys Limited”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137 Vol. 4, Issue. 11, pp 33– 47.
8. Bhawna Rajput and Shweta (2015), “Scenario of Corporate Social Responsibility in India”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 5, Issue. 10, pp 108 – 115

9. Bert Scholtens, (2009), Corporate Social Responsibility in the International Banking Industry, *Journal of Business Ethics*, Vol 86, No.2, (May 2009),pp.159-175 204accessed through <http://www.jstor.org/stable/40294882>
10. C.B.Bhattacharya, Daniel Korschun and Sankar Sen, (2009), Strengthening Stakeholder – Company Relationships through Mutually Beneficial Corporate Social Responsibility Initiatives, *Journal of Business Ethics*, Vol 85, Supplement 2:CSR Implementation (2009), pp. 257-272 accessed through <http://www.jstor.org/stable/40294840>
11. Clayton Michael Fonceca,(2015), *Corporate Social Responsibility An Empirical Study* (Doctoral Dissertation), Department of Social Work, Bharathidasan University
12. Dean Roy N, (May 2017), *Evaluation of Corporate Social Responsibility of Central PSUs in Kerala* (Doctoral Dissertation), Department of Commerce, Mahatma Gandhi University.
13. Duygu Turker, (2009) How Corporate Social Responsibility Influences Organisational Commitment, *Journal of Business Ethics*, Vol 89, No.2 (oct.,2009) pp. 189-204accessed through <http://www.jstor.org/stable/40295049>
14. Deepika Dhingra and Ram Mittal, CSR Practices in Indian Banking Sector, *Global Journal of Finance and Management*. Volume 6, Number 9 (2014), pp. 853-862, ISSN 0975-6477.
15. Eliza Sharma and Dr. Mukta Mani, CSR: An analysis of Indian Commercial Banks , *AIMA Journal of Management and Research*, Volume 7,Issue ¼, February 2013, ISSN 0974 –497
16. Faize Nabi, Saif Azam and Azmat Ali Khan (2014), “CSR, Green Practices and Profitability of Corporate Sector in India: A Study based on Forbes ‘India’s Top 100 Units’”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281), Vol. 6, No. 1, pp. 9-16

17. Faize Nabi and Parvaiz Talib, (2014), “Corporate Social Responsibility and Employee Engagement: An Objective Study”, *Al-Barkaat Journal of Finance & Management*, Vol.7, No.1, January 2015, pp. 92-106
18. Gurucharan Singh, Harleen Mahajan and Sheenu Gupta (2013) “Study on the impact of corporate social responsibility as a tool of brand promotion on brand performance”, *ZENITH International Journal of Multidisciplinary Research* Vol.3 (2) Issue 2.
19. Gagandeep Josan (2015), “Corporate Social Responsibility or Irresponsibility”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 5, Issue. 5, pp 270 – 282.
20. Henna Sikka and Shika Singh (2014) “Corporate social responsibility a comparative analysis” *ZENITH International Journal of Multidisciplinary Research*, Volume : 4, Issue : 6 pp. **174 -182**
21. Hojatollah Vahdati ,Najmedin Mousavi and Zohre Mokhtari Tajik, “ The study of consumer perception on corporate social responsibility towards consumers attitude and purchase behaviour, *Asian Economic and Financial Review* ISSN(e): 2222-6737 /ISSN(p): 2305-2147,pp. 831-845
22. Irfan Ahmed Ajmeri, (2014), *Study of approach towards corporate social responsibility and its impact on overall growth of companies with reference to selected IT companies in Mumbai Region*, (Doctoral Dissertation), Tilak Maharashtra Vidyapeeth.
23. Irshad Ahmed & Dr. U. Surya Rao, (2013) “Corporate Social Responsibility of Indian Insurance Industry - A Benchmark”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137 Vol. 3, Issue. 6, pp 191 – 200.
24. Jothi M., (2008), *Corporate Social Responsibility: Managerial Perceptions and Practices(A Comparative study of Public and Private Undertakings in Tamilnadu)* (Doctoral Dissertation), Department of Commerce, Alagappa University

25. Kalyani C. Srinivas, (2008), *Study on Corporate Social Responsibility of Major Industries in Pune Content Implementation Strategies and Impact* (Doctoral Dissertation), Department of Commerce, Savitribai Phule Pune University
26. Lokendhar Vikram Singh, Archana Singh and Dr R S Waghela (2011), “Ethically and Socially Responsible Marketing in Indian Business: A Conceptual Outline, *IJMT*, Vol. 1, Issue 5, pp. 72-89
27. Linda O’Riordan and Jenny Fairbrass, (2013), CSR Models and Theories in Stakeholder Dialogue, , *Journal of Business Ethics*, Vol 83, No.4 (2008), pp. 745- 758 accessed though <http://www.jstor.org/stable/25482410>
28. Dr. Latha Krishnadas Mazumder and Dr. David Jayaseelan, (2016) “ The role of business ethics and social responsibility in achieving competitive advantage and ensuring sustainable business (An Empirical Study on Companies in UAE)”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 6, Issue. 1, pp 27– 47
29. Mansour Abdullah Naji (2010), “Corporate Social Responsibility of Arabian Companies: A Comparative Study of YCGSI and YCIC in Yemen”, *Asian Journal of Development Matters*, Vol 4 (1), pp. 112-115.
30. Mohammed Ismail Mohideen Bawa (2013) “Corporate Social Responsibility in selected Local Commercial Banks of Srilanka, *ZENITH International Journal of Multidisciplinary Research*. 3. 2231-5780.
31. Dr. Mohammad Khalil Ahmed (2013), “*The role of human resource management in corporate social responsibility*”, (Doctoral Dissertation), Maratha Mandir’s Babasaheb Gawde Institute of Management Studies
32. Md. Zafar Mahfooz Nomani and Mohammad Nasir (2014), “*Corporate Social Responsibility & Companies Act: Strategising a New Paradigm for Inclusive Growth*”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281)Vol.6, No. 1,p p. 41-51

33. Mohd. Imran Siddiquei, (2014) “Corporate Social Responsibility and Inclusive Growth of Deprived Section in India”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281) Vol. 6, No. 1, pp. 58-63
34. CH.R.S.CH.Murthy and S. Sreekanth (2013), “Corporate Social Responsibility at Singareni Calories Company Ltd.”, *Asian Journal of Research in Business Economics and Management*, Volume 3, Issue 4.
35. Nagalatha S.,(2018), *Perception of managers on corporate social responsibility*,(Doctoral Dissertation), University of Madras.
36. Neelam Dhingra (2017), *Corporate Social Responsibility in Select Central Public Sector Enterprises in Kerala* (Doctoral Dissertation), Faculty of Management Studies, Manav Rachna International University.
37. Nien –he-Hsieh (2009) Corporate Social Responsibility and the priority of Shareholders, *Journal of Business Ethics*, Vol 88, pp.553-560 accessed through <http://www.jstor.org/stable/2779730>
38. Nabil El-Hilali, and Nidam Nasery (2014), “An Assessment of Customer Perception of Corporate Social Responsibility (CSR) Through Cause Related Marketing (CRM) Initiatives” *International Conference on Business, Law and Corporate Social Responsibility (ICBLCSR'14)* Oct 1-2, 2014 Phuket (Thailand), pp. 141-152
39. Nahid Shah (2013), “Consumer Attitude towards Corporate Social Responsibility Practices in Bangladesh: A Study on Grameenphone Ltd.”, *European Journal of Business and Management*, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)Vol.5, No.29, pp. 227-238
40. Namrata Singh, Rajlaxmi Srivastava & Rajni Rastogi, CSR practices and CSR reporting in Indian Banking Sector, *International Journal of Scientific Research and Publications*, Volume 3, Issue 12, December 2013

41. Dr. Namita Rajput, Parul Chopra and Akanksha Khanna, (2013), “Gender Composition and Director Diversity affect Corporate Social Responsibility and Profitability: An Econometric Study”, *ACADEMICIA*, ISSN 2249-7137, Volume 3, Issue 1 pp. 222-232
42. Nitin Kumar (2014), “ Corporate Social Responsibility: An Analysis of Impact and Challenges in India”, *Abhinav International Monthly Refereed Journal of Research in Management & Technology*, Volume 3, Issue 5, pp.97-104
43. Omwenga B Tabitha (2013), Management Perception of the Corporate Social Responsibility at Kenya Power and Lighting Company, <http://erepository.uonbi.ac.ke/bitstream/handle/11295/61303/Full%20Text.pdf?sequence=3>
44. Poulipoulos Leonidas, Geitona Mary, Poulipoulos Theofilos & Triantafillidou Amalia, Manager’s Perceptions and Opinions towards Corporate Social Responsibility in Greece, *Procedia Economics and Finance*, www.elsevier.com/locate/procedia accessed through <https://www.sciencedirect.com/science/article/pii/S2212567112000366?via%3Dihub>
45. PHAM Duc Hieu (2011), “Corporate social responsibility: A study on awareness of managers and consumers in Vietnam”, *Journal of Accounting and Taxation*, December 2011 ISSN 2141-6664, Vol. 3(8), pp. 162-170.
46. Patrick Amfo Anim, Agbemabiese George Cudjoe, “The Influence of CSR Awareness on Consumer Purchase Decision of a Telecommunication Network in Ghana (A Case of La Nkwantanag Madina Municipality)”, *International Journal of Scientific & Technology Research*, ISSN 2277-8616 Volume 4, Issue 02, pp. 8-16.
47. Palkar Apoorva, (2013), *A study of Corporate Social responsibility and its influence on employee commitment in organisations*, (Doctoral Dissertation), Savitribai Phule Pune University.

48. Pooja Jain (2014), “Social Responsibility and Corporate: A Study of Selected Companies”, *Journal of Academic Discourse*, Vol. 3, No. 2, pp. 94-101.
49. Dr.N.Rajendhiran and C. Silambarasan, (2013), “Changing Role of Human Resource managers for Promoting Corporate Social Responsibility” 3rd *International Conference on Management, Economics and Social Sciences (ICMESS'2013)* January 8-9, 2013 Kuala Lumpur (Malaysia), pp.166-178
50. Priyanka Saha,(2018), *Corporate Social Responsibility practices of select Indian Multinational Companies: A study on emerging trends* (Doctoral Dissertation), Department of Commerce, University of Calcutta
51. Rama Murthy, (2014), Manager Perception on corporate social responsibility in selected companies in Hyderabad, *Research Inveny, International Journal of Engineering and Science*, p 9-14.
52. R S Ramesh and Puneeta Goel (2012), “Study and Measurement of Corporate Social Responsibility – An Indian Perspective”, *ZENITH International Journal of Multidisciplinary Research*, Vol 2, Issue 6, pp. 208-218.
53. Rajesh Shankar Sharma (2012), “Corporate Social Responsibility and Business Ethics”, *ZENITH International Journal of Multidisciplinary Research* Vol.2 Issue 8, pp. 137-148
54. Ron Cacioppe, Nick Forster and Michael Fox, (Oct.2008), A Survey of Managers Perceptions of Corporate Ethics and Social Responsibility and Actions that may affect Companies’ Success, *Journal of Business Ethics*, Vol 82, No.3 pp.681-700 accessed through <http://www.jstor.org/stable/25482320>
55. Dr Simeon S Simon, DrJanakiraman and Dr Clement Sudhahar (2011), “ A feasibility case study on implementing CSR from employee perspective with special reference to MARG Properties, Chennai”, *IJRSS* ISSN:2249-2496, Vol 1, Issue 1, pp. 7-20
56. Shahbaz Khan, Nida Baig Aon Waqas Awan, (2014) “Do Corporate Social Responsibility Initiatives Favourable for Banks? Customer’s Perceptions”, *Business and Economic Research*, Vol. 4, No. 1, pp.230-247

57. Saad Bin Azhar and Parvaiz Talib, (2014) ,“Towards Corporate Social Responsibility: Green Practices in Automobile Sector in India”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281),Vol 6, No.1, pp. 52-57
58. Sophana Srichampa (2010), “Corporate Social Responsibility of the Indian Businesses in Thailand”, *Voice of Intellectual Man*, Vol 1, No.1, pp. 33-48
59. Sapna Katara and Lokesh Arora (2014), “Emerging Trends in CSR in Indian Banks” *International Journal of Multidisciplinary Consortium* ISSN 2349-073X Volume – 1 Issue – 3 , pp.136 – 142
60. Shirley Yeung (2011), “The Role of Banks in Corporate Social Responsibility”, *Journal of Applied Economics and Business Research*, Vol 1, Issue 2, pp. 103-115.
61. Sai Rekha and Gayathri (2013), “ Human Resource management and Corporate Social Responsibility”, *International Journal of Applied Research and Studies* ISSN 2278-9480, Vol II, Issue 3, pp. 1- 7
62. Sarita Moharana (2013), “Corporate Social Responsibility: A study of selected public sector banks in India”, *IOSR Journal of Business and Management* ISSN: 2278-487X, Vol 15, Issue 4, pp. 1 – 9.
63. Sean Valentine and Gary Fleischman (Jan 2008), Ethics Programs, Perceived CSR and Job Satisfaction, *Journal of Business Ethics*, vol 77, No.2 pp.159-172 accessed through <http://www.jstor.org/stable/25075551>
64. Seema G. Sharma , (2009), Corporate Social Responsibility In India: An Overview, *The International Lawyer*, Vol 43, No.4 (Winter 2009), pp. 1515-1533 accessed through <http://www.jstor.org/stable/40708084>
65. Shohreh Saboji and Rouhollah Zahedirad (2011), “The role of environment responsibility to reach sustainable development: A case study of Indian firms, *Asian Journal of Development Matters*, Special Vol 5 (1), pp. 285- 290

66. Suchitra Rathi, (2014), *Study of Corporate Social Responsibility Practices in Selected Steel Manufacturing Organisations in Chhattisgarh*, (Doctoral Dissertation), Faculty of Management Studies, Pt. Ravishankar Shukla University
67. Sandeep Bhawnani and D.R. Bhawnani (2014), “Corporate Social Responsibility of Bhilai Steel Plant”, *Asian J. Management* ISSN- 0976- 495X(2), pp.166-169
68. Sushanta Kumar Nandi and Ranjan Kumar Bal (2016), “Corporate Sustainability Performance and Financial Performance of Indian Companies: A Relational Study”, *Asian J. Management* ISSN- 0976- 495X, 7(1), pp. 56-64
69. Truptha Shankar and Dr. H. Rajashekar (2013), “Impact of the proposed Corporate Social Responsibility mandate in the new Companies Bill 2012 of India”, *Asian J. Management* 4(4), pp. 317-324
70. V L Govindarajan and S Amilan (2013), “ An Influence of CSR initiatives with financial performance: Evidence from Petro Gas Products Industry in India”, *South Asian Academic Research Journals*, Vol 3, Issue 8, pp.1-27
71. Vikas Katia (2014), “The CSR - Overview of Provisions and Social Concerns”, *Asian Journal of Research in Business Economics and Management* Vol. 4, No. 3, March 2014, pp. 66-73.
72. Vivek Rajapadmanabhan (2016), *Impact of Corporate Social Responsibility on Rural Development – A case study in Tumkur District, Karnataka*, (Doctoral Dissertation), Centre for Rural Development, Annamalai University
73. Vipin Kumar Aggarwal (2014) “Corporate Social Responsibility issues relating to Indian banking sector”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137 Vol. 4, Issue. 11, pp 165 – 170.
74. Vikas Choudhary and Suman Tandon (2013), “Corporate Social Responsibilities of Public Sector Banks in India”, *Galaxy International Interdisciplinary Research Journal*. ISSN 2347-6915, vol.1 (1).

75. Vijay P and Divya N, Impact of CSR initiatives of Initiatives of Indian Banking Sector, *IRJBM*, Volume No VII, Issue 12, December 2014, ISSN 2322 – 083X.
76. Winnie Kwan and Emily Tuuk (2012), “Corporate Social Responsibility: Implications for Human Resources and Talent Engagement”, *Centre for Advanced Human Resource Studies*.

THEORETICAL AND LEGAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

- 3.1 Introduction
- 3.2 Evolution of CSR
- 3.3 Definitions of CSR
- 3.4 Stakeholder Theory
- 3.5 Concept of Triple Bottom Line
- 3.6 Key Drivers of CSR
- 3.7 Relevance of CSR
- 3.8 Strategic Pillars of CSR Engagement
- 3.9 Global CSR
- 3.10 Ten Principles of UN Global Compact
- 3.11 CSR in India
- 3.12 Corporate Social Responsibility Reporting
- 3.13 Global Reporting Initiative (GRI)
- 3.14 Summary
- 3.15 Introduction
- 3.16 Voluntary Guidelines on Corporate Social Responsibility by the Ministry of Corporate Affairs, 2009
- 3.17 National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business by Ministry of Corporate Affairs, 2011
- 3.18 Companies Act 2013
- 3.19 Companies (Corporate Social Responsibility Policy) Rules 2014
- 3.20 Companies (Corporate Social Responsibility) Policy Amendment Rules 2016
- 3.21 CSR Amendments 2018
- 3.22 Corporate Social Responsibility and SEBI Guidelines
- 3.23 Summary
- References

THEORETICAL AND LEGAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

3.1 Introduction

“The power of production in the merchants should be always encouraged. They make the realm strong, enhance agriculture, and develop its trade. A wise king should be studiously favourable to them. There is no wealth in a kingdom greater than its merchants.”

Mahabharata

These words from Mahabharata help us in realising how the business was valued by our ancient society. The merchants were treated as the creators of wealth and they enjoyed admiration for the contributions they made to the nation and society. CSR as a concept is not new to the Indian society. It dates back to the old Indian culture and civilisation. This chapter is devoted for understanding the evolution of CSR as a concept and practice. The chapter covers

- ❖ Evolution of Corporate Social Responsibility
- ❖ Definitions of CSR
- ❖ Stakeholder Theory
- ❖ Triple Bottom Line Concept
- ❖ Key Drivers of CSR
- ❖ Relevance of CSR
- ❖ Strategic pillars of CSR
- ❖ Global CSR
- ❖ CSR in India
- ❖ Evolution of CSR in India
- ❖ CSR /Sustainability Reporting

3.2 Evolution of CSR

The concept of CSR is largely a product of the 20th century. The reference for the concern shown by the business community appeared in early 1930s and 1940s. It is seen in the literature that the business executives were polled by the Fortune magazine to understand their attitude towards social responsibility. According to Bowen (1953) the business people should assume the responsibilities that are desirable in terms of the objectives as well as values of the society. He also argued that the social consciousness of the managers show that they are ready to be responsible for the consequences of their actions and that too beyond their financial statements. There are several evidences for CSR definitions in the literature in 1950s. The era of 1960 marked a significant growth in the attempt to formalise what CSR means. Keith Davis (1960) asserted that some socially responsible business decisions can be justified by a long complicated process of reasoning as having a good chance of bringing long run economic gain to the firm, thus paying back for its socially responsible outlook. He had combined the concept of power to responsibility through the concept of “Iron law of responsibility”. Davis and Blomstrom (1971) stated in the Law of Long Run Self-Interest or Iron Law of responsibility that “In the long run, those who do not use power in a manner that society considers responsible will tend to lose it”. It conveyed that the social responsibilities of business people should be commensurate with social power.

It was in 1970; Milton Friedman came against this concept. In his article “the social responsibility of business is to increase its profits” in the Newyork Times magazine. He wrote “..... *there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception of fraud*”

But the concept of CSR grew despite of these contradicting views. In 1971 the Committee for Economic Development published “Social Responsibility of Corporations”. It conveyed the message that the business should try to improve the quality of life, rather than merely providing goods and services. It observed “*business*

functions by public consent and its basic purpose is to serve constructively the needs of the society – to the satisfaction of the society.”It emphasised on the wider responsibility of the business towards the society to serve a wider range of human values.

Also Carroll made an attempt to bridge the gap between economics and other expectations in 1979. He proposed a definition for corporate social responsibility that *“The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point of time.”*

Later the 1980s was marked by Neo Liberal Economy. The economy was featured by deregulation of the financial markets and privatisation of the state owned enterprises. The government regulations and social investments were in a bad phase and this led to rise in poverty and unrest in many parts of the world. This led to further economic instability and corporations started to gain power over the government. All these happenings led to the discussion regarding CSR and its need.

3.3 Definitions of CSR

According to Commission of the European Communities (2001) CSR is “a concept where by companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

Another definition is “CSR is essentially a concept whereby company decides voluntarily to contribute to a better society and a cleaner environment.”

Again in 2003, the commission provided another definition for CSR. Accordingly CSR is the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

World Business Council for Sustainable Development (1999)

CSR is “the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life

World Business Council for Sustainable Development (2000)

They have improved the definition of CSR in 2000 by adding Continuous commitment to it. “CSR is 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.

Business for Social Responsibility, 2000

Business decision making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment. They had also defined CSR as “operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Social responsibility is a guiding principle for every decision made and in every area of business”. Another definition given in 2003 was “CSR is achieving commercial success in ways that honour ethical values and respect people communities and the natural environment”.

IBLF, (2003)

“Open and transparent business practices based on ethical values and respect for employees, communities and the environment, which will contribute to sustainable business success.”

Khoury *et al.*, (1999)

Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance.

(CSRwire, 2003)

“CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees and the environment are reflected in the company’s policies and actions”

Hopkins, 1998

“CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsible will increase the human development of stakeholders both within and outside the corporation.

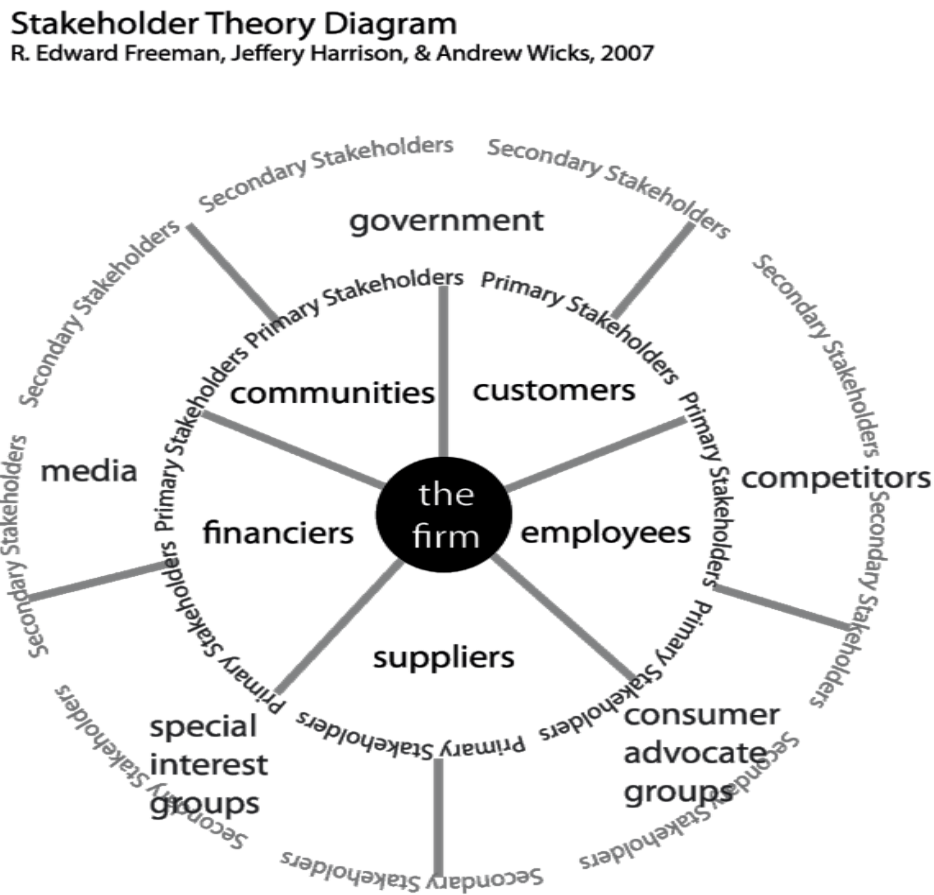
Each of these definitions had put forward that CSR is a concept giving importance to social, economic and environmental aspects. Apart from that stakeholders and voluntariness of the companies are also given priority.

3.4 Stakeholder Theory

According to (Freeman) “Every business creates, and sometimes destroys, value for customers, suppliers, employees, communities and financiers. The idea that business is about maximizing profits for shareholders is outdated and doesn’t work very well, as the recent global financial crisis has taught us. The 21st Century is one of “Managing for Stakeholders.”

Stakeholders can be defined as all those who are affected by the decision and action of corporations. Freeman (1984) describes the stakeholder as ‘any group of individual who can affect or is affected by the organisation’s purpose, because that group may prevent our accomplishment. Later in 1988 Freeman and Evan had extended this idea further by quoting a stakeholder as someone who “benefit from or harmed by and whose rights are violated or respected by corporate actions. Edem and Ackermann (1988) defined a stakeholder as “people or a small group with the power to respond to, negotiate with, and change the strategic future of the organisation. Clarkson (1995) speak off the stakeholders as those who “have or claim, ownerships, rights or interests in a corporation and its activities.”

Figure 3.1: Stakeholder Diagram



(Wheeler & Sillanpaa, 1997) offered a broad classification for stakeholders. They have classified the stakeholders in to four categories. They are

- i) Primary social stakeholders
- ii) Secondary social stakeholders
- iii) Primary non- social stakeholders
- iv) Secondary non – social stakeholders.

Those who have a direct interest in the company are primary stakeholders and that having indirect interest is known as secondary stakeholders. Even though the secondary stakeholders have an indirect stake in the organisation, they can be influential. They have the power to affect the reputation of an organisation.

Figure 3.2: Classification of Stakeholders

| Primary Social Stakeholders | Secondary Social Stakeholders | Primary non-social Stakeholders | Secondary non-social Stakeholders |
|---|---|--|---|
| <ul style="list-style-type: none"> • Investors • Employees • Suppliers • Customers and Consumers • Society and Community | <ul style="list-style-type: none"> • Government and Regulators • Civic Institutions • Social Pressure groups <ul style="list-style-type: none"> • Media and Academic Commentators • Trade Bodies • Competitors | <ul style="list-style-type: none"> • Natural Environment • Future Generations • Non-human species | <ul style="list-style-type: none"> • Environmental Pressure Groups • Animal Welfare Organisations |

3.5 Concept of Triple Bottom Line

The phrase ‘triple bottom line was first coined in 1994 by John Elkington. The term was later expanded and circulated through his book “Cannibals with Forks: The Triple Bottom line of 21st Century Business”. The triple bottom line attempts to describe the social and environmental impact of an organisation’s activities influence the economic performance of an organisation. Its synonym in triple P is People, Planet and Profit.

People

The people aspect of the triple bottom line views the employees of the organisation as human capital. It speaks about giving fair employment opportunities and also contributing to the society in the form of social investment.

Planet

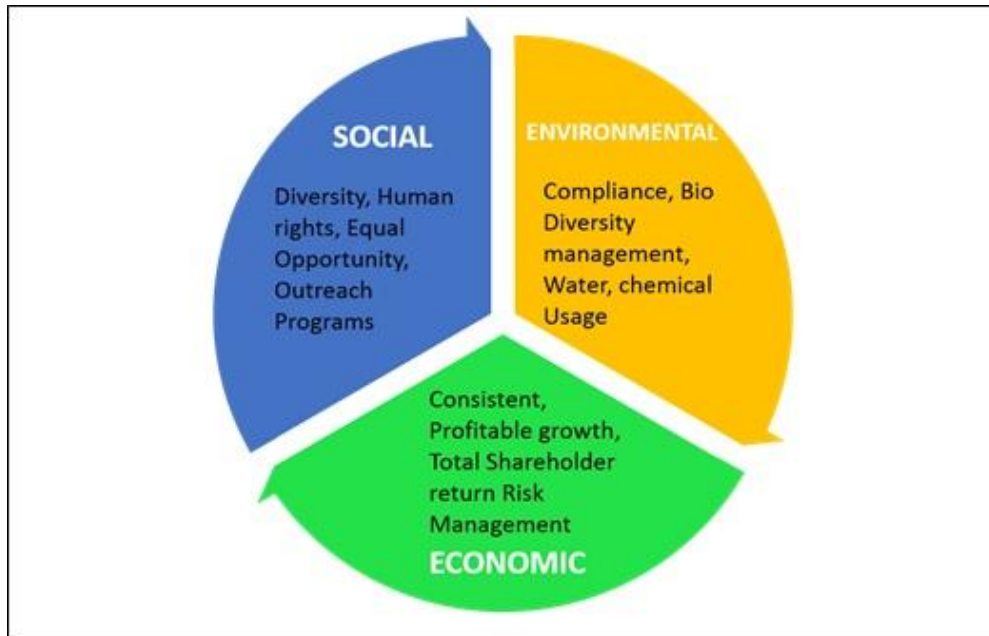
This is the most important area to be addressed by every organisation, if their aim is ensuring long term sustainability. A business must continue with its operations in such a way that the negative impact caused by its activities on the environment is minimal. The focus on this should be from procuring raw materials to reaching the customers. It should ensure that the effluents or the waste products created from its activities are harmless to the people and planet.

Profit

This element describes the way and method of earning profit apart from the fact of making profit. It conveys the message that means are as important as ends. The

process of earning profit must be done without disturbing or causing harm to the people and planet aspects.

Figure 3.3: Representation of triple bottom line concept



Triple bottom line accounting is all about the evaluation of a business organisation in three important areas: social, financial and environmental. The challenge lied in the process of measuring these three diverged factors. Several measuring methods were introduced from time to time. The first one was to decide upon a common measure to accurately convert the social and environmental aspects in terms of money. Calculating all these aspects in terms of money would have made this easier. The second approach is using an index to calculate TBL. The comparison is very easier using this method and there is no issue of incompatible units. The limitation of the index method is the chance for subjectivity.

3.6 Key Drivers of CSR

Employee Motivation

Companies which maintain strong CSR commitments have a good track record in procuring and retaining employees in a better way. It is also seen that their cost of recruitment is lower compared to the companies with no CSR. Many earlier studies

prove this to be true and this is because the potential customers always give a weightage when they evaluate the performance of a company. CSR activities also motivate the employees to be more faithful and committed to their company.

Higher Productivity and quality

CSR initiatives will help in achieving higher productivity and quality by reducing the operating cost. There exists contradicting views regarding this concept. One view is that the implementation of CSR will result in incurring additional costs but the other one stress on reducing operating cost by implementing initiatives that improve the environmental performance. So overall the CSR implementation in various sectors will help in the improvement of the quality of life.

Risk Management

Business is under constant risk since all their activities are watched and judged by their stakeholders. Any anti- social activity from their part will cause potential risk for their existence.

Ethical Considerations

Religion and philosophy has always played an important role in the inculcation of human values and behaviour and it has a great impact on the business and corporate management. The religious sentiments and values of the top management can act as a driving factor for their corporate social responsibility activities.

Help in reducing regulatory oversight

Companies which have good CSR practices might get a favourable treatment from the regulating authority regarding various compliance requirements. They are also given preferences regarding availing operating permits. It also helps in improving the productivity and marketing and distribution channels.

Affect the consumer demand

CSR activities might have a direct influence on the demand for products. There are certain previous studies which depicts a relationship between the purchasing behaviour and the CSR activities of the company. Research conducted by BTC and

Research International in 2003 found that 86% of the consumers agree that when price and quality are equal, they will give importance to the CSR activity of the brand. Also 86% of them agreed that they have a positive image about the company if it is doing something to make the world a better place to live.

3.7 Relevance of CSR

- Helps in improving the ability to satisfy stakeholder's expectations.
- Helps in increasing employee motivation and attracts the best talent to the company
- Helps in increasing the approval of the community regarding the values and reputation of the company.
- Helps in strengthening the relationship with stakeholders
- Helps in reducing the risk
- Helps the continuous improvement of the business
- Helpful in developing the talent of employees

3.8 Strategic Pillars of CSR Engagement

- Corporate Governance

Corporate Governance provides a platform to the business in designing and implementing its CSR strategies. A corporate governance model helps to ensure that CSR is embedded in every single function of the company. In the long run, governance can help in improving business performance and brand value enhancement.

- Risk Management

CSR is highly helpful in risk management of the companies. The incorporation of all the stakeholders and the interactions with them is important for the existence of business. CSR is important to profitability and this concept is getting acceptance among the corporate.

- Stakeholder Engagement

The incorporation of stakeholders in the CSR implementation will definitely empower them. Stakeholders have an important role in making the CSR implementation a success. The future sustainability of the business depends on stakeholder engagement.

- Effective Partnerships

Good partnerships are important in the effective implementation of CSR. The key is identification of likeminded partners and open communication between them. Public –Private partnerships prove to be helpful in CSR initiatives.

- Responsibility towards society

Socially responsible behaviour of the corporate has an important role in CSR engagement. CSR engagement is an important tool in fostering stakeholder relationships.

3.9 Global CSR

When we look in to the geographical evolution of the concept of corporate social responsibility, it can be noticed that there is no uniformity regarding the time period of how CSR is implemented in each part of the world. It can be seen that CSR as a concept flourished more in Europe but it was US, which was responsible for the early inclusion of CSR in to the business literature.

It was the West which recognised the importance of CSR and they gave the same priority they given for their workforce for CSR also. They included many guidelines for the proper implementation of CSR in the policies and programmes launched by the firms. The other continents were actually lagging in this regard. Many continents like Latin America, Asia etc. haven't recognised the need of business to have corporate social responsibility. Later, many countries like India, Brazil etc. made a move to incorporate social and environmental consciousness. The way it was incorporated was different from the West.

The United Nations has had a significant role to play in universal acceptance of the idea of CSR with their promotion of the “Global Compact” to which various

countries are signatories. This global compact binds the signatories to universally accepted principles of social responsibility which the businesses in those countries ought to follow and which is tracked for implementation.

3.10 Ten Principles of UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;

8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti- Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

These principles were taken as a guideline by the corporate and incorporated it in their business activity.

3.11 CSR in India

The role of business in community and the ability of the business to contribute for the welfare of the public became evident in India in the latter half of the 20th century. The post independence period was the time the country had to face various hurdles. The government of the country had the vision to make it a rapidly developing one and at the same time the resources available with them for this process was scarce. To tackle this situation private support became a necessity. The need for independent, innovative and creative thinking and action to take the country forward was met by the private support. The support came in the form of private philanthropic funds and from business wealth. Thus both the society and the government looked into business to share the hectic task of nation building.

Even when many emerging market countries suffered because of high volatility and economic contraction, India survived and became the least affected economy. High growth rate was achieved by the country and Indian business contributed significantly to this saga.

Over the past decade (2007-2017), India's total wealth increased from \$3,165 billion in 2007 to \$8,230 billion in 2017, a jump of 160%. The report further noted that India, is home to 330,400 HNWI's (high net-worth individuals), ranking it ninth in this aspect.

The report above shows the brighter side and the other side of the country still suffered. All the industrial and economic developments happened in the country gave

only disappointments to this category of people. They faced displacements, pollutions and related problems and loss of their traditional livelihoods. The thing was that equitable distribution of wealth never happened and when the rich became immensely rich, the poor became immensely poor. All these industrial development and the entry of multinational companies converted the rural poor of our country into urban poor.

Another change was that when the economic performance indicators of the country showed an upward trend the human development indicators of the country marked less improved. Based on the latest report released on 14th September 2018, India is ranked in 130th position which comes in the category of countries with medium human development. A large segment of the society including, women, lower caste and minority people is still fighting the odds. All these negative impact of development like ill health, unemployment, illiteracy, poverty and environmental degradation are to be fought and the corporate sector of the country have a major role to play.

Long before industrialisation, India had a tradition of business and charity and, so to some extent, social responsibility as well. This deeply rooted tradition continued to influence business leaders and business houses right down to modern times.

According to Pushpa Sundar, the Evolution of CSR in India went through the following phases:

Merchant Charity (1850-1941)

Merchant Charity was treated as the first phase in the evolution of Corporate Social Responsibility in India. It was the time where merchants were assigned high status in the society. They were treated with respect and considered as an asset of the society. They enjoyed power and many often the leading merchants of the country were close to the king and acted as his advisors. Being aware of the power they possess, most of the business man had a positive attitude towards the society.

“Charity was an ingrained part of business practice in most merchant communities. It was aided by the fact that there was little outlet for the merchant wealth at the time. Some was invested in real estate or in good living in ornate houses; a little was spent on secular display but not too much because a wealthy man was a target for extortion.” (Sundar, 2013)

At that time religious belief was the most important thing that motivated the merchant charity in India. According to (Sundar, 2013) Merchant Charity took the following forms. They were

i) Religious Charity

As a part of the religious charity, the merchants endowed temples and such religious buildings. They made contributions for the maintenance and repairs of these religious institutions. They also concentrated on arranging free drinking water facility, construction of rest places for travelers. They also supported establishment of religious schools and rest houses at pilgrim centers.

ii) Secular Charity

Secular charity was another form in which each merchant family was expected to set apart a certain percentage of their profits. This kept aside amount could be used by them in business in urgent situations by paying an interest for it. From this smaller amounts were donated for charitable purposes. This practice was more seen among the merchant families like Chettiars.

iii) Individual Charity

The merchants give donations to the needed ones and they developed facilities for the poor and needy and also the travelling people. Also their charity concentrated mainly among the members of the same caste or community. The main feature of this charity was the patron – client relationship.

iv) Collective Charity.

In the collective charity, a group of families or the residents of a locality together collect their voluntary offerings and use it for serving the needy people. The practice of collective charity was used for the health, sanitation, education and the welfare of the community. This was made possible by imposition of cess and rates

Also earlier records show that offering support for education was the favourite form of charity of merchants. Apart from that certain migrant communities like Parsis made efforts to meet the security needs of the members of their community by

contributing to the sectors like housing, education, health care and care of the aged. Also this was extended to the welfare of the society they live in.

So the activities of merchants took the form of charity, the giving away of money or resources and it did not extend to service of the humanity in the form of social work. But all these activities can be characterised as philanthropy or what we call today i.e. corporate social responsibility since all the efforts made through the traditional charity of the merchants was a step to ensure the long term well being of the society. Another characteristic of the charity exposed by the merchants was the mixing of it with their self interest. It was linked to their business needs.

Charity to Philanthropy

The merchant charity had a transition to industrial philanthropy because of the beginning of industrialisation and establishment of British rule. The major impact of industrialisation was that it created a clear difference between the merchants and industrialists. This difference can be seen in their business and social practice also. The merchants were more of conservative in nature in their business as well as social practice and a western influence can be observed in the practice of industrialists. Industrialisation resulted in widening the boundaries of charity. It was extended beyond the barriers of region, caste, community and religion etc. Thus the philanthropic activities became a means of realising a better society by the industrialists. The nineteenth century can be earmarked as the era of awakening of Indians. The intense desire to achieve progress could be observed in all fields.

Corporate Philanthropy (1941-1960)

Corporate Philanthropy was evident during this period. Traces of both philanthropy as well as responsibility as practiced by the business giants were observed during this period. But there were issues of unethical behaviour, excess profiteering and unhealthy practices. “Many business leaders gave leadership to the community just as they supported social reform and the freedom struggle.”(Sundar, 2013) Many businesses directed their efforts towards women empowerment. The immense desire for freedom and to build a new India was the main feature of this period. Leading business of the time, JRD Tata, GD Birla, Jamnalal Bajaj, Lala Shri

Ram and many others were interested in social reforms. They had made contributions to various social needs like education, women empowerment and child welfare. According to Pushpa Sundar, the following were the factors which influenced the business and community engagement during that period.

- Freedom struggle
- Social reform
- Social work
- Charity reform
- Influence of Gandhi
- Business attitudes towards the state
- Public attitudes to business
- State attitudes to business

The outcome of this was overwhelming. Philanthropy was on large scale and the first 50 years of the 20th century can be genuinely called as the Golden Years of Indian Philosophy. Large number of foundations and trusts were formed during this time period. These trusts established prestigious institutions or provided to others essential funds for the creation and maintenance of such institutions. These trusts gave importance to bringing social change than meeting the immediate needs of the people. The pioneers in this field had realised the importance of investing in education, health, communication, power and water supply projects for achieving sustainable development. The golden donors of the era was I) Birlas II) Tatas III) House of Bajaj IV) House of Lalbhais V) Lala Shri Ram etc.

Towards Corporate Social Responsibility (1960 – 1990)

The period of 1960 - 1980 was a difficult period for the businesses in India. There were several government constraints on industrial production as well as expansion. Taxation was also very high during this period. The business environment was not suitable for doing genuine philanthropy but contradicting to this situation there were several trusts and foundations established for this purpose. But the idea of

establishing these trusts and foundations were to avail the concession for charitable contributions.

Another significant happening of this period was the campaigns to incorporate the stakeholder concept in to business. Several seminars were organised on the topic of corporate social responsibility during this period. The first one of this kind was organised by Jayaprakash Narayanan in 1965 in New Delhi

It was in this seminar the declaration of the social responsibility of business was made. The declaration included

- i) Justice and fair play in all dealings.
- ii) Making serious attempts at growth and development of all the factors or constituents of business from owners to customers.
- iii) Utilisation of surplus primarily for the above two purposes and
- iv) Utilisation of surplus, if at all left over, for any other social purpose deemed fit for assistance such as education, health and research. (Kaushik, 2017)

This seminar continued for 5 days and it was chaired by the then Prime Minister, Lal Bahadur Shastri. From the proceedings of the seminar, the emphasis given to the stakeholder approach and corporate citizenship was clear. Jayaprakash Narayan being inspired by Vinoba Bhave's reform movements gave importance to creation of equitable society.

The leadership of the family businesses had gone to the younger generation during this period. Most of the inheritors continued only with what had been started by their predecessors. But Jamshyd Godrej, Ratan Tata, Sidharth Shriram and Anand Mahindra continued to provide active leadership in the social field. So the philanthropic leadership during this era could be divided into 3 categories.

- i) The CEOs of older professionally managed corporations
- ii) The entrepreneurs who started from scratch and reached heights. Now they want to repay their debt to the society.

iii) CEOs of International Companies – who viewed philanthropy as only a subsidiary activity for influencing the public,

Also it is remarkable that by 1990 almost all the top 100 companies of the country were engaged in some kind of community philanthropic programmes.

Business and Community: Globalisation and Beyond (1990-2012)

The year 1990 marked the start of the contemporary phase of business community engagement which is now referred as corporate social responsibility. Because of the global reach and the interconnections business have largely gained the potential for social transformation. The concept of corporate social responsibility become wide enough to incorporate the concepts like corporate philanthropy, sustainable wealth creation, good corporate governance, inclusive business practices, creating shared value etc. to achieve the globally accepted goals of development during this period.

There is an absence of authoritative data regarding the CSR spent made by the companies during that period. The only data regarding the corporate contributions was based on the data released by the Income Tax Department regarding the exemptions given for charitable contributions. The data released in 2007 indicated the corporate donation during 2005-06 was 220,000 million. Another way used to understand the trend of CSR was conducting surveys. From the various surveys it was visible that the concept of CSR and its expression had variations based on the sector of the company, its ownership and size of the company. Also there was a gap between global standards and Indian standards in the practice of CSR. The ordinary businesses didn't pay attention in bridging this gap and continued with the traditional way of CSR, but those in international businesses realised the importance of having practices and adapted Global Reporting Initiatives (GRI).

According to a survey by TNS India and Times Foundation Survey (2008), the involvement of the Indian Companies in CSR increased after 1991. Out of the 82 companies surveyed, 64% of them started their CSR activities during the period of 1991-2005. 90% of those companies were having CSR practices in 2008 and they felt CSR will improve the public perception of the company. The survey also reported that

70% of the organisations had separate allocation of funds for CSR implementation and the allocation was according to the decision of the board in 15% of the companies.

Types of CSR

According to (Sundar, 2013) the following were the types of engagement followed by the companies

- Directly through company departments
- Through owned foundations
- Either partnering with NGOs for particular projects, or giving them outright grant to carry out certain activities
- Forming partnerships with government
- Philanthropy (donations on request to individuals or organisations; sponsorships; establishment of mega institutions for public causes; personal philanthropy of owners and leaders.

Among these different ways of community engagement, the direct company involvement was the most preferred choice of the corporate. And many of them carried on their activities by setting up foundations. Another choice taken by the corporate was to collaborate with NGOs in this process.

This era marked the establishment of corporate social responsibility in the country in a clear way. The ministry also initiated the process by the introduction of voluntary guidelines for the corporate in 2009 and in 2011. Also the thought of making the CSR mandatory for corporate rose in this period.

3.12 Corporate Social Responsibility Reporting

Sustainability reporting has become an important part of business reporting in today's world. It had struggled to find its place among the normal components of business disclosures. Later it took the name of environmental reporting and found place in the annual reports of the company. Again as the time files it moved from pure environmental reporting to corporate responsibility reporting.

Today sustainability reports or CSR reports form part of the annual reporting system of every single company. Internationally the Japan, UK based companies prepare and publish stand alone reports where as in India we find it as included as a part of the annual financial report.

It is essential for the companies not only to formulate and implement CSR initiatives but to communicate to its stakeholders regarding this. The companies today have ample opportunity to display their social and environmental initiatives before their stakeholders by making use of the new media alternatives. Even before the introduction of mandatory CSR in India, many Indian companies were publishing their CSR reports voluntarily. They were preparing their reports based on the GRI guidelines.

3.13 Global Reporting Initiative (GRI)

GRI is a multi stakeholder process and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. The guidelines are provided for the voluntary use of corporate to report the socio economic and environmental dimensions of their activities. GRI was first launched in 1977 and became independent in 2002. GRI guidelines introduced in 2002 consisted of 5 parts

1. Introduction
2. PART A : General guidelines for using the GRI guidelines
3. PART B: Reporting principles
4. PART C: Report Content
5. PART D:Glossary and Annexure

GRI provides 11 principles and it is divided in to 4 clusters. The principles are built on two pillars

- i) Transparency ii) Inclusiveness

Transparency is the most important element as far as any type of reporting is concerned. It ensures that stakeholders are given a clear picture about each and every

happening in the organization. Inclusiveness ensures that the stakeholders are consulted for their information needs. The following are the 11 principles to be followed in preparation of the report based on GRI guidelines.

- Decision regarding what information to report
- Quality or reliability of reported information
- Accessibility to reported information
- Completeness
- Accuracy
- Clarity
- Relevance
- Neutrality
- Timeliness
- Sustainability
- Comparability

And apart from these 11 principles, it needs to have Auditability feature. Auditability refers to what extent it is possible to examine for accuracy by both internal and external parties.

Later after the introduction of mandatory CSR, the companies have started to include the reporting of their CSR initiatives in the annual report. Also many huge companies followed a practice of preparing and publishing a separate CSR report or Sustainability Report.

There are several factors which stimulate the preparation of sustainability reports apart from image building. It helps the companies in reviewing what they had done so far in the social and environmental front and what all improvements to be made in this regard. A structured CSR/ sustainability report will definitely be helpful in improving the future actions of the company.

3.14 Summary

In this part a theoretical background of the study is provided by covering how CSR as a concept was evolved and its underlying theories. After providing an insight into the evolution of CSR, specific discussion regarding the evolution of CSR in India is done. Apart from the above mentioned, topics like Key drivers of CSR, Relevance of CSR and CSR /Sustainability Reporting etc. are also covered in the chapter

Legal Framework for Corporate Social Responsibility in India

3.15 Introduction

The corporate giving is never a new phenomenon in a country like India with a good tradition. Many companies had addressed the rising societal demands in their own ways voluntarily and there is another category of business people who needed a push in this regard. Ministry of Corporate Affairs of the Govt. of India had played a pivotal role in this. They had done the process of inculcating the concept of CSR in the minds of corporate in a gradual way. This chapter aims to give an understanding regarding the legal framework for corporate social responsibility practices in India. It started with the introduction of voluntary guidelines by the Ministry of Corporate Affairs and led to the formulation of a clause in the Companies Act for enforcing it. And the process is still continuing by adding amendments and rules as per the changing needs.

The introduction of the Corporate Social Responsibility Clause in the Companies Act, 2013 was actually the rise of a new era in the corporate giving. The inclusion of mandate CSR in the Act can be seen as an effort taken by the government to establish equality in the society we live in. The focus here is to engage the corporate houses of the country in the development process of the nation. The economic growth of the country was tremendous over the years, but what is lacking is the consistency and equality in growth. The country has a large lot of highly educated and rich people and on the other had we a face which is under developed and unhealthy. So bringing a balance here is the need of the hour and the situation calls for helping hand from different agencies. A very interesting thing is that many had started to see corporate giving as an answer to the question, and the number of people viewing the corporate houses from this angle had increased to a great extent.

And this push finally came out in the form of Companies Act 2013. It can be noted that the government had tried the insertion of CSR Clause in the Companies in a very systematic process. The Ministry of Corporate Affairs had made a great effort in this regard. The introduction was voluntarily made and it started with the publication of Voluntary Guidelines for the practice of CSR in 2009. The legal provisions so far initiated in this area are as follows.

3.16 Voluntary Guidelines on Corporate Social Responsibility by the Ministry of Corporate Affairs, 2009

CSR is not philanthropy and CSR activities are purely voluntary- what companies will like to do beyond any statutory requirement or obligation. To provide companies with guidance in dealing with the abovementioned expectations, while working closely within the framework of national aspirations and policies, following Voluntary Guidelines for Corporate Social Responsibility have been developed.

According to the guidelines issued by MCA, every company should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives. This policy should be an integral part of the overall business policy of the organisation and it must align with the business goals. It also required the participation of various level executives in the policy framing process and the approval of the Board.

The voluntary guidelines state the core elements to be covered by the CSR policy

- Care for all stakeholders

This element focused on the need to respect and address all the stakeholders and creating value for all of them. A proper system should be developed by the company for stakeholder engagement

- Ethical functioning

Ethics, Transparency and Accountability should be the foundation of the governance system. The business should stay away from abusive, unfair, corrupt or anti-competitive practices.

- **Respect for Worker's Right and Welfare**

This element focused on the well being of the employees. It gave emphasis to the following factors.

- A safe, hygienic and humane work place environment which upholds the dignity of employees.
- Access to training and development of necessary skills for career advancement on an equal and non discriminatory basis.
- Freedom of association
- Recognition of the employee right for collective bargaining of labour
- Effective grievance redressal system
- No child or forced labour
- Maintain equality of opportunities in recruitment and during employment.

- **Respect for Human Rights**

- **Activities for social and Inclusive Development**

This element stressed on the responsibility of business to undertake activities which ensure the social and economic development in the local community. They could target the disadvantaged section of the society and offer to help in areas of education, skill development, health etc.

Implementation Guidelines

The guideline stated that the CSR policy of the business entity should provide for an implementation strategy which should include identification of projects/activities, setting measurable physical targets with timeframe, organizational mechanism and responsibilities, time schedules and monitoring.

The companies can partner with other interested group like local authorities, business associations and civil society /non – government organisations in the implementation of CSR initiatives. The guidelines also insist on having a need assessment and impact assessment process while undertaking a CSR project. It also

emphasised on the need to set apart a specific amount for CSR implementation in the annual budget and should partner with well established programmes or platforms having responsible business practices. This kind of partnering will help the company to improve their CSR strategy and in projecting the image of a socially responsible company. Last but not least it sought the companies on the proper dissemination of information by the companies regarding the CSR policy and the progress of CSR in an organised manner to all their stakeholders and the public at large through their website, annual reports, and other communication media.

3.17 National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business by Ministry of Corporate Affairs, 2011

The revised guidelines were issued by MCA in July 2011. It used the term 'Responsible Business' instead of Corporate Social Responsibility and it encompassed the limited scope and understanding of the term CSR.

The Ministry of Corporate Affairs had released Voluntary Guidelines on CSR in 2009 as the first step towards mainstreaming the concept of Business Responsibilities. Keeping in view the feedback from stakeholders, it was decided to revise the same with a more comprehensive set of guidelines that encompasses social, environmental and economical responsibilities of business. The guidelines were framed after taking in to account various international standards, frameworks and good practices, and modified them to suit the requirements of our country. The focus on the triple bottom line concept is evident in the revised guideline. The Ministry feel that a responsible approach from the part of the business supported by the government alone can secure the future of the planet we live in. so based on the output received from different stakeholders significant changes were made in the guidelines formulated in 2009. The guidelines were designed to be used by all type of company irrespective of their size, nature, location etc.

The Guidelines are not prescriptive in nature, but are based on practices and precepts that take into account the realities of Indian business and society as well as global trends and best practices adapted to the Indian context. It urges businesses to

embrace the “triple bottom-line” approach whereby its financial performance can be harmonized with the expectations of society, the environment and the many stakeholders it interfaces with in a sustainable manner.

The guidelines were presented in the form of nine principles along with the core elements to materialise these principles. For better implementation the guidelines also provide a development system, processes and a set of indicators that the business can depend on to regulate their responsible initiatives. The guidelines also provided a clear direction to the business on how to communicate these initiatives through various reporting and disclosure measures. The following are the 9 principles prescribed in the guidelines issued in 2011 by the MCA.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The principle recognizes that ethical conduct in all its functions and processes is the cornerstone of responsible business. The principle acknowledges that business decisions and actions, including those required to operationalize the principles in these Guidelines should be amenable to disclosure and be visible to relevant stakeholders. The principle emphasizes that businesses should inform all relevant stakeholders of the operating risks and address and redress the issues raised. The principle recognizes that the behaviour, decision making styles and actions of the leadership of the business establishes a culture of integrity and ethics throughout the enterprise.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The principle emphasizes that in order to function effectively and profitably, businesses should work to improve the quality of life of people. The principle recognizes that all stages of the product life cycle, right from design to final disposal of the goods and services after use, have an impact on society and the environment. Responsible businesses, therefore, should engineer value in their goods and services by keeping in mind these impacts. The principle, while appreciating that businesses are increasingly aware of the need to be internally efficient and responsible, exhorts

them to extend their processes to cover the entire value chain – from sourcing of raw materials or process inputs to distribution and disposal.

Principle 3: Businesses should promote the wellbeing of all employees.

The principle encompasses all policies and practices relating to the dignity and well being of employees engaged within a business or in its value chain. The principle extends to all categories of employees engaged in activities contributing to the business, within or outside of its boundaries and covers work performed by individuals, including sub-contracted and home based work.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

The principle recognizes that businesses have a responsibility to think and act beyond the interests of its shareholders to include all their stakeholders. The Principle, while appreciating that all stakeholders are not equally influential or aware, encourages businesses to proactively engage with and respond to those that are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights

The principle recognizes that human rights are the codification and agreement of what it means to treat others with dignity and respect. Over the decades, these have evolved under the headings of civil, political, economic, cultural and social rights. This holistic and widely agreed nature of human rights offers a practical and legitimate framework for business leaders seeking to manage risks, seize business opportunities and compete in a responsible fashion. The principle imbibes its spirit from the Constitution of India, which through its provisions of Fundamental Rights and Directive Principles of State Policy, enshrines the achievement of human rights for all its citizens. In addition, the principle is in consonance with the Universal Declaration of Human Rights, in the formation of which, India played an active role. The principle takes into account the “Corporate Responsibility to Respect Human Rights”, as referred in the United Nations “Protect, Respect, Remedy” Framework.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

The principle recognizes that environmental responsibility is a prerequisite for sustainable economic growth and for the well being of society. The principle point out that that the businesses should address issues such as global warming, biodiversity conservation and climate change in a comprehensive and systematic manner. The principle encourages businesses to understand its direct and indirect environmental impacts on the environment and accountable for it. They should strive to make the products and services more environment friendly. The Principle urges businesses to follow the precautionary principle and not go ahead with a particular action if it is unsure of its adverse impacts.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The principle recognizes that businesses operate within the specified legislative and policy frameworks prescribed by the Government, which guide their growth and also provide for certain desirable restrictions and boundaries. The principle acknowledges that in a democratic set-up, such legal frameworks are developed in a collaborative manner with participation of all the stakeholders, including businesses. The principle, in that context, recognizes the right of businesses to engage with the Government for redressal of a grievance or for influencing public policy and public opinion. The principle emphasizes that policy advocacy must expand public good rather than diminish it or make it available to a select few

Principle 8: Businesses should support inclusive growth and equitable development

The principles recognize the capacity of the businesses and persuade them to innovate and contribute to the overall development of the country, especially to that of the disadvantaged, vulnerable and marginalised sections of society. It also recognises that partnering and collaborations amongst businesses, government agencies and society have a crucial role in this regard. . The principle restates that business prosperity and inclusive growth and equitable development are interdependent.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

This principle emphasizes the aim of business i.e. value creation for both the customer and business. It reminds the business that its existence depends on retention of the customers. It also recognises the freedom of a customer to choose what he wants to use. It also strives to ensure that the enterprises make available goods that are safe, competitively priced, easy to use and safe to dispose off, for the benefit of their customers.

3.18 Companies Act 2013

National Voluntary Guideline by MCA in 2009 and 2011 closely followed the introduction of mandatory CSR. The efforts for inculcating CSR in the corporate habit were made by the government since 2008. Businesses were following the provisions of Companies Act of 1956, which has no significance in the changed scenario. The measures to revise that were initiated in 2003 and in 2008 a Companies Bill was placed before the parliament. That bill was not further processed as the Lokhsabha was dissolved in 2009. Then was the introduction of Companies Bill, 2011 with the proposal of mandatory CSR. It was a giant step taken in the history of corporate act of the country. There were several controversies regarding the introduction of mandatory CSR. Even the western countries we follow in the formulation of law had not made CSR mandatory and they had only required the compulsory reporting of the CSR.

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013.

The reference to Corporate Social Responsibility can be seen in the following sections of the Companies Act.

In the Section 134 of the Companies Act 2013, related to the financial report and board report required that ‘the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year should be reported.

Next in the Section 135 of the Companies Act, it can be seen that

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall, —
 - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
 - (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall,—
 - (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
 - (b) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy: Provided that the company shall give preference to the local area and

areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

SCHEDULE VII : List of activities treated as CSR

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) Such other matters as may be prescribed.

It was also mentioned in the general instructions for preparation of profit or loss that in case of Companies covered under section 135; amount of expenditure

incurred on corporate social responsibility activities must be disclosed by way of additional information.

3.19 Companies (Corporate Social Responsibility Policy) Rules 2014

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

Once a company is covered under the ambit of the CSR, it shall be required to comply with the provisions of the CSR. The companies covered under the Sub section 1 of Section 135 shall be required to do the following activities:

- The company should constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee". The CSR Committee shall be comprised of 3 or more directors, out of which at least one director shall be an independent director.
- The Board's report shall disclose the compositions of the CSR Committee.
- All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Reporting For CSR

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after 1st April, 2014 shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;

- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;
- In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof;

Role of CSR Committee

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;

- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- vi. Employment enhancing vocational skills
- vii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- viii. Measures for the benefit of armed forces veterans, war widows & their dependents;
- ix. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- x. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xi. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;

xii. Rural development projects, etc

xiii. Slum area development.

The above list is not exhaustive. It is insisted that all activities under the CSR activities should be environment friendly and socially acceptable to the local people and society. Contribution towards C.M relief fund shall be a part of CSR activities above 2% of Net profit other than the activities mentioned above. Further Ministry of Corporate Affairs vide Notification dated 24.10.2014 increased the scope of contribution made towards Corporate Social Responsibility Activities namely:

- The insertion of the contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation after the word “and sanitation” in item (i)
- The insertion of the contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga after the word after the words “ and water” in item (iv)

Apart from the amended list of activities the activities coming under the scope of CSR was also provided. The scope included

- Education.
- Water Supply including Drinking Water:
- Health Care
- Environment
- Social Empowerment.
- Sports and Culture

The Geographic reach

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state of Bihar herein the Company has/will have its operations.

However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

Annual spends/Allocation of Funds Annual spends/Allocation of Funds

1. The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
2. The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
3. However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

CSR Committee

The CSR Committee will consist of four Directors, who shall meet at least twice in a year to discuss and review the CSR activities and policy. The quorum shall be two members are required to be present for the proceeding to take place. The Chairperson and members of the committee of the committee are as follows:

Scope and functions of CSR Committee

The CSR committee will recommend a formal CSR Policy, this document and will recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress.

Administration of CSR Projects

The Corporation can meet its CSR obligations by funneling its activities on its own or through a third party, such as a society, trust, foundation or Section 8 company

(i.e., a company with charitable purposes) that has an established record of at least five years in CSR-like activities. Companies may also collaborate and pool their resources, which could be especially useful for small and medium-sized enterprises. Managing Director will have the power to sanction any project for CSR up to a limit of 7.5 lakhs, above which Board's approval will be required to sanction the amount.

Implementation:

- a) The investment in CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.
- b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include: i) Community based organization whether formal or informal. ii) Elected local bodies such as Panchayat iii) Voluntary Agencies (NGOs) iv) Institutes/Academic Organizations v) Trusts, Mission etc. vi) Self-help groups vii) Government, Semi Government and autonomous Organizations. viii) Standing Conference of Public Enterprises (SCOPE) ix) Mahila Mondals/Samitis and the like.

Funding

- 1) As per the regulations the company will set aside, for annual CSR activities, an amount equal to 2% of the average net profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation fund of a particular year, will be carried forward to the next financial year i.e. the CSR budget will be non lapsable in nature.
- 2) The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the central board of Direct taxes.

Budget

- The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years. —Net profit|| means the net profit as

per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following: (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and (ii) Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

- As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done Annual Report and signed off by the Board of Directors.
- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.
- The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

Amendments to the policy

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

3.20 Companies (Corporate Social Responsibility) Policy Amendment Rules 2016

In the Companies (Corporate Social Responsibility Policy) Rules, 2014, in rule 4 the sub-rule (2) was substituted.

This amendment talks about the options available for the companies for CSR implementation. According to the Act a company can undertake CSR through

- a) Company established under section 8 of the Act

- b) A registered trust or a registered society established by the Government or established under an Act of Parliament or a State Legislature.

If the company decide to undertake CSR through organisations other than those specified in the rule, the company should ensure that such a company, trust or societies have an established track record of three years in undertaking similar kind of projects and programs. The company is also required to specify the projects or programmes, the mode of utilisation of funds along with monitoring and reporting mechanism.

3.21 CSR Amendments 2018

The following amendments were made in the year 2018

- The meaning of the term during any financial year was not defined earlier. It was replaced with words immediately preceding financial year.
- Clarification was provided regarding the number of independent directors in the committee
- To bring more clarity regarding the activities considered as CSR, the wordings are changed to “the activities to be undertaken in areas or subjects specified”. To bring harmony the CSR Policy 2014 is also amended accordingly
- The word average profit is replaced with net profit for providing more clarity.

3.22 Corporate Social Responsibility and SEBI Guidelines

Securities Exchange Board of India is the regulator of the Indian securities market and its operations. Being an apex body regulating the activities of the corporate, SEBI also played a significant role in the proper implementation of CSR by the Indian Companies. SEBI wanted the companies to adopt the National Voluntary Guidelines on CSR issued by the Ministry of Corporate Affairs and to disclose the sustainability related performance of the companies. For this in 2012, SEBI issued a circular requiring the top 100 listed Companies based on the market capitalisation have to submit a Business Responsibility Report (BRR) about their initiatives according to the National Voluntary Guidelines in their annual reports. The companies

were asked to report the various measures taken by them for the adoption of these guidelines.

In the circular, as an introduction SEBI explains why it is important for the companies to have responsible practices. It was described that the business is not only responsible to the shareholders but also to the larger society which is also a stakeholder. It also elaborates that these responsible practices are equally important as the financial and operational performance of a company. SEBI also proposed that the adoption of responsible practices is more relevant for the listed companies since they have raised funds from the public. So great amount of public interest is involved in the case of listed companies and they have an obligation to make disclosures about their responsible practices in a regular manner.

- The top 100 listed companies based on market capitalisation at BSE and NSE is mandated to include Business Responsibility Reports as a part of their annual reports.
- BSE and NSE shall separately draw up a list of listed entities that are required to comply with this and display in their website.
- Other listed companies can also make voluntary disclosure of their BRR as a part of their annual reports.
- The provision was applicable from 31st December 2012.
- The above said regulation should become a part of the existing listing agreement of the stock exchanges.
- All stock exchanges were required to make amendments in their listing agreement and the failure to comply with BRR is to be treated as the non compliance under the listing agreement
- The new clause added is Clause 55 *“Listed entities shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective...”*

Principles of Business Responsibility Report.

The BRR principles and its core elements are the same as given as the National Voluntary Guidelines set up by the Ministry of Corporate Affairs for the Environmental, Social Governance of the companies in our country. The guidelines are constituted in such a way that the companies will understand their business responsibilities and fulfill them. The core elements of the Business Responsibility Report were as under:

Principle 1: Ethics, Transparency and Accountability

This principle of BRR deals with the good governance structure and its underlying values. It recognises the essentiality of the businesses to have a right governance structure, procedures and practices to ensure the ethical conduct of the business and the truthful and adequate disclosure of the business information to all the relevant stakeholders.

So through the BRR the company is expected to report the policies relating to ethical behaviour, transparency and accountability. It also wants a company to disclose about the grievance redressal mechanism existing in the company and the number of complaints received as well as how it was addressed by the company.

Principle 2: Sustainability in product life – cycle

This principle is all about the development of safe and sustainable products by a company. The company must keep in mind the social and environmental impact created by the product. While designing the product, the manufacturing process and the technology used must be resource efficient and sustainable. The business should aim at the promotion of sustainable consumption and recycling.

Principle 3: Employee well- being

By the principle employee well-being a business should respect the freedom of association of the employees and ensure their participation in the decision making process. It should facilitate the collective bargaining and ensure the availability of proper grievance redressal mechanism for the employees. There should not be any kind of inequality or discrimination among the employees and it should not promote

child labour, forced or involuntary work. It is the duty of the business to ensure a safe working environment, social and economic security of the employees.

Principle 4: Protection of stakeholders

This principle recognises the role of stakeholders in the existence and growth of a business. The business has a responsibility to protect the interest of the stakeholders. Every business should realise the impact of their activities on shareholders. So stakeholder engagement is important for every business.

Principle 5: Promotion of human rights

It is the duty of the business to respect, protect and integrate human rights of all stakeholders in management systems. This policy takes up the spirit of the Fundamental rights of the Constitution of India and directive principles of state policy. It is also in compliance with the Universal Declaration of Human Rights. According to this principle a proper redressal mechanism must be maintained by the company to address the complaints from the stakeholders regarding the violation of the human rights.

Principle 6: Protection of environment

This principle addresses the fact that environmental responsibility is the key to sustainable growth and well being of the society. The corporate entities are now more environmentally responsible in their activities and they are engaged in the protection and conservation of the environment. Efforts should be made by the business to make its products environmental friendly and they should be accountable for the negative impact they create on the environment through their operations. They should take efforts to achieve cleaner production methods, promote energy efficient and environment friendly technology, use renewable energy and develop systems. It must plan to prevent, mitigate and control environmental damages also.

Principle 7: Responsible policy advocacy

This principle emphasise that business work within a legal and policy framework which guide their growth and such framework should contribute to the common public good. For this, the businesses have a need and right to engage with the

government for the redressal of grievances. While doing this the motive of the business must be to expand and improve public good.

Principle 8: Inclusive growth and equitable development

The aim of the business must be the narrowing of the gap between the rich and poor. While government and the various developmental agencies address the issue of inequality, business should offer its support. The businesses operating in underdeveloped regions should give special care to the local community.

Principle 9: Value for customers and consumers.

This principle deals with the obligation of the business to provide value in the form of goods and services to the stakeholders. The goods and services provided by them must be safe, fairly priced and convenient for usage as well as disposal. The customers should have freedom of choice. The customers should be provided all information regarding the products and services truthfully. The business should take special care not to confuse the consumers while promoting and advertising its products and services. Proper feedback and grievance redressal mechanism should be established by the business.

3.23 Summary

This part of the study provides an overview regarding the existing legal framework in the country for ensuring, guiding and regulating the corporate social responsibility activities India. All the rules and regulations formulated by the government had minimised the confusions regarding what all things done by a corporate will come under the purview of CSR.

References

- Alexander Dahlsrud, (2008). How Corporate Social Responsibility is Defined: An analysis of 37 Definitions, *Corporate Social Responsibility and Environmental Management* , pp.1-13 accessed through Wiley Interscience (www.interscience.wiley.com) DOI:10.1002/csr.132
- C.V.Baxi & Rupamanjari Sinha Ray, (2012), *Corporate Social Responsibility : A study of CSR Practices in Indian Industry*, Vikas Publishing House Private Limited, pp 133-147
- Kshama V Kaushik, (2017). *CSR in India: Steering Business towards Social Change*, LexisNexis – A Division of RELEX India Pvt. Ltd.
- Lisa Cuevas Shaw, (2012). *Brief Guide to Corporate Social Responsibility*, SAGE Publications, Inc.
- Madhumita Chatterji, (2011). *Corporate Social Responsibility*, Oxford University Press, pp 82-116
- Michael Blowfield & Alan Murray, (2011), *Corporate Social Responsibility*, Oxford University Press, pp.56-72
- Pushpa Sundar, (2013), *Business & Community – The Story of Corporate Social Responsibility in India*, Sage Publications India Pvt. Ltd.
- Dr.Raj Kumar (February 2012), “*Nishkama Karma: The Path for Corporate Social Responsibility*”, Prabandhan: Indian Journal of Management, P 9-20.
- Sanjay K Agarwal, (2008), *Corporate Social Responsibility in India*, Response Books.
- William B. Werther & Jr.David Chandler, (2010), *Strategic Corporate Social Responsibility: Stakeholders in a Global Environment*, Sage Publications India Pvt. Ltd., pp.27-48

Website sources

- (<https://www.livemint.com/Money/0k6mJNHvCEZLvXSo7vg5TK/India-6th-wealthiest-country-in-the-world-with-total-wealth.html>, Jan 1 2018)
- <https://www.globalreporting.org/Pages/default.aspx>
- <https://www.unglobalcompact.org/>
- <http://www.mca.gov.in/>
- <https://www.managementstudyguide.com/corporate-social-responsibility.htm>
- Corporate Social Responsibility Voluntary Guidelines 2009, available at http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf accessed on 15.06.2015
- National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business, 2011 available at http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf accessed on 19.06.2015
- SEBI and Business Responsibility Report available at https://www.sebi.gov.in/legal/circulars/nov-2015/format-for-business-responsibility-report-brr-_30954.html
- Hand book on Corporate Social Responsibility available at <https://www.pwc.in/assets/.../handbook-on-corporate-social-responsibility-in-india.pdf>. accessed on 18-02-2016
- Companies Act, 2013 available at www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf accessed on 13-07-2015
- Companies (Corporate Social Responsibility Policy) Rules 2014 available at www.mca.gov.in/Ministry/pdf/CompaniesActNotification2_2014.pdf accessed on 19-02-2016
- Amendments in CSR Rules accessed through www.companiesact.in/Companies-Act-2013/News-Details/20719/Amendment%20in%20CSR%20Rules
- CSR Amendments 2018 accessed through http://www.mca.gov.in/Ministry/pdf/CompaniesCSRPolicyAmendRules2018_19092018.pdf

Chapter 4

— CSR PRACTICES AND CSR COMPLIANCE OF KERALA BASED LISTED COMPANIES

- 4.1 Introduction
- 4.2 CSR Committee and Related Aspects
- 4.3 CSR Policy and the Related Aspects
- 4.4 Disclosure of CSR in the Director's Report
- 4.5 Analysis of CSR Spend by the Kerala based Listed Companies.
- 4.6 Unspent CSR
- 4.7 Implementation Mode of CSR
- 4.8 Location of CSR Spending
- 4.9 Sector wise CSR spend by Companies
- 4.10 Conclusion
- References

CSR PRACTICES AND CSR COMPLIANCE OF KERALA BASED LISTED COMPANIES

4.1 Introduction

The inclusion of mandate CSR in the Companies Act 2013 was a big move from the Ministry of Corporate Affairs five years back. It was a process initiated with the aim of ensuring sustainable development of the nation with the cooperation of corporate houses. Many companies had addressed the rising societal demands in their own ways voluntarily and the state with most literate and educated public was not an exception. It can be observed that almost all the top companies in Kerala have responded to this call in a very positive way. Each of the companies in Kerala had tried to devise the implementation of CSR in unique ways.

The study aimed at attaining a proper understanding about the CSR initiatives and implementation by the major Companies in Kerala. It also focused on understanding the extent of CSR compliance achieved by the Kerala based listed Companies. The CSR activities of the selected companies were compared with the CSR legal framework in India to assess the compliance level of these companies.

There are several studies which depicted the implementation of CSR Activities by Companies in India. But so far, no studies were identified about the CSR implementation by Companies in Kerala and their compliance with the existing legal framework on CSR.

For the purpose of the study 26 companies which were listed in either BSE or NSE and which have their registered office in Kerala was taken as the population.

Table 4.1: List of the Kerala Based Listed Companies

| | |
|----|------------------------------------|
| 1 | Apollo Tyres |
| 2 | Aspinwall Co |
| 3 | AVT Natural Limited |
| 4 | Cochin Minerals and Metals Limited |
| 5 | Dhanalakshmi Bank |
| 6 | Eastern Treads Limited |
| 7 | Federal Bank |
| 8 | Geojit PNB Paribas |
| 9 | Harrisons Malayalam Limited |
| 10 | Inditrade Capital Limited |
| 11 | Kerala Ayurveda Limited |
| 12 | Kitex Garments Limited |
| 13 | KSE Limited |
| 14 | Manappuram Finance |
| 15 | Muthoot Capital Services Limited |
| 16 | Muthoot Finance |
| 17 | Nitta Gelatin |
| 18 | Patspin India Limited |
| 19 | PTL Enterprises Limited |
| 20 | Rubfila International Limited |
| 21 | South Indian Bank |
| 22 | Sreesakthi Paper Mills |
| 23 | Uniroyal Maraine Exports Limited |
| 24 | V Guard Industries Limited |
| 25 | Vertex Securities Limited |
| 26 | Cochin Shipyard Limited |

Source: Compiled from secondary data

Table 4.2: Classification of the Companies according to Industry

| Industry based classification | No: of companies | Name of the Companies |
|------------------------------------|------------------|--|
| Banks – Private Sector | 3 | Federal Bank Limited South Indian Bank limited Dhanlaxmi Bank Limited |
| Finance- Investments | 5 | Muthoot Capital Services Ltd, Muthoot Finance Inditrade Capital Ltd Geojit PNB Paribas Vertex Securities Ltd |
| Finance- Leasing and Hire Purchase | 1 | Manappuram Finance |
| Tyres | 2 | Apollo Tyres Limited PTL enterprises Ltd |
| Rubber | 2 | Rubfila International Limited, Eastern Tread Harrisons Malayalam Ltd |
| Plantations – Tea and Coffee | 1 | Harrisons Malayalam Limited |
| Pharmaceuticals | 1 | Kerala Ayurveda Limited |
| Electric Equipments | 1 | V Guard Industries Limited |
| Textiles – Spinning Cotton Blended | 1 | Patspin India Limited |
| Textiles - Readymade Apparels | 1 | Kitex Garments Limited |
| Chemicals | 2 | Nitta Gelatin Limited Cochin Minerals& Rutile Limited |
| Paper | 1 | Sree Sakthi Paper Mills Limited |
| Shipping | 1 | Cochin Shipyard Limited |
| Aqua Culture | 1 | Uniroyal Exports limited |
| Edible Oil and Solvent Extraction | 1 | AVT Natural Products Limited KSE Limited |
| Miscellaneous | | Aspinwall Company Limited |
| Total | 26 | |

Source: Compiled from secondary data

The conditions based on which the sample for the study is selected was

- i) The company should have its registered office situated in Kerala
- ii) The company must be either listed in BSE or NSE
- iii) The company had formulated a CSR committee or undertaken CSR during any of the three preceding financial years i.e. after the inclusion of the mandatory CSR clause in the Companies Act 2013.

The study was conducted based on the reports generated by the company for the preceding four financial years. 2014-15, 2015-16, 2016-17 and 2017-18. The reports used for conducting this study was

- i) Annual reports of the Companies
- ii) Director's Report of the Companies
- iii) CSR Policy of the Companies
- iv) CSR reports
- v) Official website of the Companies.

The objective to study the CSR implementation by the Kerala based listed companies was divided in to 5 parts

1. Formation of CSR Committee and the related aspects
2. Formulation of CSR policy and the related aspects
3. Disclosure of CSR as required by the Act
4. CSR spending and related aspects
5. Sector of CSR spending

4.2 CSR Committee and Related Aspects

Formation of CSR Committee

According to the Companies Act, 2013, every company that come under mandatory CSR clause is required to form a CSR committee. The Act requires the committee to have three or more directors, out of which one director shall be an independent director. It is the duty of the CSR committee to formulate as well as recommend a CSR policy to guide the CSR Activities of the company in accordance with the list of Activities considered as CSR in the schedule VII of the Companies Act. Also it is the responsibility of the committee to ensure the spending of at least 2% of average net profit of the last three years and monitor the policy from time to time. The Act also requires the disclosure about the composition of the CSR committee in the director's annual report.

Table 4.3: Formation of CSR committee

| CSR Committee | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------|------------|------------|------------|------------|
| Yes | 19 (73.1%) | 21 (80.8%) | 22 (84.6%) | 22 (84.6%) |
| No | 7 (26.9%) | 5 (19.2%) | 4 (15.4%) | 4 (15.4%) |
| Total | 26 (100%) | 26 (100%) | 26 (100%) | 26 (100%) |

Source: Compiled from secondary data

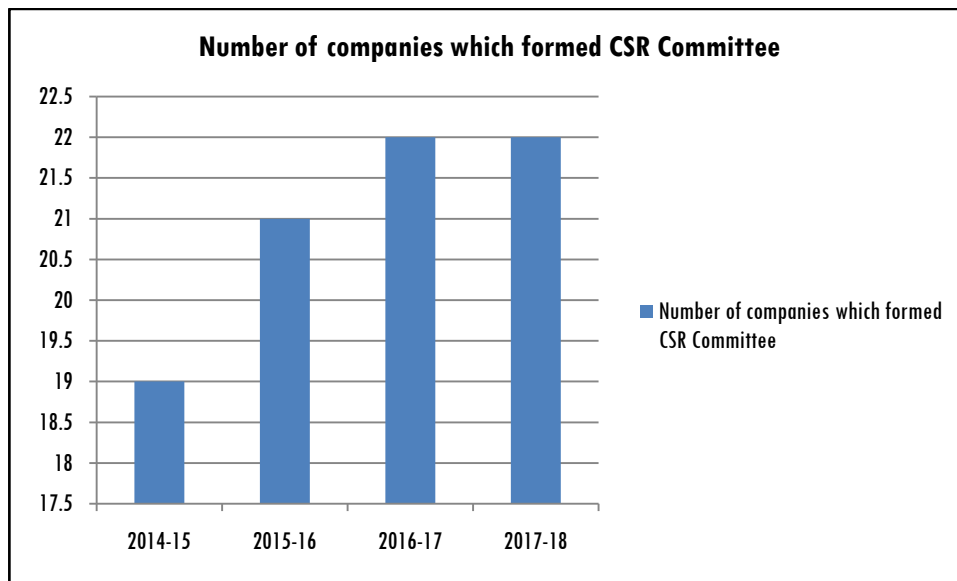
Figure 4.1: Number of Companies which formed CSR committee

Table 4.3 shows the number of companies which formed a CSR committee over the years. In the first year only 19 companies have formed a CSR committee. This was increased to 22 companies by the year 2017-18.

The 4 companies which didn't form a CSR committee were Eastern Treads Limited, Kerala Ayurveda Limited, Uniroyal Marine Exports Limited and Vertex Securities Limited. These companies were incurring a loss and hence were not mandatorily required to fulfill the requirement of formation of the CSR committee.

The following aspects are also covered under the head CSR committee

a) Number of members on the CSR committee

According to the Act there must be at least 3 members in the CSR committee

Table 4.4: Number of members in the CSR committee

| Number of members | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------|------------|-------------|-------------|-------------|
| Three | 9 (47.38%) | 10 (47.62%) | 10 (45.50%) | 10 (45.50%) |
| Four | 8 (42.10%) | 8 (38.10%) | 10 (45.50%) | 11 (50%) |
| More than four | 1 (5.26%) | 2 (9.52%) | 2 (9%) | 1 (4.5%) |
| Not Disclosed | 1 (5.26%) | 1 (5.26%) | 0 (0%) | 0 (0%) |
| Total | 19 (100%) | 21 (100%) | 22 (100%) | 22 (100%) |

Source: Compiled from secondary data

Table 4.4 shows the number of members in the CSR committee. Out of the companies which formed a CSR committee, all the companies have fulfilled the mandatory requirement of at least three directors. Only one company have not disclosed about their CSR committee in the website or annual reports in 2014-15 and 2015-16. It can be seen that almost half of the companies had constituted a CSR committee with more than three members which is higher than the prescribed number of CSR committee members. This may be viewed as an indication of positive interest of the companies rather than compliance in the corporate social responsibility. The CSR committee with maximum members was that of Cochin shipyard Limited which is the only PSU in the list. Number of members in the CSR committee of Cochin Shipyard Limited was five.

According to the Act, all the eligible companies are required to form a CSR committee with at least one independent director in the committee.

Table 4.5: Presence of Independent Directors in the Committee

| Presence of Independent Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------------------|-------------|-------------|-----------|-----------|
| Yes | 18 (94.74%) | 20 (95.24%) | 22 (100%) | 22 (100%) |
| No | 0 (0%) | 0 (0%) | 0(0%) | 0(0%) |
| Not Disclosed | 1 (5.26%) | 1 (4.76%) | 0 (0%) | 0 (0%) |
| Total | 19 (100%) | 21 (100%) | 22 (100%) | 22 (100%) |

Source: Compiled from secondary data

All the companies which have formed a committee have an independent director as the member. Except Nitta Gelatin Limited every company have disclosed the details regarding the composition of the committee in the annual report.

The next table presents the number of independent directors in the committee. The mandatory requirement is to have at least one independent director.

Table 4.6: Number of Independent Directors in the Committee

| Number of Independent Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------------------|-------------|----------|------------|-------------|
| One | 11 (61.11%) | 12(60%) | 13(59.10%) | 13 (59.10%) |
| Two | 4 (22.22%) | 4(20%) | 5(22.72%) | 6 (27.27%) |
| More than 2 | 3 (16.66%) | 4(20%) | 4 (18.18%) | 3 (13.63%) |
| Total | 18 (100%) | 20(100%) | 22(100%) | 22 (100%) |

Source: Compiled from secondary data

Every company which constituted the CSR committee has at least one independent director. Out of the 22 companies 9 companies are having more than one director as independent director.

c) Existence of woman member in the committee

According to Section 149 of the Companies Act, 2013, every listed company and every public company having a paid up share capital of Rs.100 crores or more OR turnover of Rs.300 crores or more shall mandatorily appoint one Woman Director. Even though it is not mandatorily required by the Act to include a women director in the CSR Committee, the researcher had made an observation about the appointment of a women director in the CSR committee by the listed companies in Kerala.

Table 4.7: Presence of women directors in the committee

| Presence of Woman Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------------|-------------|-------------|-------------|-------------|
| Yes | 3 (15.80%) | 6 (28.60%) | 6 (27.30%) | 6 (27.30%) |
| No | 15 (78.90%) | 14 (66.70%) | 16 (72.70%) | 16 (72.70%) |
| Not Disclosed | 1 (5.30%) | 1 (4.80%) | 0 (0%) | 0 (0%) |
| Total | 19 (100%) | 21 (100%) | 22 (100%) | 22 (100%) |

Source: Compiled from secondary data

Table 4.8: Number of women directors in the committee

| Number of Independent Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------------------|----------|----------|----------|----------|
| One | 3 (100%) | 6 (100%) | 6 (100%) | 6 (100%) |
| Total | 3 (100%) | 6 (100%) | 6 (100%) | 6 (100%) |

Source: Compiled from secondary data

The number of companies with a women director in the committee was only 3 in 2014-15. But it has increased to 6 in 2017-18. So even though having women directors is not a mandatory requirement, there is an increase in the number of companies with women directors as the CSR committee member.

d) Disclosure of CSR committee and its role in annual report

The clear definition of the role of the members of the CSR Committee will be of great help in ensuring transparency and accountability Even though it is not mandated by the Act; it is very welcoming that the companies make an announcement about the role of CSR committee in their annual reports.

Table 4.9: Disclosure of the CSR committee composition in the director's annual report

| Presence of Woman Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------------|------------|------------|-----------|-----------|
| Yes | 18 (94.7%) | 20 (95.2%) | 22 (100%) | 22 (100%) |
| No | 0(0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| Not Disclosed | 1(5.3%) | 1 (4.8%) | 0 (0%) | 22 (100%) |
| Total | 19 (100%) | 21 (100%) | 22 (100%) | 22 (100%) |

Source: Compiled from secondary data

Table 4.10: Disclosure of role of CSR committee in the director's annual report

| Presence of Woman Directors | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------------|------------|------------|------------|------------|
| Yes | 18 (94.7%) | 19 (90.5%) | 20 (90.9%) | 21 (95.5%) |
| No | 0(0%) | 1 (4.8%) | 2 (9.1%) | 1 (4.5%) |
| Not Disclosed | 1(5.3%) | 1(4.8%) | 0 (0%) | 0 (0%) |
| Total | 19 (100%) | 21 (100%) | 22 (100%) | 22 (100%) |

Source: Compiled from secondary data

Out of the 22 companies, 21 of them have disclosed the CSR committee composition and the role of the CSR committee in their annual reports. This is a symbol of increased interest of the companies in practicing CSR as per the mandatory requirements.

e) CSR committee meetings

Reporting of the meetings of the board- level committees is essential for the companies and CSR committee meeting are not an exception. The Act is not specific regarding the numbers of CSR committee meetings to be organised by a company in a year. But the increased numbers of meetings show the existence of an Active CSR Committee.

Table 4.11: CSR committee meetings held in a year

| Year | Zero | One | Two | Three | More than three | Not disclosed | Total |
|---------|---------|-----------|-----------|-----------|-----------------|---------------|-----------|
| 2014-15 | 1(5.3%) | 6(31.6%) | 3 (15.8%) | 0 (0%) | 4 (21.1%) | 5 (26.3%) | 19 (100%) |
| 2015-16 | 1(4.8%) | 3 (14.3%) | 7 (33.3%) | 4 (19%) | 3 (14.3%) | 3 (14.3%) | 21 (100%) |
| 2016-17 | 1(4.5%) | 4 (18.2%) | 4 (18.2%) | 4 (18.2%) | 5 (22.7%) | 4 (18.2%) | 22 (100%) |
| 2017-18 | 1(4.5%) | 4 (18.2%) | 5 (22.7%) | 2 (9.1%) | 5 (22.7%) | 5 (22.7%) | 22 (100%) |

Source: Compiled from secondary data

The table 4.11 shows the number of CSR committee meetings held by the companies in these 4 years. Out of the 19 companies 14 of them have reported about the committee meeting in their annual report in 2014-15. This number has increased to 17 out of the 22 companies in 2017-18.

CSR committee is an important committee of the board and the first thing mandated in the Companies Act 2013 was the formation of a CSR committee. An analysis of different aspects regarding the CSR committee was made in this section. It can be noted that the Kerala based listed companies have shown a high level of compliance with regard to the formation of CSR committee as required by the law. The reporting regarding the role of the CSR Committee and the increase in the number of meetings conducted during the year are also an indication of the priority assigned by the business community in the proper implementation of CSR

If a company, for three consecutive years, ceases to be covered under the ambit of section 135(1), it shall not be required to fulfill the conditions relating to the constitution of CSR Committee and other related provisions. The 4 missing cases which can be noted were those companies which do not come under the purview of mandatory. So it can be concluded that in all the 4 years all companies which were mandatorily required to comply with the CSR clause had complied with it.

4.3 CSR Policy and the Related Aspects

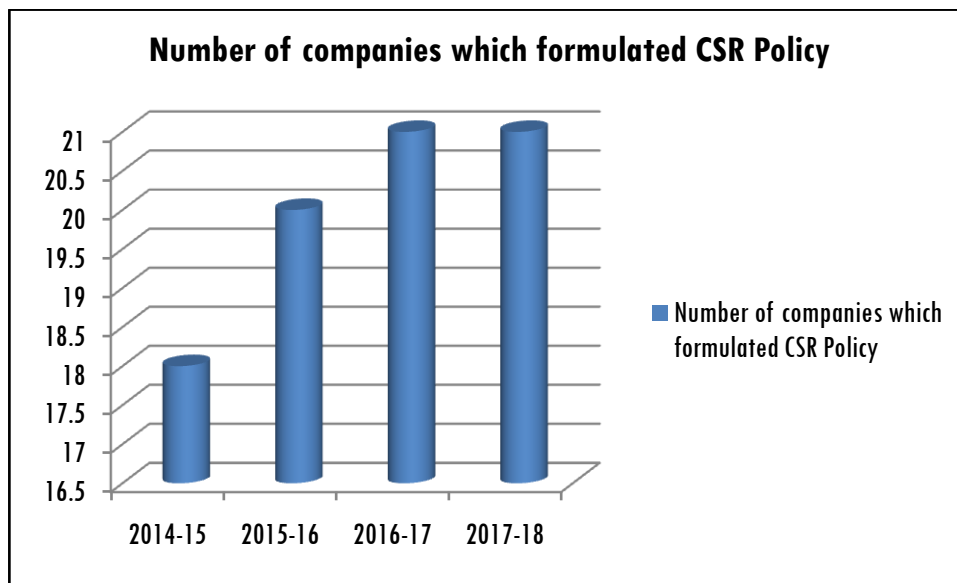
The Companies Act, 2013 mandated that the companies have to formulate CSR policies. It require the companies to list out the projects or programmes it is planning to implement, what is the execution mechanism and how will the monitoring and the evaluation framework will function. It is also required that the policy should be made available in the official website of the company and its web link is available in the annual report.

Table 4.12: Formulation of CSR Policy

| Formulation of CSR Policy | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------------|------------|------------|-----------|-----------|
| Yes | 17 (65.4%) | 21 (80.8%) | 22(84.6%) | 22(84.6%) |
| No | 9(34.6%) | 5(19.2%) | 4(15.4%) | 4(15.4%) |
| Total | 26(100%) | 26 (100%) | 26 (100%) | 26 (100%) |

Source: Compiled from secondary data

From the table 4.12, it is evident that except the 4 companies which have not formed a CSR committee, all the Kerala based listed companies have formulated a CSR policy. The compliance level regarding the formulation of CSR policy has increased from 65.4% in 2014-15 to 84.6% in 2017-18. The four companies which have not formed a CSR committee till 2017-18 was Eastern Treads Limited, Kerala Ayurveda Limited, Uniroyal Marine Exports Limited and Vertex Securities Limited.

Figure 4.2: Number of companies which formed CSR policy

a) Availability of CSR Policy in public domain

Disclosing an outline of the CSR and giving the web-link of the CSR policy in the director's annual report is a mandatory requirement as per the Act.

Table 4.13: Availability of CSR policy in public domain and the policy link in the director's annual report

| Formulation of CSR Policy | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------------|-----------|------------|-----------|-----------|
| Yes | 17 (100%) | 21 (95.2%) | 22(90.9%) | 22(90.9%) |
| No | 0(0%) | 5 (4.8%) | 2 (9.1%) | 2 (9.1%) |
| Total | 17(100%) | 21 (100%) | 22(100%) | 22(100%) |

Source: Compiled from secondary data

All those companies who have formulated a CSR policy had also given the weblink of the CSR policy in the director's annual report.

b) Disclosures through CSR Policy

According to the Act, the companies are mandatorily required to disclose the details pertaining to the CSR committee, areas of intervention aligned with the Schedule VII of the Companies Act 2013, the treatment of the surplus arising out of the CSR projects and the monitoring framework. The next table makes an analysis of the extent of disclosure made by the companies in the CSR policy.

Table 4.14: Number of Companies made the disclosures through the CSR policy

| Disclosure made in the CSR policy | | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------------------|-----|------------|-----------|------------|------------|
| Area of Intervention | Yes | 17 (100%) | 20(95.2%) | 20 (90.9%) | 20 (90.9%) |
| | No | 0 (0%) | 1 (4.8%) | 2 (9.1%) | 2 (9.1%) |
| CSR Vision/Mission | Yes | 10 (58.8%) | 11(52.4%) | 11 (50%) | 11 (50%) |
| | No | 7 (41.2%) | 10(47.6%) | 11 (50%) | 11 (50%) |
| CSR governance structure | Yes | 14 (82.4%) | 14(66.7%) | 14(63.6%) | 14(63.6%) |
| | No | 3 (17.6%) | 7(33.3%) | 8(36.4%) | 8(36.4%) |
| Mode of Implementation | Yes | 15(88.2%) | 17(81%) | 17(77.3%) | 17(77.3%) |
| | No | 2 (11.8%) | 4 (19%) | 5(22.7%) | 5(22.7%) |
| Monitoring framework | Yes | 16 (94.1%) | 18(85.7%) | 18(81.8%) | 18(81.8%) |
| | No | 1 (5.9%) | 3 (14.3%) | 4 (18.2%) | 4 (18.2%) |
| Composition of CSR committee | Yes | 9(52.9%) | 11(52.4%) | 11(50%) | 11(50%) |
| | No | 8(47.1%) | 10(47.6%) | 11(50%) | 11(50%) |
| Total Number of Companies | | 17 (100%) | 21(100%) | 22(100%) | 22(100%) |

Source: Compiled from Secondary Data

The disclosing of the area of intervention is compulsorily needed for the companies coming under the mandatory CSR clause. The disclosure was 100% in 2014-15. But one company didn't make the disclosure in 2015-16 and this number increased to two in 2016-17 and 2017-18. The defining of CSR vision or mission in the CSR policy will help the companies to have a clear view of what they want to achieve in the CSR front. Disclosing of the CSR mission or vision is not mandatorily

required and even then 11 companies out of the 22 companies have made a disclosure of their mission/vision in the CSR policy in 2017-18. Regarding the disclosure of the CSR governance structure in the CSR policy, only fourteen companies have disclosed about the governance structure in the CSR policy in all the four years.

The mode of implementation of the CSR Activities can be in different ways and it is a mandatory requirement to specify the mode of implementation of CSR. 15 out of 17 companies in 2014-15 have disclosed their mode of implementation and there is not much increase in the percentage of companies which disclosed the mode of implementation in 2017-18. It was only 77.3% (17 out of 22 companies) in 2017-18.

The monitoring of CSR ensures the continuity and the sustainability of the CSR Activities undertaken by a corporate and hence the Act had made it mandatory to report the monitoring framework to be followed by the company in its CSR policy. 16 out of 17 companies have reported their monitoring framework in 2014-15. This number became 18 companies out of 22 companies in 2017-18.

c) Treatment of surplus

In many situations a surplus may arise out of the CSR Activities of a company and the Act is very much specific about mentioning of the surplus arising out of CSR in the CSR policy of the company.

Table 4.15: Number of Companies which made the disclosure of the treatment of surplus

| Disclosure of surplus | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-----------------------|-----------|------------|----------|----------|
| Yes | 9 (52.9%) | 11 (52.4%) | 11(50%) | 11 (50%) |
| No | 8 (47.1%) | 10 (47.6%) | 11(50%) | 11 (50%) |
| Total | 17(100%) | 21 (100%) | 22(100%) | 22(100%) |

Source: Compiled from secondary data

But the figures clearly indicate that many companies had not provided their attention to this requirement. Only 9 companies out of 17 companies have reported the treatment of surplus in their annual report in 2014-15. By 2015-16, 11 out of 22 companies have disclosed the treatment of surplus. This trend continued in 2016-17 and 2017-18 also.

Table 4.16: Nature of disclosure made regarding the treatment of surplus

| Treatment of surplus | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|-----------|-----------|-----------|-----------|
| Surplus shall not form the part of the business profit | 4 (23.5%) | 6 (28.6%) | 6 (27.3%) | 6 (27.3%) |
| Surplus will be used for future CSR Activities | 3 (17.6%) | 3 (14.3%) | 3 (13.6%) | 3 (13.6%) |
| Both | 2 (11.8%) | 2 (9.5%) | 2 (9.1%) | 2 (9.1%) |
| Total | 9 (100%) | 11 (100%) | 11(100%) | 11 (100%) |

Source: Compiled from secondary data

In the table 4.16 it can be observed that out of the companies which have disclosed the treatment of surplus, 6 companies have disclosed that the surplus shall not form the part of the business profit in 2017-18. 3 of the companies also stated that the surplus will be used for future CSR activities. Both the statements were given by 2 companies in the year.

4.4 Disclosure of CSR in the Director's Report

As per the Companies Act, 2013, the companies which come under the mandatory CSR clause is required to disclose the CSR related details in their directors report in a prescribed format. This shall contain the details regarding the following items

- Disclosure of CSR in the format as prescribed by the Act
- Disclosure of outline of CSR Policy in the director's report
- Disclosure of the details of projects and programmes undertaken
- Disclosure of the average net profit of the company for the last three financial years
- Disclosure of the prescribed CSR Expenditure
- Disclosure of the details of the amount spent on CSR in the directors report
- Disclosure of the unspent amount in the director's report
- Disclosure on reason for unspent amount in the director's report
- Disclosure of the sector in which CSR is spend in the director's report

- Disclosure of the location of spending
- Disclosure of the mode of implementation
- Disclosure of the direct and overhead expenses incurred on the projects
- Disclosure of the administrative expenses incurred on the projects
- Responsibility statement in the annual CSR disclosure.

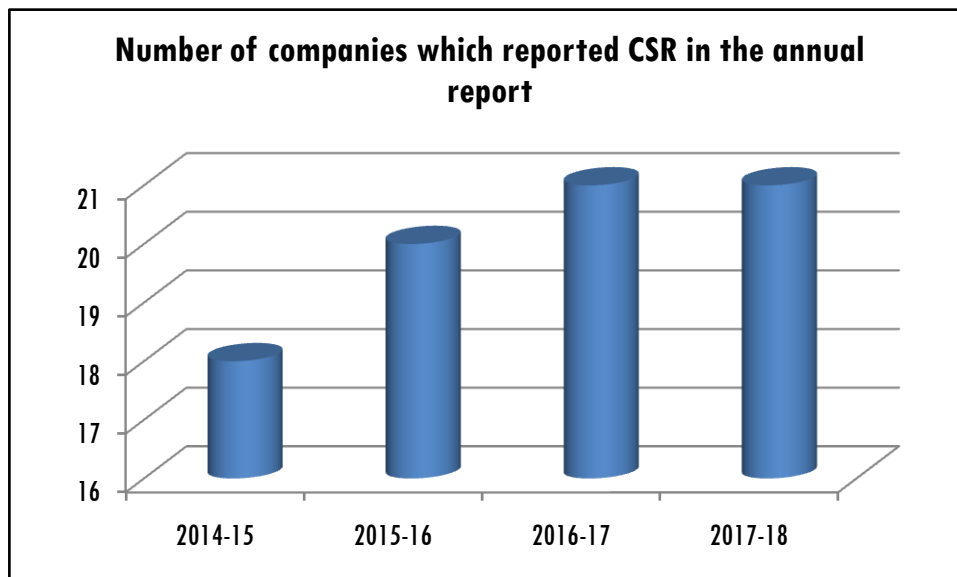
As per the Act, the Director's report of a company should include details of corporate social responsibility. The high level of disclosure by the companies can reflect the focus of the management on corporate social responsibility

Table 4.17: Reporting of CSR in the annual report

| Reporting of CSR Policy | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|-----------|-----------|-----------|-----------|
| Yes | 18(69.2%) | 20(76.9%) | 21(80.8%) | 21(81.8%) |
| No | 8(30.8%) | 6(23.1%) | 5(19.2%) | 5(19.2%) |
| Total | 26(100%) | 26(100%) | 26(100%) | 26(100%) |

Source: Compiled from secondary data

Figure 4.3: Companies which reported CSR in the annual report



From the table 4.17 it can be observed that the number of companies which had made a disclosure in the annual report is 18 in 2014-15. This has increased to 21 companies in 2017-18.

Table 4.18: Reporting of CSR in the format prescribed by the Act

| Reporting of CSR Policy | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|-----------|----------|------------|------------|
| Yes | 17(94.4%) | 18(90%) | 19 (90.5%) | 19 (90.5%) |
| No | 1(5.6%) | 2(10%) | 2(9.5%) | 2(9.5%) |
| Total | 18(100%) | 20(100%) | 21(100%) | 21(100%) |

Source: Compiled from secondary data

From the table 4.18 it is evident that the number of companies which made the reporting in the prescribed format is 17 out of 18 in 2014-15. This became 19 out of 21 companies in 2017-18.

Table 4.19: Reporting of the responsibility statement

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------|-----------|----------|------------|------------|
| Yes | 17(94.4%) | 18(90%) | 19 (90.5%) | 19 (90.5%) |
| No | 1(5.6%) | 2(10%) | 2(9.5%) | 2(9.5%) |
| Total | 18(100%) | 20(100%) | 21(100%) | 21(100%) |

Source: Compiled from secondary data

All the Companies had filed a responsibility statement in their annual report stating that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policies of the company.

4.5 Analysis of CSR Spend by the Kerala based Listed Companies.

The CSR spend is made mandatory for the Companies in India according to the Clause 135 of the Companies Act 2013. The clause is very specific about for which type of companies the clause is made mandatory and the formation of CSR committee and formulation of CSR policy. It was clearly stated that, it is the liability of the board to ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The aim of the analysis is to make a comparison of the CSR spend in the three financial years with the average net profit and the prescribed CSR expenditure.

Out of the 26 Kerala based listed Companies six companies were already set apart from the analysis since they were incurring a loss during the preceding three financial years. The six companies which were excluded from the analysis were

1. Dhanlaxmi Bank
2. Eastern Treads
3. Kerala Ayurveda Limited
4. Patspin India Limited
5. Uniroyal Maraine Exports Limited
6. Vertex Securities Limited

Balance 20 companies were included in the analysis. The analysis was based on the CSR spend, Average net profit based on the net profit of preceding three years and the prescribed expenditure for the financial years 2014-15,2015-16,2016-17 and 2017-18.

The study tried to analyse the CSR spending of all the 26 Kerala based listed companies.

Apollo Tyres Limited

Apollo Tyres Limited is in manufacturing and selling of tyres since its inception in 1972. It is the seventh biggest tyre manufacturer in the world. The company is listed in NSE. The company has a vision of enhancing the stakeholder value continuously by engaging in CSR. They believe in contributing to economic growth while improving the life of its key stakeholders. The company is engaged in sustainable CSR practices since 2010.

Table 4.20: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|-------------|--|--|-----------------------------------|
| 2014-15 | 84700000 | 56800000 | 67.06% |
| 2015-16 | 129320000 | 129570000 | 100.19% |
| 2016-17 | 184370000 | 184400000 | 100.02% |
| 2017-18 | 215660000 | 215680000 | 100.01% |

Source: Compiled from secondary data

Apollo Tyres have complied with the CSR requirement of 2% in all the years except in 2014-15. In the year 2014-15 the spending was only 67.06%. This was due to the problem in identifying suitable NGOs for implementing the projects. The company mainly implements its CSR activities through the implementing agencies. The CSR activities of the company are spread all over India.

Table 4.21: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------|---------|---------|
| Education | 14.79% | 12.29% | 14.87% | 22.41% |
| Health | 59.79% | 45.10% | 44.67% | 43.43% |
| Environment | 13.63% | 35.15% | 33.79% | 28.32% |
| Rural Development | 6.78% | 1.01% | - | - |
| Poverty Alleviation | .12% | 1.67% | 1.90% | 1.08% |
| Corpus Fund | .18% | - | - | - |
| Administrative Expenses | 4.71% | 4.76% | 4.76% | 4.76% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The above table show the area of CSR spend chosen by Apollo Limited in the past four years. In all the years, health, education and environment are the most contributed sectors. Health is the major sector. Also the company has allocated administrative expense within the prescribed limit.

Aspinwall and Company Limited

Aspinwall and Company Limited was established by the legendary English trader, John H. Aspinwall. It is one of the earliest commercial centers in Kerala. Now the business is controlled by the Royal Family of Travancore. The company has four divisions -Logistics, Coffee, Plantation and Natural fiber.

Table 4.22: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 2336000 | 2345000 | 100.39 |
| 2015-16 | 1600000 | 1650000 | 103.13 |
| 2016-17 | 1812000 | 1825000 | 100.72 |
| 2017-18 | 2159000 | 2161000 | 100.09 |

Source: Compiled from secondary data

From the table, it is evident that the company is giving much priority in the compliance of mandatory CSR. For the last 4 years, the company has contributed 2% and above towards CSR. The company directly implements its CSR activities. The CSR activities of the company are located within different districts of Kerala.

Table 4.23: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------|---------|---------|---------|---------|
| Education | - | - | 5.26% | 1.39% |
| Health | 34.97% | 81.21% | 79.40% | - |
| Rural Development | | | 13.70% | 90.75% |
| Relief Fund | 65.03% | 18.79% | 1.64% | 7.87% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The sector priority of Aspinwall and Company is varying. In the year 2014-15, major part of their CSR fund was contributed to Prime Minister's National Relief Fund. Another head chosen was education. In 2015-16 and 2016-17, the major contribution was made towards health sector. In 2017-18, the fund was mainly allocated for rural development.

AVT Natural Limited

AVT Natural is a leading company engaged in the manufacturing of plant based extracts and the natural ingredients solutions for various industries. AVT Natural is a part of the A.V. Thomas Group.

Table 4.24: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 14937000 | 1501000 | 10.05% |
| 2015-16 | 12873000 | 9587000 | 74.47% |
| 2016-17 | 10336000 | 8327000 | 80.56% |
| 2017-18 | 7835000 | 7730000 | 98.66% |

Source: Compiled from secondary data

Table 4.25: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------|---------|---------|
| Education | .60% | 5.85% | 37.98% | 44.08% |
| Health | 0% | 5.18% | 22.90% | 8.56% |
| Rural Development | 96.26% | 81.42% | 8.59% | 29.86% |
| Women Empowerment | .82% | 1.28% | .95% | 0% |
| Poverty Alleviation | 2.30% | 0% | 0% | 0% |
| Sports | 0% | 0% | 9.15% | 6.02% |
| Administrative Expenses | 0% | 6.26% | 14.42% | 11.64% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

Cochin Minerals and Metals Limited

CMRL is India's largest manufacturer of Aqua Ferric Chloride. It is manufacturing the best quality Synthetic Rutile across the world.

The company is incurring loss for the past few years and hence the company is not mandatorily required to comply with the CSR clause.

Table 4.26: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2015-16 | 0 | 4818000 | |

Source: Compiled from secondary data

In 2015-16 the company has disclosed in its annual report that the company has incurred a CSR expenditure of 4818000.

Table 4.27: Major sectors of CSR spending

| Area of CSR | 2015-16 |
|-------------------------------|---------|
| Education | 35.47% |
| Contribution to various funds | 64.53% |
| Total | 100% |

Source: Compiled from secondary data

The company had spent 35.47% of its fund in education sector and the balance was spend for making contributions to various funds.

Cochin Shipyard Limited

CSL is a Mini Ratna Company under the Ministry of shipping. Cochin Shipyard limited was incorporated in the year 1972 and it is a fully owned Government of India Company. The Company is a pioneer in the ship building and ship repairing industry. The yard of CSL has the capacity to build and repair the largest vessels in India. CSL has a good vision and continue with the tradition of being a good responsible citizen. Contribution of the Company include interventions in health care, education infrastructure creation, improving the quality of education, scholarships etc. It also supports the Government of India's Clean India Mission (Swatch Bharat). It also invests in environment management by rain water harvesting, plantation of trees, green energy and conservation of natural resources.

Table 4.28: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 54632000 | 50534000 | 92.50% |
| 2015-16 | 62300000 | 62716000 | 100.67% |
| 2016-17 | 72200000 | 72356000 | 100.22% |
| 2017-18 | 85400000 | 85708000 | 100.36% |

Source: Compiled from secondary data

CSL has complied with the mandatory CSR spending in all the years except in 2014-15. The company has spent the CSR fund through its implementing agencies. Almost all the projects of CSL were carried out through implementing agencies. The company has taken up CSR projects all over Kerala. Most of their projects are with long term benefits and sustainability. The number of beneficiaries from each project is specifically pointed out by the company through its annual reports.

Table 4.29: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|
| Education | 40.16% | 37.30% | 28.73% | 34.97% |
| Health | 41.10% | 57.66% | 54.15% | 43.10% |
| Rural Development | 11.50% | .44% | 11.06% | 4.20% |
| Environment | .20% | 0% | 0% | 2.85% |
| Heritage, arts and culture | 5.15% | 1.91% | .50% | 3.98% |
| Women Empowerment | .74% | 0% | 2.76% | 5.86% |
| Poverty Alleviation | 0% | 0% | .07% | 0% |
| Sports | 0% | 0% | .40% | 0% |
| Administrative Expenses | 1.14% | 2.69% | 2.33% | 2.75% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

Regarding the sectors chosen by the company, they have tried to cover all the necessities of life by investing in diverse sectors. Majority of their investment is made in health and education. Apart from that contributions are made for rural development and poverty alleviation. They have made allocation for administrative expenses separately for all years.

Federal Bank Limited

Federal Bank is a private bank situated at Aluva in Kerala. Bank has proved its expertise in the area of using technology for leveraging the operations. Federal bank is the first bank to computerise all its branches.

Table 4.30: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 238300000 | 72700000 | 30.51% |
| 2015-16 | 261800000 | 123000000 | 46.98% |
| 2016-17 | 230200000 | 154200000 | 66.99% |
| 2017-18 | 238800000 | 140100000 | 58.67% |

Source: Compiled from secondary data

The bank has made its CSR spending below 2% in every year. The company stated that the balance amount of each year will be spend in future years by selecting projects that have long term sustainability. The company has made its investment in Kerala as well as other states. The company has implemented its CSR activities mostly directly or through Federal Bank Hormis Memorial Foundation.

Table 4.31: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------|---------|---------|
| Education | 73% | 72.89% | 85.01% | 79.01% |
| Health | 7.19% | 13.75% | 6.03% | 4.21% |
| Rural Development | 12.41% | 6.10% | 1.69% | 8.49% |
| Environment | 7.25% | 4.54% | 4.21% | 3.57% |
| Poverty Alleviation | 0% | 2.69% | 2.78% | 2.78% |
| Administrative Expenses | .16% | .06% | .25% | |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The major portion of CSR allocation of Federal bank is spent in Education Sector. Some of the major initiatives of the bank are “Speak for Kerala which touched more than 20000 students in Kerala. It was an initiative to develop the communication skills and confidence levels of the students. They were a part of the Swacch Bharat Mission. They undertook “Palathulli program” for initiating rain water harvesting by partnering with Malayala Manorama, the famous daily news paper in Kerala.

Geojit PNB Paribas Limited

Geojit is a retail financial service company which offers wide range of portfolio of savings and investment solutions to its clients. It has a country wide network of over 480 offices, phone service and a very dedicated customer care centre.

Table 4.32: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|------------------------|
| 2014-15 | 10300000 | 9851000 | 95.64% |
| 2015-16 | 13793053 | 13706646 | 99.37% |
| 2016-17 | 13477970 | 13633833 | 101.16% |
| 2017-18 | 15264821 | 15264821 | 100% |

Source: Compiled from secondary data

Geojit has spent very near to the statutory CSR spending requirement in the year 2014-15 and 2015-16. And in the last two years the company fulfilled the statutory requirement. The company mostly makes its CSR spent directly and in some instances makes use of implementing agencies. The CSR spent is made in local area where the company operates. Some projects are extended to nearby south Indian states like Karnataka and Tamilnadu

Table 4.33: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------|---------|---------|
| Education | 26.77% | 29.37% | 23.86% | 50.27% |
| Health | 55.66% | 39.22% | 32.85% | 36.03% |
| Environment | 0% | 0% | 40.34% | .49% |
| Arts | 17.48% | 0% | 0% | 0% |
| Social Inclusion | .07% | 5.05% | 2.64% | 8.88% |
| Women Empowerment | 0% | 0% | .29% | 0% |
| Relief funds | 0% | 25.04% | 1.33% | 4.54% |
| Administrative Expenses | .02% | 1.32% | .02% | 1.56% |
| Total | 100% | 100% | 100% | 100% |

Source: compiled from secondary data

Health and education are the major areas of CSR investment.

Harrisons Malayalam Limited

HML is India's largest producer of rubber and it is the largest cultivator of Tea. Apart from that the company is dealing in the farming and processing of wide variety of agricultural and horticulture products

Table 4.34: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 1274000 | 1350000 | 105.97% |

Source: Compiled from secondary data

Table 4.35: Major sectors of CSR spending

| Area of CSR | 2014-15 |
|-------------|---------|
| Health | 100% |
| Total | 100% |

Source: Compiled from secondary data

The company has made its CSR spend and reported it in the prescribed format only in 2014-15. It was reported that the spending was made in the health sector. In all other years there are several activities reported by the company as its CSR initiatives. But it doesn't reveal the exact expenditure incurred by it in the prescribed format. It just revealed the number of beneficiaries benefited by the programme.

Inditrade Capital Limited

Inditrade is a financial service company which works with the intention to serve the financially marginalised. It channelizes funds through its four divisions. They are i) Commodity Finance ii) Micro Finance iii) MSME Finance and Micro lending.

Inditrade didn't engage in CSR activities for the first two years since the company was incurring loss.

Table 4.36: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2016-17 | 641470 | 300000 | 46.77% |
| 2017-18 | 960765 | 200000 | 20.82% |

Source: Compiled from secondary data

In 2016-17 and 2017-18, the company spent only less than half of the 2% requirement. . The company made its CSR spending directly in these years and it was mostly in other states.

Table 4.37: Major sectors of CSR spending

| Area of CSR | 2016-17 | 2017-18 |
|------------------|---------|---------|
| Education | 100% | |
| Health | | 50% |
| Social Inclusion | | 50% |
| Total | 100% | 100% |

Source: Compiled from secondary data

In 2016-17 allocation was completely on education and in 2017-18 the allocation was equally divided between health and social inclusion.

Kitex Garments Limited

Kitex Garments deals in the manufacturing and exporting of garments and it owns the reputation of being the second largest producer of children's apparels in the world. It is also renowned for being the largest employment provider among the private companies in Kerala. The company was established in 1992. Kitex tops the list of CSR performers in Kerala. Their CSR initiatives are gaining the attention of media and the stakeholders because of its mode of operation.

Table 4.38: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|-----------------------------------|---------------------------|
| 2014-15 | 11488000 | 14814000 | 128.95% |
| 2015-16 | 18258000 | 31970000 | 175.10% |
| 2016-17 | 26727184 | 60941516 | 228.01% |
| 2017-18 | 30361575 | 127512054 | 419.98% |

Source: Compiled from secondary data

From the table it is clear that the contribution made by Kitex is far higher than the mandatory CSR requirement every year. Their spending is 4 times higher than the mandatory requirement in 2017-18. All the activities are directly implemented by the company. Another feature of the CSR implementation of the company is the location of their spending. Every single penny of the CSR spending is made in the

Kizhakkambalam Panchayath in Ernakulam District where the company is situated and employed.

Table 4.39: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|---------|---------|---------|---------|
| Education | 0% | 0% | 3.13% | .39% |
| Health | 1.22% | 3.68% | 1.03% | 1.44% |
| Environment | 39.46% | 88.01% | 94.35% | 96.81% |
| Poverty Alleviation | 20.92% | 8.31% | 1.49% | 1.36% |
| Women Empowerment | 34.05% | | | |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

Regarding the CSR spending of Kitex, it is spread in almost all walks of life of the residents of Kizhakkambalam Panchayath. The CSR vision of the company also envisages making Kizhakkambalam Panchayath the best in the state among the total 978 Panchayath in Kerala. Agriculture, Safe Drinking Water and Water Security, Education, Food Security, Infrastructure, education, Health etc are their priority areas. The company has formed “Twenty 20 Kizhakkambalam” for serving this purpose. It is a charity institution floated by Anna Kitex Group to make possible the CSR vision of the Company. Environment was an important area of concern of the company all the years. It also gave priority to women empowerment.

Kerala Solvents and Extractions Limited

KSE is a company which is engaged in the manufacturing of cattle feed. They are the largest manufacturer of cattle feed in the country. The company has also entered in to the field of milk procurement and milk processing.

Table 4.40: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|---------------------------------|-----------------------------|------------------------|
| 2014-15 | 3058000 | 3085000 | 100.88% |
| 2015-16 | 5575000 | 5583000 | 100.14% |
| 2016-17 | 5953000 | 5955000 | 100.03% |
| 2017-18 | 6021000 | 6025000 | 100.07% |

Source: Compiled from secondary data

The company has a good record of CSR performance for the last 4 years. Every year the CSR spending of the company exceeded the required limit. The company made its CSR spends directly. The location selected for the CSR spend is the local area in which the company operates.

Table 4.41: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------|---------|---------|---------|---------|
| Education | 0% | 27.89% | 8.16% | 9.96% |
| Health | 49.76% | 47.02% | 90.58% | 32.45% |
| Environment | 50.24% | 16.64% | 0% | 24.98% |
| Arts | 0% | 0% | 0% | 3.98% |
| Sports | 0% | 0% | 0% | 27.05% |
| Social Inclusion | 0% | 8.45% | 1.26% | 0% |
| Women Empowerment | 0% | 0% | 0% | 1.58% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

In 2014-15, the CSR allocation was made in health and education sector. In 2016-17 the major contribution was made in environment sector (90.58%). In 2017-18, the major part of CSR spending was made in health, environment and sports.

Manappuram Finance Limited

Manappuram Finance is a NBFC providing gold loan since 1949. The company is making CSR contributions through Manappuram Foundation. The company formed this foundation in 2009 with an intention of carrying on its social responsibility activities. The company joined hands with Valapad Panchayath and launched “Vision Valapad 2020” intending the overall development of the Valapad Panchayath in which the company’s head office is situated. The company has several flagship projects like Janaraksha Manappuram – Free Health Insurance Scheme.

Table 4.42: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|------------------------|
| 2014-15 | 101730000 | 47090000 | 46.29% |
| 2015-16 | 70750000 | 137000000 | 193.64% |
| 2016-17 | 86880000 | 112400000 | 129.37% |
| 2017-18 | 138080000 | 103070000 | 74.65% |

Source: Compiled from secondary data

The company has a practice of carrying forward the unspent amount of the preceding year and spends it in the next year. The company through Manappuram Foundation and by joining hand with other implementing agencies carries on the CSR activities. The activities mainly concentrated on Valapad, Thissur District and other districts in Kerala.

Table 4.43: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|---------|---------|---------|---------|
| Education | 29.41% | 66.16% | 68.91% | 63.04% |
| Rural Development | 0% | 0% | 0.36% | 1.41% |
| Health | 54.34% | 22.26% | 23.16% | 24.53% |
| Environment | 2.40% | 1.09% | 0% | 6.24% |
| Poverty Alleviation | 5.31% | 0% | .04% | .15% |
| Arts | 0.06% | 0% | 0% | 0% |
| Sports | 0.02% | 0% | 0% | 0% |
| Corpus Fund | 0% | 7.80% | 0% | 0% |
| Social Inclusion | 2.12% | 1.86% | 1.02% | 0% |
| Women Empowerment | 4.29% | .83% | 2.73% | 0% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

In 2014-15 the fund is mainly allocated to the health sector. But in all other years' education is the major contributed sector. The foundation is running various academies to address the higher education, skill development and employment generation of the young children.

Muthoot Capital Services Limited

Muthoot Capital services Limited was established in 1994. It is one of the most progressive automobile finance companies in India. It is an NBFC registered with RBI and the shares of MCSL is listed in both BSE and NSE.

Table 4.44: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|---------------------------------|-----------------------------|------------------------|
| 2014-15 | 5923959 | 5998069 | 101.25% |
| 2015-16 | 6669987 | 7000841 | 104.96% |
| 2016-17 | 6879000 | 3413000 | 49.61% |
| 2017-18 | 7720000 | 5480000 | 70.98% |

Source: Compiled from secondary data

The company has complied with the mandatory CSR clause in the first two years. The company has implemented its project in both modes - directly as well as through other implementing agencies. The company has formed Muthoot Pappachan Foundation for carrying on its CSR activities.

Table 4.45: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------|---------|---------|---------|---------|
| Education | 7.17% | 19.28% | 56.93% | 6.62% |
| Rural Development | 0% | 4.29% | 0% | 0% |
| Health | 80.03% | 14.28% | 5.24% | 56.90% |
| Sports | 12.31% | 55.71% | 0% | 0% |
| Social Inclusion | 0% | 0% | 26.57% | 36.48% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

In 2014-15, the contribution was made mainly in health sector (80.03%). Half of the allocated fund was used for assistance in sports and games in 2015-16. Health was the major contributed sector in 2016-17 where as it is education in 2017-18.

Muthoot Finance Limited

Muthoot Finance Limited is the most trusted financial service brand. It is the largest Gold Financing Company in India. The company is having a CSR division named Muthoot M George Foundation for carrying on its CSR activities. The company work towards empowering communities through responsible and need based interventions.

Table 4.46: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|------------------------|
| 2014-15 | 269083218 | 89207875 | 33.15% |
| 2015-16 | 248857253 | 146187500 | 58.74% |
| 2016-17 | 235900000 | 149997300 | 63.59% |
| 2017-18 | 284400000 | 107283930 | 37.72% |

Source: Compiled from secondary data

The company has not made the CSR spend as required by the Act. The company has carried on all their CSR activities through their own CSR foundation. The CSR activities of the company are located mainly in south Indian states where the company is having their operations.

Table 4.47: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|---------|---------|---------|---------|
| Education | 47.58% | 37.60% | 51.21% | 69.93% |
| Health | 40.88% | 0% | 27.06% | 3.54% |
| Environment | 0% | .16% | .26% | .16% |
| Poverty Alleviation | 0% | 0% | 15.08% | 0% |
| Arts | 0% | .69% | .66% | 1.19% |
| Relief Fund | 0% | .63% | 0% | .10% |
| Women Empowerment | 11.54% | 4.85% | 5.74% | 7.06% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

Education and health were the major sectors of CSR investment. The flagship projects of the company are Harithateeram aimed at environmental protection, Snehasraya and Anbin Nizhal in the health sector. Another major project of the company was “Shape a smile”. Through this project, the company touched the life and smile of many children by financing the cleft lip and palate surgeries.

Nitta Gelatin India Limited

Nitta Gelatin India Limited started its operation in India in association with KSIDC. The company has an extensive product range with Gelatin for pharmaceutical and food applications. The company didn't make the CSR for the first two years since the company was incurring a loss.

Table 4.48: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 0 | 0 | 0% |
| 2015-16 | 0 | 0 | 0% |
| 2016-17 | 1943202 | 2142276 | 110.24% |
| 2017-18 | 4280695 | 4350000 | 101.62% |

Source: Compiled from secondary data

The CSR spend made by the company in the last two years was above 2%. The company was carrying on its CSR activities directly as well as through other foundations. The company has made their CSR spend in the nearby locality.

Table 4.49: Major sectors of CSR spending

| Area of CSR | 2016-17 | 2017-18 |
|---------------------|---------|---------|
| Education | 12.63% | 21.38% |
| Rural Development | 21.74% | 0% |
| Health | 47.34% | 41.21% |
| Environment | 5.15% | 0% |
| Poverty Alleviation | 1.87% | 0% |
| Sports | 4.03% | 0% |
| Social Inclusion | 3.05% | 0% |
| Women Empowerment | 4.20% | 0% |
| Total | 100% | 100% |

Source: Compiled from secondary data

Health was the major sector of CSR investment made by the company. Rural development was the second priority in the year 2016-17 and it was education in 2017-18.

PTL Enterprises Limited

PTL Enterprises Limited was incorporated in the year 1959. The company became an associate of Apollo Tyres Limited in 1995. The company is listed in both Cochin Stock Exchange and BSE.

Table 4.50: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 5200000 | 2740000 | 51.70% |
| 2015-16 | 5008000 | 2460000 | 49.12% |
| 2016-17 | 4956000 | 10856000 | 219.05% |
| 2017-18 | 7164000 | 7164000 | 100% |

Source: Compiled from secondary data

The company could not comply with the mandatory CSR in the first two years. But the company carried forward the unspent amount to the next year and made CSR contributions. The company is spending through implementing agencies and sometimes through Apollo Tyres Foundation. All the CSR activities of the company are locally concentrated i.e. in Kalamassery.

Table 4.51: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------|---------|---------|---------|---------|
| Education | 49.24% | 45.73% | 5.67% | 20.66% |
| Health | 10.73% | 31.14% | 41.53% | 0.14% |
| Environment | 22.68% | 23.13% | 42.32% | 79.20% |
| Corpus Fund | 17.35% | 19.31% | 0% | 0% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The CSR spent is spread in various sectors. In 2014-15, half of the amount was spent in education sector. In 2015-16 education followed by health and environment were the priority sectors. In 2016-17, health and environment was given equal importance. In 2017-18 79.20% of the CSR fund was spend in the environment sector.

Rubfila International Limited

Rubfila International is the manufacturer of Heat Resistant Latex Rubber Thread. The company is the market leader in India in rubber threads. The company believes in and acts on the ethics of generosity and compassion.

Table 4.52: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 2167000 | 2102000 | 97% |
| 2015-16 | 2412000 | 2407000 | 99.79% |
| 2016-17 | 2060000 | 2230000 | 108.25% |
| 2017-18 | 2276000 | 2233000 | 98.11% |

Source: Compiled from secondary data

The company strives to spend almost equal to the mandatory CSR clause every year. The company makes the CSR spending directly and its activities address the needs of the locality where it operate.

Table 4.53: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|---------|---------|---------|---------|
| Education | 0% | 0% | 97.53% | 95.16% |
| Health | 100% | 100% | 0% | 4.84% |
| Poverty Alleviation | 0% | 0% | 2.47% | 0% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

Regarding the area chosen by the company, in the first two years the CSR allocation was completely made in the health sector. In 2016-17 and 2017-18 education was the major contributed sector.

South Indian Bank Limited

South Indian bank is one among the three Kerala based listed commercial banks. The bank has 857 branches and bagged awards for the technological innovations introduced by the bank. The CSR mission of the bank is to make social and economic contributions to the community. The bank is making its CSR investment in diverse sectors.

Table 4.54: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 119800000 | 14554840 | 12.15% |
| 2015-16 | 115700000 | 23018480 | 19.89% |
| 2016-17 | 114400000 | 40345398 | 35.27% |
| 2017-18 | 110000000 | 72774438 | 66.16% |

Source: Compiled from secondary data

The CSR spending of the bank is below the compliance level in all the 4 years. Looking for sustainable and impactful project is the reason given by the bank for not complying with mandatory CSR. The spending is done in different districts of Kerala and the bank implements the CSR activities directly.

Table 4.55: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|
| Education | 21.36% | 15.45% | 42.84% | 44.48% |
| Rural Development | 0% | 0% | .54% | 0% |
| Health | 48.32% | .05% | 30.36% | 38.08% |
| Environment | 9.71% | 4.34% | 0% | 5.03% |
| Poverty | 0% | .43% | 0% | .64% |
| Arts, culture and heritage | 0% | 0% | 24.79% | 0% |
| Sports | 4.47% | 1.52% | 1.47% | 8.27% |
| Women Empowerment | 0% | 13.03% | 0% | .07% |
| Relief Fund | 6.87% | 65.17% | 0% | 0% |
| Social Inclusion | 9.28% | 0% | 0% | 3.44% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The bank has made the CSR investment in different sectors. The major contributing sector was health in the year 2014-15. In 2015-16, major part of the CSR fund was used to make contribution to the Prime Ministers national Relief Fund. In the following two years the allocation was mainly on education. Diverse sectors like Heritage, culture and arts, sports, social inclusion etc were addressed by the bank.

Sree Sakthi Paper Mills Limited

Sree Sakthi Paper Mills limited is the paper division of Sree Kailas Group which in operating since 1983. Recently in November 2018, the company has changed its name to Cella Space Limited in. And the business of the company is also changed to a Logistics Company.

The company was incurring continuous loss for the past few years. Even then the company has made some amount of CSR contribution in the year 2014-15. From 2015-16 onwards the company is not making contributions in the CSR front and since it is incurring loss, the company is not mandatorily required to have CSR practices.

Table 4.56: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 1246000 | 325000 | 26.08% |
| 2015-16 | 0 | 0 | 0% |
| 2016-17 | 0 | 0 | 0% |
| 2017-18 | 0 | 0 | 0% |

Source: Compiled from secondary data

Table 4.57: Major sectors of CSR spending

| Area of CSR | 2014-15 |
|-------------|---------|
| Health | 100% |
| Total | 100% |

Source: Compiled from secondary data

The CSR contribution of the company was only 26% of the prescribed expenditure and the company has made its CSR allocation in the health sector.

V Guard Industries Limited

V Guard Industries is one of the major electrical appliance manufacturers in India. Also it is the largest in Kerala with the highest annual turnover in the year

2017-18. The company deals with wide variety of electrical and home appliances. The company is carrying on CSR for the past few years. The CSR of the company is not limited to its business process. The company touches the life of the needy people by engaging in CSR in different sectors. The CSR activity of the company is spread over in various sectors like health, education, infrastructure development and women empowerment. Instead of merely making fund contribution to the education sector, the company has taken up the task of developing the skill of the next generation through its project “BIG IDEA Skill Development Programme”.

Table 4.58: Comparison of Prescribed Expenditure and Actual Expenditure

| Year | Prescribed Expenditure (In Rs.) | Actual Expenditure (In Rs.) | Percentage of Spending |
|---------|------------------------------------|--------------------------------|---------------------------|
| 2014-15 | 16375000 | 16375000 | 100% |
| 2015-16 | 18552000 | 18775000 | 101.20% |
| 2016-17 | 23874000 | 23891000 | 100.07% |
| 2017-18 | 31667000 | 31795000 | 100.40% |

Source: Compiled from secondary data

The company is keen in carrying on its CSR activities and always tried to fulfill the mandatory CSR clause of 2%. The company implements its CSR activities directly as well as through implementing agencies. The CSR activities of the company are carried on in different parts of Kerala.

Table 4.59: Major sectors of CSR spending

| Area of CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------|---------|---------|
| Education | 51.70% | 39.97% | 25.17% | 31.77% |
| Health | 25.49% | 30.77% | 56.30% | 55.09% |
| Environment | 21.39% | 17.57% | 11.72% | 8.17% |
| Sports | 0% | 0% | 4.19% | 3.15% |
| Women Empowerment | 0% | 8.21% | 0% | 0% |
| Administrative Expenses | 0% | 0% | 2.62% | 1.84% |
| Total | 100% | 100% | 100% | 100% |

Source: Compiled from secondary data

The company had spent half of its CSR fund in education sector in the year 2014-15. In the following years also the spending was allocated mainly in health and education. The company had allocated for administrative expense in the last two years.

Table 4.60: Companies which spent on CSR

| Companies which spent on CSR | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|
| Companies which had made the CSR spend | 17 | 16 | 17 | 17 |
| Companies with No CSR Spend | 3 | 4 | 3 | 3 |
| Total Number of companies | 20 | 20 | 20 | 20 |

Source: Compiled from secondary data

Out of the 20 companies, 17 companies in 2014-15, 16 companies in 2015-16, 17 companies in 2016-17 and 17 companies in 2017-18 have spend on CSR. The list of companies which have not made the CSR spend in respective years is given in the following table. These companies couldn't spend on CSR in one or two years due to loss. The following is the list of such companies.

Table 4.61: List of companies which have not implemented CSR

| Year | Number of companies | Name of the Companies |
|---------|---------------------|--|
| 2014-15 | 3 | Cochin Minerals and Rutile Limited, Inditrade Limited, Nita Gelatin Limited |
| 2015-16 | 4 | Harrisons Malayalam Limited, Inditrade Limited, Nitta Gelatin Limited, Sree Sakthi Paper Mills Limited |
| 2016-17 | 3 | Cochin Minerals and Rutile Limited, Harrisons Malayalam Limited, Sree Sakthi Paper Mills Limited |
| 2017-18 | 3 | Cochin Minerals and Rutile Limited, Harrisons Malayalam Limited, Sree Sakthi Paper Mills Limited |

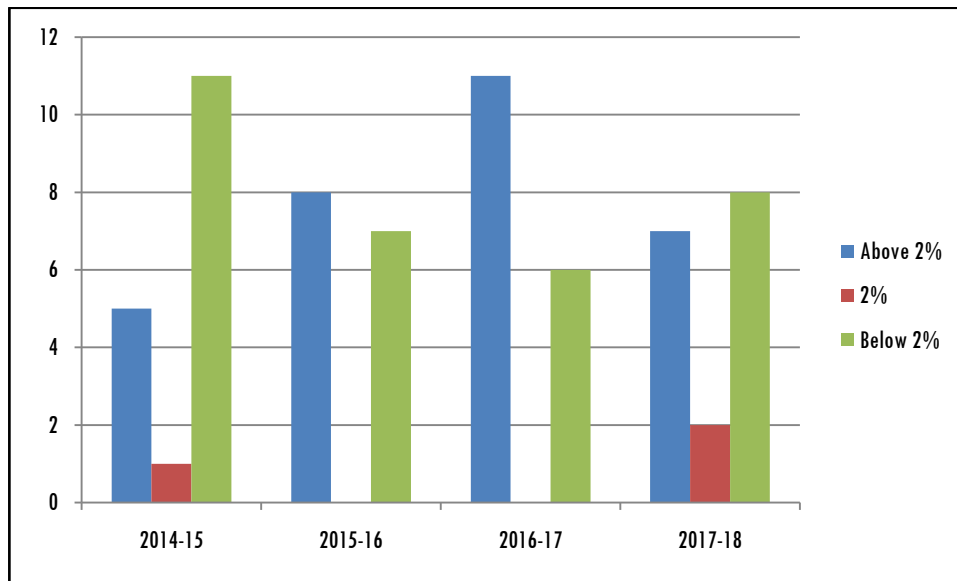
Source: Compiled from secondary data

CMRL has incurred a CSR expenditure of 48 lakhs in the year 2015-16. But the company has not revealed the average net profit and the prescribed CSR expenditure. So CMRL is excluded from the Prescribed and actual expenditure comparison.

Table 4.62: Compliance level of the Companies with Mandatory CSR Clause

| CSR Spending | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--------------|-----------|-----------|-------------|-----------|
| Above 2 % | 5(29.4%) | 8 (53.3%) | 11 (64.70%) | 7 (41.2%) |
| 2% | 1(5.9%) | 0 (0%) | 0 (0%) | 2(11.8%) |
| Below 2 % | 11(64.7%) | 7(46.7%) | 6(35.30%) | 8 (47%) |
| Total | 17(100%) | 15 (100%) | 17(100%) | 17 (100%) |

Source: Compiled from secondary data

Figure 4.4: Compliance level of the companies with mandatory CSR

The year 2014-15 was the first year in which the mandatory CSR was introduced. Only 17 companies were liable to make a spending in that financial year. Based on the analysis, it was seen that 64.7% of the companies had made a spending of less than 2%. This proved that 11 companies out of 17 had made a CSR spend less than the mandatory requirement. Balance 6 companies (35.3%) had made a CSR spend 2% and above of the average net profit. These companies have met with the compliance and also five of them have made a CSR spend above the compliance level of 2%.

The companies which had spend on CSR in compliance and above of the 2% of average net profit in the year 2014-15 were as follows

Table 4.63: Top CSR Performers in 2014-15

| Sl. No | Name of the Company | CSR Spend % |
|--------|---|-------------|
| 1 | Kitex Garments Limited | 2.58 |
| 2 | Harrisons Malayalam Limited | 2.12 |
| 3 | Muthoot Capital Services Limited | 2.03 |
| 4 | Kerala Solvents and Extractions Limited | 2.02 |
| 5 | Aspinwall Company Limited | 2.01 |
| 6 | V Guard Industries Limited | 2.00 |

Source: Compiled from secondary data

In the year 2015-16, the % of companies which had spent less than 2% of the average net profit became 47.7%. The number of companies which spend 2% and above is 8 (53.3%).

The companies which had spend on CSR in compliance and above of the 2% of average net profit in the year 2015-16 were as follows:

Table 4.64: Top CSR Performers in 2015-16

| Sl. No | Name of the Company | CSR spend% |
|--------|--|------------|
| 1 | Kitex Garments Limited | 3.50 |
| 2 | Manappuram Finance limited | 2.65 |
| 3 | Muthoot Capital Services Limited | 2.03 |
| 4 | Aspinwall Company Limited | 2.07 |
| 5 | V Guard Industries Limited | 2.00 |
| 6 | Apollo Tyres Limited | 2.00 |
| 7 | Kerala Solvent and Extractions Limited | 2.00 |
| 8 | Cochin Shipyard Limited | 2.00 |

Source: Compiled from secondary data

In 2016-17 35.30% of the companies (6) had spent below the mandatory level of 2% of the average net profit. 64.70% (11) of the companies have spent over and above the mandatory requirement. The companies which had spend on CSR in compliance and above of the 2% of average net profit in the year 2016-17 were as follows:

Table 4.65: Top CSR Performers in 2016-17

| Sl. No | Name of the Company | % of CSR spend to Average Net Profit |
|--------|--|--------------------------------------|
| 1 | Kitex Garments Limited | 4.56 |
| 2 | P T L enterprises Limited | 4.38 |
| 3 | Manappuram Finance Limited | 2.65 |
| 4 | Nita Gelatin Limited | 2.20 |
| 5 | Rubfila International Limited | 2.16 |
| 6 | Geojit Securities Limited | 2.02 |
| 7 | Aspinwall Company Limited | 2.01 |
| 8 | V Guard Industries Limited | 2.00 |
| 9 | Kerala Solvent and Extractions Limited | 2.00 |
| 10 | Apollo Tyres Limited | 2.00 |
| 11 | Cochin Shipyard Limited | 2.00 |

Source: Compiled from secondary data

In 2017 -18 the percentage of companies which spend 2% and above became 53% and the companies which had spend below the mandatory requirement became 47%.

The companies which had spend on CSR in compliance and above of the 2% of average net profit in the year 2017 -18 were as follows:

Table 4.66: Top CSR Performers in 2017-18

| Sl. No | Name of the Company | % of CSR spend to Average Net Profit |
|--------|--|--------------------------------------|
| 1 | Kitex Garments Limited | 4.56 |
| 2 | P T L enterprises Limited | 4.38 |
| 3 | Nita Gelatin Limited | 2.20 |
| 4 | Geojit Securities Limited | 2.02 |
| 5 | Aspinwall Company Limited | 2.01 |
| 6 | V Guard Industries Limited | 2.00 |
| 7 | Kerala Solvent and Extractions Limited | 2.00 |
| 8 | Apollo Tyres Limited | 2.00 |
| 9 | Cochin Shipyard Limited | 2.00 |

Source: Compiled from secondary data

Comparison of CSR spend to Average Net Profit and Prescribed CSR Expenditure

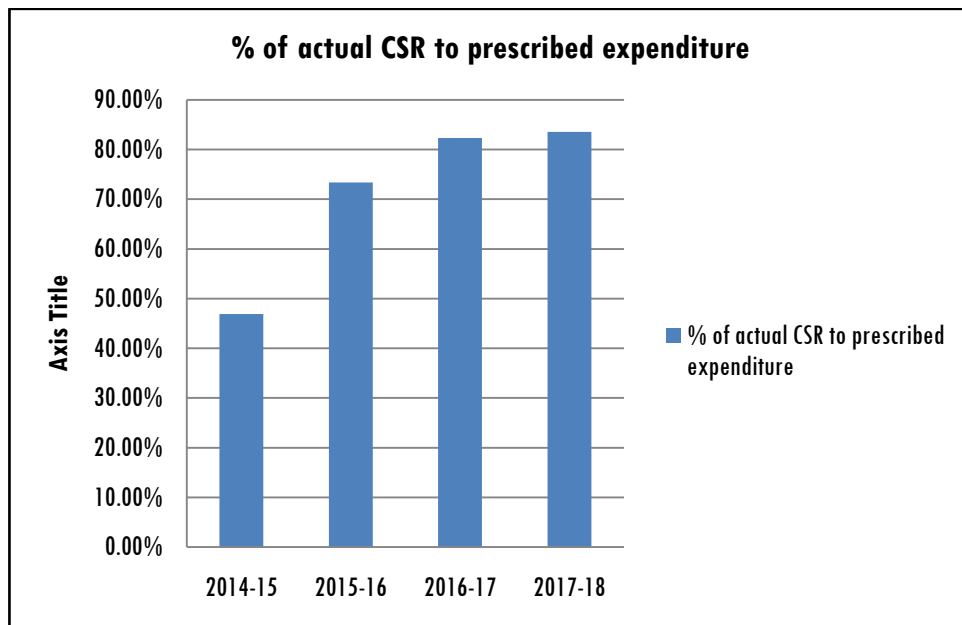
The introduction of mandatory CSR was taken up by the Kerala based listed companies in a positive way. The companies which had spend less than 2% had decreased to 47% in 2017-18 from 64.7% in 2014-15. Also the number of companies which have spent 2% and above increased from 6 in 2014 -15 to 9 in 2017-18. This can be interpreted in two ways. The companies are increasingly giving importance to fulfill the statutory requirement of CSR and many of them are having a positive approach towards corporate social responsibility and they were ready to make CSR investments in a very sustainable way. The companies which had met with the compliance level and spend beyond that in all the years were

- 1) Kitex Garments Limited
- 2) Aspinwall Company Limited
- 3) Kerala Solvents and Extractions Limited
- 4) V Guard Industries Limited

Table 4.67: Total CSR Expenditure incurred by the Kerala based Listed Companies

| | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| Average Net Profit (Rs.) | 41,74,54,81,823 | 43,46,44,38,015 | 45,97,01,70,986 | 54,45,22,55,804 |
| Prescribed CSR (Rs.) | 83,48,33,577 | 97,34,68,293 | 102,26,09,826 | 118,80,49,856 |
| Actual CSR(Rs) | 39,13,72,784 | 71,46,31,467 | 84,72,13,323 | 93,45,31,243 |
| % of Actual CSR | 46.88% | 73.41% | 82.34% | 83.58% |

Source: Compiled from secondary data

Figure 4.5: Percentage of actual CSR to prescribed CSR expenditure

The CSR expenditure incurred by Kerala based listed companies is showing a positive trend over the years. The percentage of CSR spending was only 46.88% in the year 2014-15. The companies spend below half of the required CSR expenditure. In 2015-16 the spending has increased to 73.41%. This was increased to 82.34% in 2016-17. In 2017-18, the spending became 83.58%.

So it can be observed that year by year there is an increase in the spending on CSR made by the Kerala based listed companies.

4.6 Unspent CSR

The Companies Act 2013 speaks about the treatment of unspent part of the prescribed CSR expenditure. If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount. So an analysis was conducted taking the 26 companies to identify the number of companies which have unspent CSR and those which stated the reason for not making the CSR spend

Table 4.68: Number of companies with unspent CSR

| Year | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|---------|---------|---------|---------|
| Number of companies | 20 | 18 | 15 | 17 |

Source: Compiled from secondary data

The number of companies which have not made the CSR spending is given in the above table. Out of the 26 companies 20 had not made the required CSR expenditure. This number was decreased to 17 out of 26 companies in 2017-18.

The companies which have not made the CSR spent can be divided in to two categories as shown in the below table.

Table 4.69: Number of companies with unspent CSR

| Companies | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---------|---------|---------|---------|
| Loss making companies | 9 | 9 | 8 | 8 |
| Not spending due to other reasons | 11 | 8 | 6 | 8 |
| Not disclosed the details | 0 | 1 | 1 | 1 |
| Total number of companies with un spent CSR | 20 | 18 | 15 | 17 |

Source: Compiled from secondary data

From the table, it is evident that in 2014-15 9 out of 20 companies were loss making companies and they are not mandatorily required to make the CSR spent. This number is 8 out of 17 companies in 2017-18. Among the loss making companies 7 out of 9 companies in 2014-15, 6 out of 9 companies in 2015-16 and 4 out of the 8 companies in 2015-16 and 16-17 have not specified any reason regarding not spending on CSR. The reported companies have clearly stated that they are incurring a loss or they are not mandatorily required to do CSR as the reason.

Table 4.70: Reason for not spending

| Reason for not spending the mandatory amount | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|
| Sustainable and long term projects | 6 | 6 | 5 | 7 |
| Insufficient Funds | 1 | 2 | 1 | 1 |
| Looking for suitable implementing agency | 1 | 0 | 0 | 0 |
| Actual spent less than the planned budget | 2 | 0 | 0 | 0 |
| Not specified | 1 | 0 | 0 | 0 |
| Total | 11 | 8 | 6 | 8 |

Source: Compiled from secondary data

In 2014-15 11 companies had unspent amount on CSR. All the companies except one had stated the reason for not being able to spend 2% towards CSR. 6 out of the 10 companies had not spent the prescribed CSR amount completely because they were not able to identify sustainable or long term projects to make the CSR investment and one of the company stated the reason as not getting an efficient NGO as implementing agency. Another company had stated the reason as insufficient funds for not spending on CSR since they were making a loss in the past years. 2 of the companies have incurred the actual expenditure less than the budgeted amount.

In 2015-16, 6 out of 8 companies had stated the reason of looking for new and sustainable projects for not spending the required 2%. Balance two companies were facing the problem of insufficient funds.

The number of companies which had not made the prescribed CSR spend of 2% was 6 in 2016-17. 5 of them stated the reason as looking for sustainable projects which can be continued by the company in the long run. One company stated the reason of insufficient funds.

In 2017 -18, the number of companies which didn't spend on CSR as per the mandatory requirement became 8. 7 of them stated the reason of looking for suitable projects and 1 company has stated the reason of insufficient funds.

Carrying forward of unspent amount

Some companies had a practice of carrying forward the unspent amount in a financial year to the next year and they compensate the unspent amount of the preceding year also in the concerned financial year.

Table 4.71: Companies which carried forward the unspent amount

| Year | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---------------------|------------------|-----------------|-----------------|-----------------|
| Number of companies | 5/11 (45.45%) | 3/9 (33.33%) | 3/7 (42.85%) | 4/9 (44.44%) |

Source: Compiled from secondary data

According to the above table 44% of the companies have carried forward the unspent amount to spend it in the next year.

Allocation for CSR administrative overheads

According to the CSR Policy 2014, the companies are allowed to build CSR capacities for their own personnel and also of its implementing agencies by utilising only upto 5% of the CSR allocation as administrative overheads. So there is restriction imposed on the CSR administrative overhead by an amendment in the CSR Policy 2014.

Most of the companies have not clearly reported regarding the administrative expenses in the CSR reports published by them in the prescribed format.

Table 4.72: Companies which disclosed the CSR administrative expenses

| Reporting of CSR administrative expenses | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------------|--------------|---------------|---------------|
| Number a of Companies | 5 (29.41%) | 6 (37.5%) | 6 (35.29%) | 6 (35.29%) |

Source: Compiled from secondary data

From the table 4.71, it is evident that only few companies report the CSR administrative expenses incurred by them in the prescribed format.

4.7 Implementation Mode of CSR

The company may adopt different ways for the implementation of CSR. The implementation mode can be direct spending, through the registered society or trust or a Section 8 Company under the Companies Act with a track record of 3 years in undertaking similar projects and programs. The companies may also collaborate with other companies for this purpose but the other participating companies should also be in a position to report the CSR.

Table 4.73: Implementation mode of CSR

| Mode of Implementation | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|-----------|----------|-----------|----------|
| Directly | 9 (52.9%) | 8(50%) | 10(58.8%) | 9(52.9%) |
| Implementation agencies | 2(11.8%) | 0(0%) | 0(0%) | 1(5.9%) |
| Own CSR foundation | 2(11.8%) | 2(12.5%) | 2(11.8%) | 3(17.6%) |
| Combination of all methods | 4(23.5%) | 6(37.5%) | 5(29.4%) | 4(23.6%) |
| Total | 17 (100%) | 16(100%) | 17(100%) | 17(100%) |

Source: Compiled from secondary Data

Table 4.73 shows that 52.9% of the companies are directly implementing the CSR activities in 2017-19. Some companies are choosing a combination of any two modalities for implementing their CSR. There is a trend of combining with NGOs or collaborating agencies to implement the CSR.

4.8 Location of CSR Spending

The Act mandates companies to disclose the details regarding the geographical location of their spent. In the Companies Act 2013, there is an oblique mention to give local area preference while making the CSR spends. The Ministry of Corporate Affairs has lately issued a notification in May 2018 directing the companies to focus the CSR funding on the locality they operate.

Table 4.74: Location of CSR Spending

| Location of CSR spending | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|-----------|-----------|----------|----------|
| Locality where the company is situated. | 7(41.2%) | 5(31.25%) | 7(41.2%) | 7(41.2%) |
| Within the state | 5(29.4%) | 5(31.25%) | 4(23.5%) | 4(23.5%) |
| Multi states/ Pan India | 5(29.4%) | 6(37.5%) | 6(35.3%) | 6(35.3%) |
| Total | 17 (100%) | 16(100%) | 17(100%) | 17(100%) |

Source: Compiled from secondary Data

All the companies which made the CSR spending has disclosed the location of the CSR spend also. There is not much change in the location of spending over the years. 41.2% of the companies are making their CSR investment in the locality where their business operates. They are aware about their obligation to the local community and the environment where their business operates. The companies which have business operations all over India have given importance to CSR spending in different parts of the country. So it can be concluded that business are directing the CSR activities in such a way that it is beneficial to the society in which they operate.

4.9 Sector wise CSR spend by Companies

According to the Companies Act

The Corporate Social Responsibility Committee shall,— (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the Activities to be undertaken by the company as specified in Schedule VII.

The schedule VII of the Companies Act 2013 speaks about the Activities which may be included by companies in their Corporate Social Responsibility Policies. The schedule prescribes wide range of activities that will be considered as CSR. It includes poverty alleviation programmes, promotion of education, women empowerment, health care, ensuring of environment sustainability, vocational trainings, social business projects and contributions to different fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women etc.

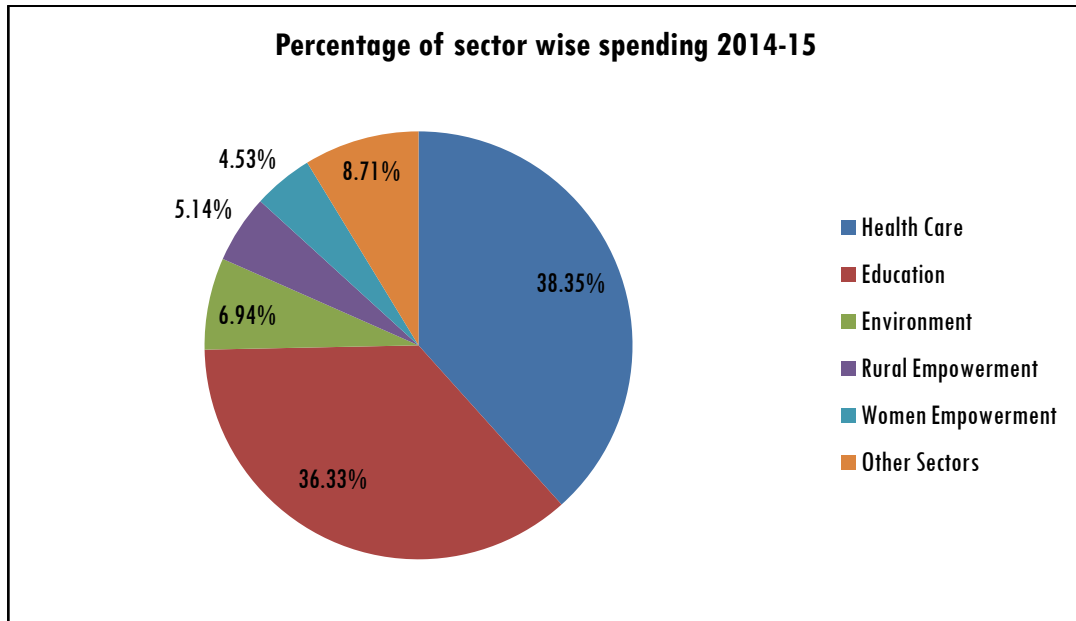
The areas for CSR funding were further widened by introducing certain amendments in the CSR policy of 2014. It also included rural development, slum development, and promotion of heritage, culture and arts. Sports, welfare measures for armed veterans, sanitation etc also found place in the list. Apart from women empowerment, the protection and development of the weak and marginalised is included under the purview of CSR.

The next part of the study analysed the sector wise CSR spending in the last four years.

Table 4.75: Sector wise CSR spending in 2014-15

| Sectors | Sector wise spending (In Rs.) | Percentage of sector wise spending |
|-------------------|----------------------------------|---------------------------------------|
| Health Care | 15,01,08,868 | 38.35% |
| Education | 14,22,22,010 | 36.33% |
| Environment | 2,71,70,155 | 6.94% |
| Rural Empowerment | 2,01,24,976 | 5.14% |
| Women Empowerment | 1,77,48,571 | 4.53% |
| Other Sectors | 3,39,98,204 | 8.71% |
| Total | 39,13,72,784 | 100% |

Source: Compiled from secondary data

Figure 4.6: Percentage of sector wise spending in 2014-15

From the table 4.74, it is clear that the major part of the CSR expenditure of the companies in 2014-15 was allocated to health (38.35%) and Education (36.33%). 6.94% of the spending was made in the environment sector. Other major spending areas were rural development (5.14%) and women empowerment (4.53%). The other sectors include the contribution of the companies for alleviating poverty (1.45%), promotion of heritage culture and arts (1.11%), contribution to various funds and welfare activities for senior citizen.

Table 4.76: Sector wise CSR spending in 2015-16

| Sectors | Sector wise spending (In Rs.) | Percentage of sector wise spending |
|--|-------------------------------|------------------------------------|
| Education | 29,42,67,850 | 41.18% |
| Health Care | 16,29,72,923 | 22.81% |
| Environment | 86,79,78,91 | 12.14% |
| Contribution to PMNRF and other such funds | 1,96,56,569 | 2.75% |
| Rural Development | 1,71,94,797 | 2.40% |
| Women Empowerment | 1,28,87,540 | 1.80% |
| Other Sectors | 12,08,53,897 | 16.91% |
| Total | 71,46,31,467 | 100% |

Source: Compiled from secondary data

From the table it is clear that education topped the list of sectors of CSR spending for the year 2015-16. The allocation made for education was 41.8% of the total amount spent in the year. Health care acquired the second place in the list with a spending of 22.81% of the total amount. Environment gained more importance in the second year. Other major sectors were rural development and women empowerment. The total of other sectors (16.91%) included the spending in multiple sectors. The other major sectors were the corpus fund kept aside by the companies for future CSR, arts, sports, social inclusion, etc. administrative expenses also formed a major part of the CSR expenditure.

Figure 4.7: Percentage of CSR spending 2015-16

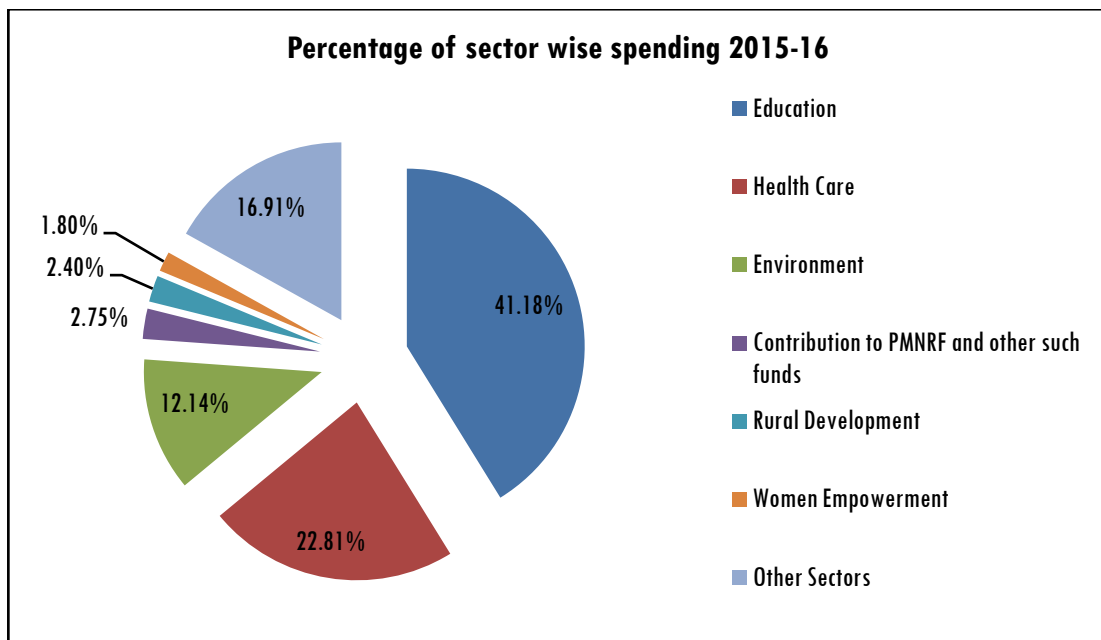


Table 4.77: Sector wise CSR spending in 2016-17

| Sectors | Sector wise spending (In Rs.) | Percentage of sector wise spending |
|---------------------|-------------------------------|------------------------------------|
| Education | 37,10,76,269 | 43.79% |
| Health Care | 24,27,30,265 | 28.65% |
| Environment | 14,51,99,832 | 17.14% |
| Poverty Alleviation | 3,20,15,570 | 3.77% |
| Women Empowerment | 1,38,88,042 | 1.64% |
| Other Sectors | 4,23,03,345 | 4.99% |
| Total | 84,72,13,323 | 100% |

Source: Compiled from secondary data

In the year 2016-17 also, education topped the list of sector of CSR spending. 43.79% of the fund was allocated to education sector. Health sector secured the second place with 28.65% followed by environment (17.14%). Poverty alleviation (3.77 %) and women empowerment (1.64%) were the other major sectors. The other sectors include rural development, arts, sports, social inclusion etc.

Figure 4.8: Percentage of CSR spending 2016-17

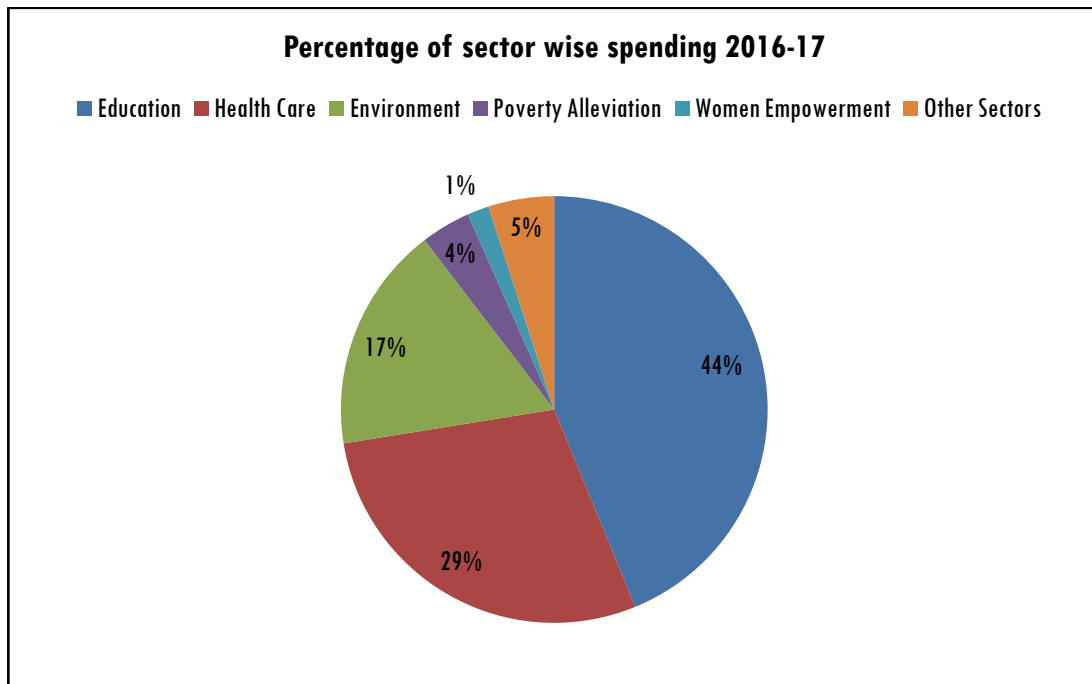
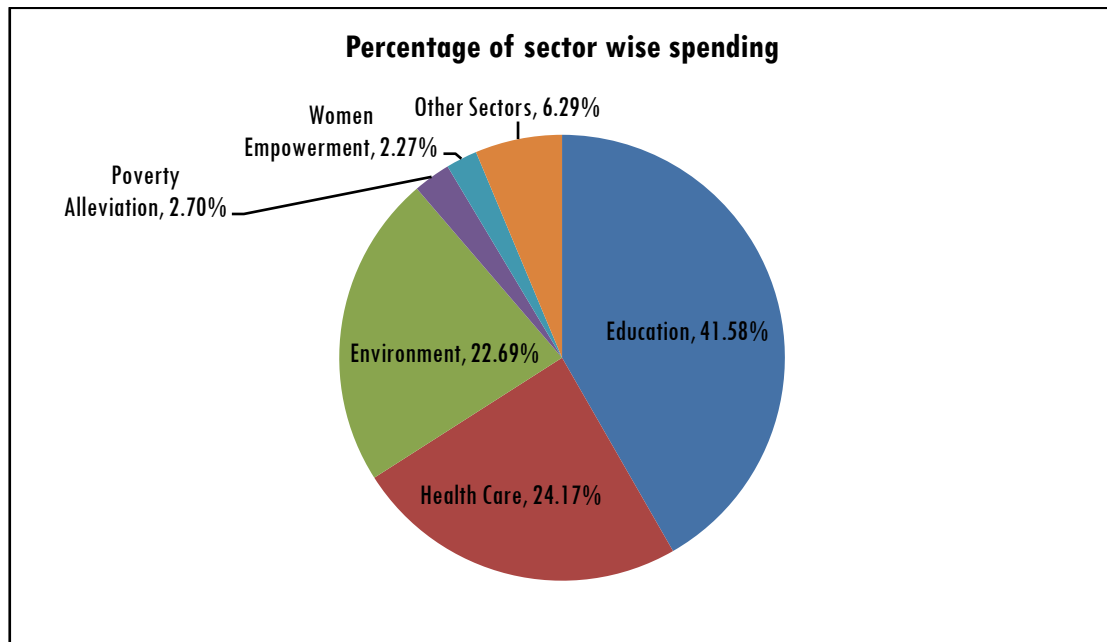


Table 4.78: Sector wise CSR spending in 2017-18

| Sectors | Sector wise spending (In Rs.) | Percentage of sector wise spending |
|---------------------|----------------------------------|---------------------------------------|
| Education | 3,88,58,0003 | 41.58% |
| Health Care | 22,58,99,515 | 24.17% |
| Environment | 21,20,82,206 | 22.69% |
| Poverty Alleviation | 2,79,17,057 | 2.70% |
| Women Empowerment | 2,12,19,000 | 2.27% |
| Other Sectors | 5,88,33,462 | 6.29% |
| Total | 93,45,31,243 | 100% |

Source: Compiled from secondary data

Figure 4.9: Percentage of CSR spending 2017-18

In the year 2017-18 41.58% of the total amount is allocated for education. 24.17% of the spending is made on healthcare. Environment (22.69%) followed the health and secured the third position in the CSR spending in 2017-18. Poverty alleviation and women empowerment are other major sectors of spending. The other sectors include women empowerment, sports, contribution to relief fund and social inclusion.

So, the study of the sector wise CSR spending gives a clear picture about the major sectors chosen by the companies. The study reveals that education, health and environment are the major sectors chosen by the companies. Every year major part of the fund is spend on these three sectors. In the first year the contribution to these three sectors was 81.62%, in 2015-16 it was 76.75%, in 2016-17 it became 89.58%. in 2017-18 the contribution to these sectors was 88.44% of the total spending. It can also be observed that this is in line with the trend of the CSR spending of India. The companies in Kerala follow the similar pattern of spending as it in other parts of the country. According to the study conducted by KPMG education topped the list by spending 37%, health with 21% and environment with 20%.

4.10 Conclusion

According to Kshama (2017) The Companies Act is a bold attempt to legislate CSR through mandatory spend and disclosure. CSR is an opportunity for the business to be profitable and at the same time being responsible.

The analysis of the CSR performance of the Kerala based listed companies helped in understanding the CSR compliance and CSR practices of the companies since the introduction of mandatory CSR. It covered the CSR practices of all the Kerala based listed companies, their CSR spending, the sector of CSR spending etc. the study also made an effort to understand the CSR compliance achieved by the above companies. It can be concluded that all the Kerala based listed companies, except the loss making ones comply with the mandatory CSR and many companies have come up with long term and sustainable projects.

References

1. Kshama V Kaushik, (2017). *CSR in India: Steering Business towards Social Change*, LexisNexis – A Division of RELEX India Pvt Ltd.
2. Hand Book on Corporate Social Responsibility in India published by PwC accessed through-<https://www.pwc.in/assets/pdfs/publications/2013/handbook-on-corporate-social-responsibility-in-india.pdf>
3. Companies Act (2013). <http://www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf> Accessed through <http://www.mca.gov.in>
4. Companies (Corporate Social Responsibility Policy) http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification2_2014.pdf Accessed through <http://www.mca.gov.in>
5. Amendments in CSR regulations Accessed through <http://www.mca.gov.in>
6. Market capitalisation of Kerala Companies <https://english.manoramaonline.com/business/news/2017/10/23/kerala-companies-on-bse-set-to-touch-market-cap-1-crore.html> Accessed through <https://english.manoramaonline.com>
7. Annual reports of Apollo Tyres Limited from 2014-15 to 2017-18 Accessed through <http://traditional.apollotyres.com>
8. Annual reports of Aspin wall Company Limited from 2014-15 to 2017-18 Accessed through <http://aspinwall.in>
9. Annual reports of Cochin Minerals and Rutile Limited 2014-15 to 2017-18 Accessed through <http://www.cmrlindia.com>
10. Annual reports of Cochin Shipyard limited 2014-15 to 2017-18 Accessed through <http://www.cochinshipyard.com>
11. Annual reports of Eastern Treads Limited 2014-15 to 2017-18 Accessed through <http://www.easterntreads.com>
12. Annual reports of Federal Bank Limited 2014-15 to 2017-18 Accessed through <https://www.federalbank.co.in>
13. Annual reports of Geojit Securities Limited 2014-15 to 2017-18 Accessed through <https://www.geojit.com>
14. Annual reports of Harrisons Malayalam Limited 2014-15 to 2017-18 Accessed through <https://www.harrisonsmalayalam.com>

15. Annual reports of Indi trade Limited 2014-15 to 2017-18 Accessed through <http://www.inditrade.com>
16. Annual reports of KSE Limited 2014-15 to 2017-18 Accessed through <http://www.kselimited.com>
17. Annual reports of Kitex Garments Limited 2014-15 to 2017-18 Accessed through <http://www.kitexgarments.com>
18. Annual reports of Manappuram Finance 2014-15 to 2017-18 Accessed through <http://www.manappuram.com>
19. Annual reports of Muthoot Finance 2014-15 to 2017-18 Accessed through <http://www.muthootfinance.com>
20. Annual reports of V Guard Industries Limited 2014-15 to 2017-18 Accessed through <https://www.vguard.in>
21. Annual reports of Muthoot Capital Services Limited 2014-15 to 2017-18 Accessed through <http://muthootcap.com>
22. Annual reports of Vertex Securities Limited 2014-15 to 2017-18 Accessed through <http://www.moneycontrol.com>
23. Annual reports of Sree Sakthi Paper Mills Limited 2014-15 to 2017-18 Accessed through <http://www.moneycontrol.com>
24. Annual reports of South Indian Bank Limited 2014-15 to 2017-18 Accessed through <https://www.southindianbank.com>
25. Annual reports of Patspin India Limited 2014-15 to 2017-18 Accessed through <http://www.moneycontrol.com>
26. Annual reports of Kerala Ayurveda Limited 2014-15 to 2017-18 Accessed through <https://www.keralaayurveda.biz>
27. Annual reports of Dhanlaxmi Bank 2014-15 to 2017-18 Accessed through <https://www.dhanbank.com>
28. Annual reports of Rubfila International Limited 2014-15 to 2017-18 Accessed through <http://www.rubfila.com>
29. Annual reports of PTL Enterprises Limited 2014-15 to 2017-18 Accessed through <https://www.ptlenterprise.com>

30. Annual reports on AVT Naturals Limited 2014-15 to 2017-18
Accessed through <http://www.avtnatural.com>
31. Annual reports of Uniroyal Maraine Exports Limited 2014-15 to 2017-18
Accessed through <https://www.bseindia.com>
32. Annual reports of Nitta Gelatin Limited 2014-15 to 2017-18 Accessed
through <http://gelatin.in>
33. India 's CSR Reporting Survey 2018 accessed through <https://home.kpmg/in/en/home/insights/2019/01/csr-reporting-sustainability-development-goals.html>

Chapter **5**

CSR PROJECT OF COCHIN SHIPYARD LIMITED

5.1 Introduction

5.2 Part 1 – Profile of the Respondents

5.3 Part II: Descriptive Analysis of the CSR Project

5.4 Summary

References

**CSR PROJECT OF
COCHIN SHIPYARD LIMITED****5.1 Introduction**

Today most of the companies view CSR as a key ingredient in their corporate strategy. Many recent studies prove that the top management gives greater emphasis in embedding social responsibility in the strategies they formulate as well as in their operations. They had developed an understanding that the existence or the survival of their business depends on how well they treat the society and environment. The good news is that the business community is taking up corporate social responsibility, sustainability as never before. They give greater value for the satisfaction of stakeholders.

5.1.1 Community as a stakeholder

Community is an important party in the external stakeholders of a company. The external stakeholders are not the part of a company's business but they are keenly interested in what a company does and its influence on the decision making of a company. Engaging with community stakeholders have always proven beneficial to the business. It improves the competitiveness of a business. It helps a business by tapping in to local knowledge, reducing the conflict, increased employee recruitment from the local community and preventing delays.

5.1.2 CSR for Community Development

By community development, it is the improvement or benefits the community members have derived in different aspects of their life like health and sanitation, education, living standards etc. In a country like India, where the population and their problems are seamless, CSR can be used as a very effective tool. The corporate can easily contribute to the community development by reaching out to the local community where their business operates and thus help the government in reaching the ultimate goal of the development of the nation. The intervention of the corporate community in the social and

environment needs of the country has become a necessity since our government policies fail at times to reach the common people. CSR is a bridge in building a cordial relationship between the corporate and the community where the corporate operates. This relationship is mutually beneficial for the corporate and the community.

This part of the study focuses on understanding the perception of the beneficiaries about the CSR project of Cochin Shipyard Limited.

5.1.3 About Cochin Shipyard Limited

Cochin shipyard is one of the leading shipbuilding & repair yard in India, which has an infrastructure that combines economy, scale, and flexibility, and has ISO 9001 accreditation. It has an exclusive area set for offshore construction and future expansion. As one of the India's top 10 public sector undertakings, CSL has been rated excellent by the Government of India, four times in a row. This was awarded for achieving the targets set for the yard under the MOU system with specialised industry knowledge and superior resources. CSL has adopted the Japanese Integrated Hull Outfitting and Painting system (IHOP) for its new construction. This gives CSL a clear edge in the field of fabrication of commissioning of accommodation modules & topside modification.

Cochin Shipyard was conceived of in the year 1969. The yard was designed and constructed under technical collaboration with M/s Mitsubishi Heavy Industries (M.H.I), Japan. The company was legally incorporated in the year 1972. The yard commenced the shipbuilding operations in 1978, ship repair in 1981, Marine Engineering Training in 1993 and Offshore Up gradation in 1999. The constant improvement in the productivity of the company has proven helpful in securing export orders. The yard facility of CSL efficiently reduced the average time of construction of even large ships. The ship repair operations are provided by CSL since the year 1982. CSL has undertaken repairs of all types of vessels including up gradation of ships of oil exploration industry as well as periodical layup repairs and life extension of ships of Navy, UTL, Coast Guard, Fisheries and Port Trust besides merchant fleet. CSL was able to establish fruitful tie ups with the specialised firms of different countries over the time.

5.1.4 About the CSR of Cochin Shipyard Limited

The company is committed to ensure the holistic welfare of the society by undertaking various CSR activities under the purview of the Companies Act, 2013. The company tries to cover various sectors through its CSR investment. The CSR policy of the company clearly speaks about the ethics followed by the company and its CSR vision. The CSR vision of the company is visualise the company to be a responsible corporate citizen. The policy clearly state the mission, CSR thrust areas, CSR governance etc. The company clearly earmarks how a CSR project will be selected by the company and what are the procedures in connection with the selection of a project proposal. The thrust areas of CSR taken up by CSL are as follows.

- Clean India
- Education
- Health care
- Empowerment
- Rural Development
- Culture and Heritage
- Environmental sustainability

5.1.5 About the CSR project of CSL- Drinking Water Project at Chottanikkara

The 750 families residing in Ambadimala settlement colony falling within the Chottanikkara Grama Panchayat were not having proper water supply due to the geographical constraints. The water supply by the water authority was not sufficient to meet the needs. The CSL has taken up this issue and addressed the water scarcity faced by the Ambadimala residents. Major works of the project included a well construction (water source), over head tank (1,00,000 litres) pipe lines, pumping house, water purification plant and distribution points.

The inauguration of the scheme was held at the site on 27th February, 2016. Shri Madhu S Nair, C&MD, CSL dedicated the scheme and handed over the key to the Grama Panchayat. Shri. Anoop Jacob, Honourable Civil Supplies and Education

Minister, Govt. of Kerala inaugurated the function in the presence of the officials of Cochin Shipyard, government of Kerala and the residents. The CSR Cell and the Civil Department of CSL extended full support to the Panchayat in undertaking the project within the stipulated timeline ensuring the best quality.

The Panchayath took charge of the functioning of the project. Actually the project demonstrated a good combination of a public sector company, a local authority and local community in the implementation of a project.

Project Details

| | | |
|------|-------------------------|--|
| i | Name of the Project | Drinking Water Supply Scheme at Ambadimala Settlement Colony in Chottanikkara Grama Panchayat, Ernakulam District- Kerala |
| ii | Project Category | Integrated Rural Development |
| iii | Proposing agency | Chottanikkara Grama Panchayat |
| iv | Beneficiaries | 750 families living in Ambadimala Settlement Colony |
| v | Period | 2014-15 |
| vi | Total cost | Rs. 75 Lakhs |
| vii | Support extended by CSL | Rs. 60 Lakhs. |
| viii | Other support | The local Panchayat contributed Rs. 15 lakhs for this project from its own sources. Moreover, the local people donated land required for the construction of the well, overhead tank, pipelines and the approach road. |
| viii | Implementing Agency | Chottanikkara Grama Panchayat |

5.1.6 Background of the project

Thirty years old colony in Ambadimala of Chottanikkara was facing severe drinking water shortage every year especially during summer. Efforts were made to solve the scarcity by making temporary arrangements. But the increase in the water scarcity resulted in the requirement of a permanent solution. The ward members approached the Panchayath with a written grievance regarding the problem. The Panchayat, after conducting a rapid assessment of the need, formulated a new proposal and approached the company with a request for CSR fund.

5.1.7 Procedure followed for Selection of the project

Cochin Shipyard follows a three tier system for governing and managing the CSR funds and its projects.

The Board of Directors (Tier- I)

The Board of Directors of CSL is legally accountable for the CSR activities and is having an oversight function over the CSR Committee. Further the role of the board includes:

- To constitute the CSR Committee
- To approve the CSR Policy
- To keep oversight control of the CSR activities
- To ensure legal compliance of at least 2% spending' and to report CSR activities.

CSL CSR Board Committee (Tier – II)

CSL CSR Board Committee (Tier - II) consists of three members of the Board of Directors of CSL, one of whom is an independent Director. This Committee meets at least once in three months. The CSR Committee has instituted a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company. Further the role of CSR committee includes:

- To formulate CSR Policy and recommend to the Board
- To plan, budget and recommend the expenditure on CSR to the Board
- To prepare strategic plans and implementation schedules for CSR expenditure
- To monitor the implementation of the CSR projects or programs or activities undertaken by the company

CSL CSR Executive Committee (Tier –III)

CSL CSR Executive Committee (Tier – (III) consisting of CSL executives have been nominated by C&MD. The committee is headed by the Head CSR who is a General Manager or (I R & ADMN). This committee performs the following duties and responsibilities:

- To identify suitable CSR projects and programs;
- To prepare CSL CSR Plan every year in line with CSLCSR Policy
- To carry out close monitoring, periodic review, assess impact and evaluation of various CSR projects undertaken by CSL
- To take all employees, contractors etc on board to meet the objectives of CSL CSR policy, by imparting training and involving them in the implementation of CSR agenda of CSL on continuous basis
- To supervise activities of CSR Cell of CSL and be responsible for day to day expenditure under CSR head
- To liaison with all related agencies in regard to CSR implementation of CSL and to do all acts, deeds, things required for the smooth and effective implementation of CSL CSR Policy.

The CSR team of CSL has screened the proposal and it was reviewed with the other project proposal received for the year. The proposal was analysed in terms of different factors. Feasibility, benefit, capacity of the implementing agency, sustainability, beneficiary participation etc were considered by the team while reviewing the project. It was recommended by the team and put forward to the board for final decision. The board also prioritised the project over others and granted sanction for the implementation of the project.

Monitoring of the project

CSL was always concerned about the monitoring of the project and constantly monitored the projects. The CSR Executive Committee members and the CSR Cell played a crucial role in the monitoring of the projects. During the implementation the

members of the CSR cell made constant visits to the site and interactions with the beneficiaries were made on a regular basis. They discussed the important areas which need improvement with the implementing agencies as well. Specific technical assistance was accorded by the Civil Engineering Department of CSL to ensure the quality of the construction and timely completion of the project.

This chapter includes the compilation of primary data collected through the field study conducted at Ambadimala, Chottanikkara Panchayat, Ernakulam.

5.2 Part 1 – Profile of the Respondents

The study was conducted among the residents of the Ambadimala Settlement Colony at Chottanikkara Panchayat. Out of the 750 beneficiaries 258 of them were chosen to study their perception about the concept of corporate social responsibility as well as the drinking water project of CSL.

Descriptive analysis is useful in providing a summary of sample data. It is the process of converting the raw data into information. The first part of descriptive analysis is the demographic and socio-economic profile of the respondents.

Table 5.1: Demographic Profile of the Respondents

| | | | | | | |
|---------------------------------|----------------------------------|-------------------|-------------|-------------|-------------------|--------------|
| Gender | Male | Female | | | | Total |
| Percent | 55.80% | 44.20% | | | | 100% |
| Age | Young | Middle age | Old | | | Total |
| Percent | 20.9% | 62.4% | 16.7% | | | 100% |
| Marital Status | Married | Single | | | | Total |
| Percent | 88% | 12% | | | | 100% |
| Number of Family Members | Less than or equal to two | Three | Four | Five | Above Five | Total |
| Percent | 12.2% | 26% | 25.20% | 19.80% | 15.90% | 100% |

Source: Primary Data

Table 5.1 describes the classification of respondents on the basis of their demographic profile such as gender, age, marital status, religion and the number of members in each family. It can be observed from the table that 55.80% of the respondents are male and the rest are female. The response of the beneficiaries of the drinking water project is obtained almost in equal proportion. The next classification was on the basis of the age of the respondents and it can be seen that majority of the

respondents (62.40%) belonged to the category of middle aged adults. The proportions of young aged adult and old aged adult are almost same in the study. The respondents were also classified on the basis of their marital status and it is clear that majority of the respondents are married (88%) and it matches with the spread of the age classification. The final classification was on the basis of number of members in the family and most of the family had more than 3 members. Only 12 families were having less than or equal to two members.

Table 5.2: Socio Economic Profile of the respondents

| Educational Qualification | Primary | Secondary | Higher Secondary | UG | PG and above | Total |
|----------------------------------|-----------------------|-------------------|-------------------------|--------------------|---------------------|--------------|
| Percent | 10.9% | 47.3% | 14.3% | 20.5% | 7% | 100% |
| Occupation | Salaried Class | Labourers | Self Employed | Jobless | | Total |
| Percent | 36% | 22.5% | 5.4% | 36% | | 100% |
| Earning Members | One | Two | Greater than two | | | Total |
| Percent | 61.60% | 32.60% | 5.80% | | | 100% |
| Average Monthly Income | Below 5000 | 5001-10000 | 10001-15000 | 15001-20000 | Above 20000 | Total |
| Percent | 24% | 26% | 14% | 10.90% | 25.20% | 100% |

Source: Primary Data

Table 5.2 show the classification of the respondents on the basis of their educational qualification, occupation, number of earning members and their average monthly income. From the classification of the respondents on the basis of education, it is observed that about half of the respondents have only secondary education. Also 14.3% of the respondents acquired higher secondary education and 20.5% had their under graduate education. Only 7% of the respondents are having a Post Graduate Degree and above. Regarding the classification on the basis of the occupation of the respondents, salaried class constituted 36% of the respondents and another 36% of the respondents were jobless. 22.5% of the respondents were labourers and only 5.4% were self employed. Another categorisation was done on the basis of number of earning members in the family. Only 5.8% of the respondent's family had earning members of more than 2. 32.6% of the families had 2 earning members and 61.6% of the respondents had only one earning member in their family. Classification of

respondents was also done on the basis of their average monthly income. 50% of the respondents had income below 10,000 and 25.2 % of the respondents have their average monthly income above 25000.

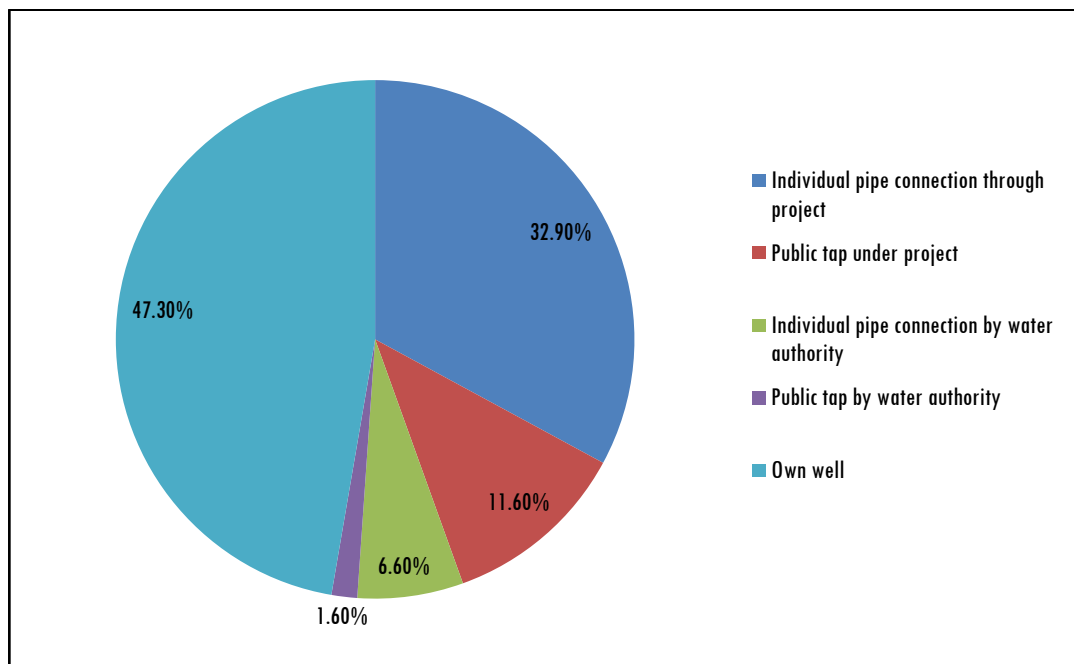
5.3 Part II: Descriptive Analysis of the CSR Project

Table 5.3: Main Source of water used by the beneficiaries

| Main Source of Water | Percent |
|---|---------|
| Individual pipe connection through project | 32.9% |
| Public tap under project | 11.6% |
| Individual pipe connection by water authority | 6.6% |
| Public tap by water authority | 1.6% |
| Own well | 47.3% |
| Total | 100% |

Source: Primary Data

Figure 5.1: Main source of water used by the beneficiaries



In the above table, the respondents are classified on the main source of water used by them for various household purposes. It is observed that 47.3% of the respondents had their own well and they mainly rely on their well for household purpose. 32.9% of the respondents rely on the individual pipe connection they obtained through the CSR project of Cochin Shipyard Limited for availing water. Others make use of Public taps established under this project (11.6%), and individual

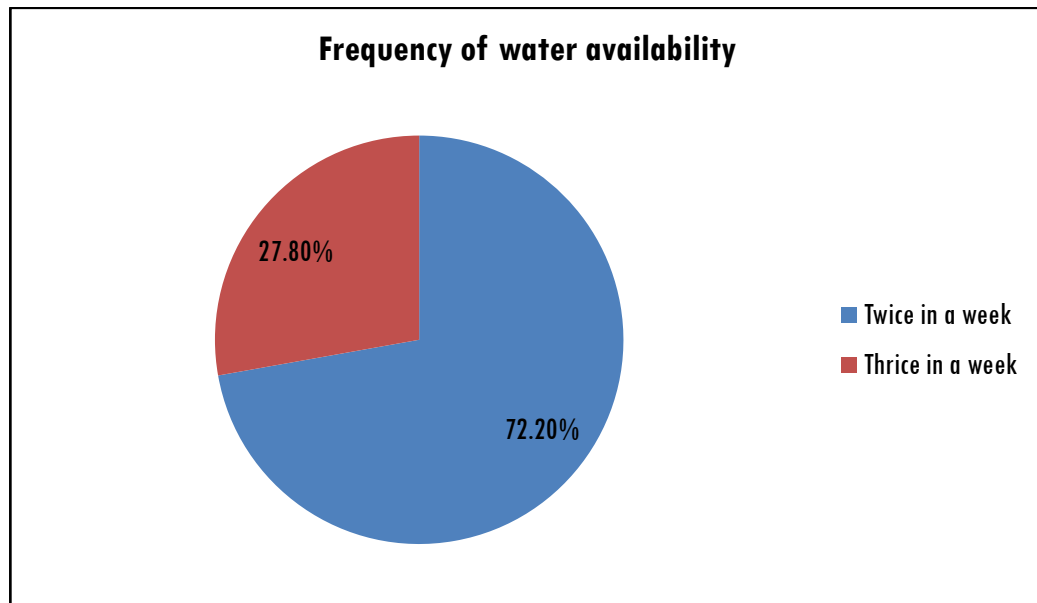
pipe connection from water authority (6.6%). The least used source is the public tap by water authority. It was stated by the respondents that the public tap facility of the water authority was not functioning in the dry seasons.

Table 5.4: Water Availability and Usage

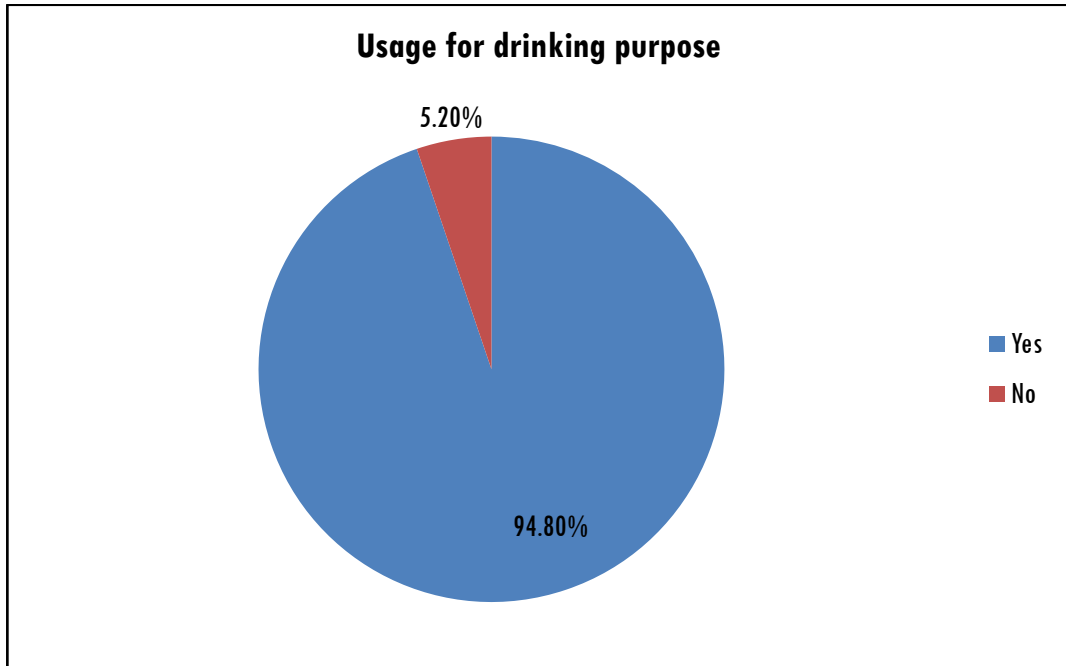
| Frequency of water availability | Twice in a week | Thrice in a week | | | Total |
|---------------------------------|-----------------|------------------|-----------------------|---------------|-------|
| Percent | 72.2% | 27.8% | | | 100% |
| Usage for drinking | Yes | No | | | Total |
| Percent | 94.8% | 5.2% | | | 100% |
| Purpose for which water is used | Drinking Only | Cooking | All household purpose | Other purpose | Total |
| Percent | 1.7% | 2.6% | 83.5% | 12.2% | 100% |
| Purification | Yes | No | | | Total |
| Percent | 60.9% | 39.1% | | | 100% |

Source: Primary Data

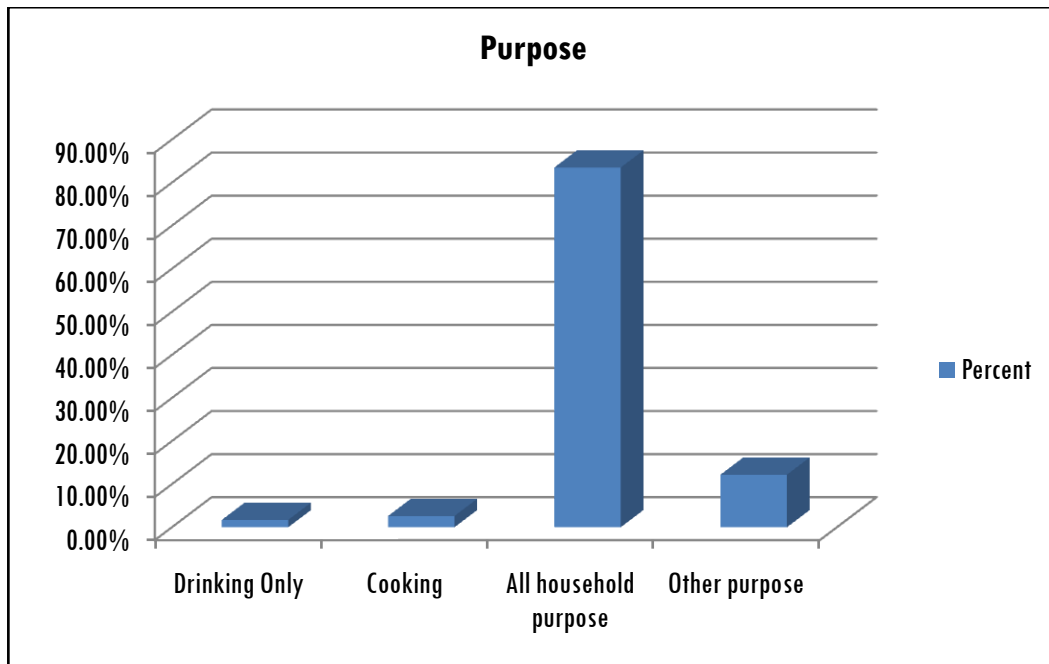
Figure 5.2: Frequency of water availability



This part of the study focus on the water availability and its usage by the beneficiaries. It is observed that water is supplied twice in a week according to 72.2% of the respondents and it is thrice in a week as per the observation of 27.8% of the respondents.

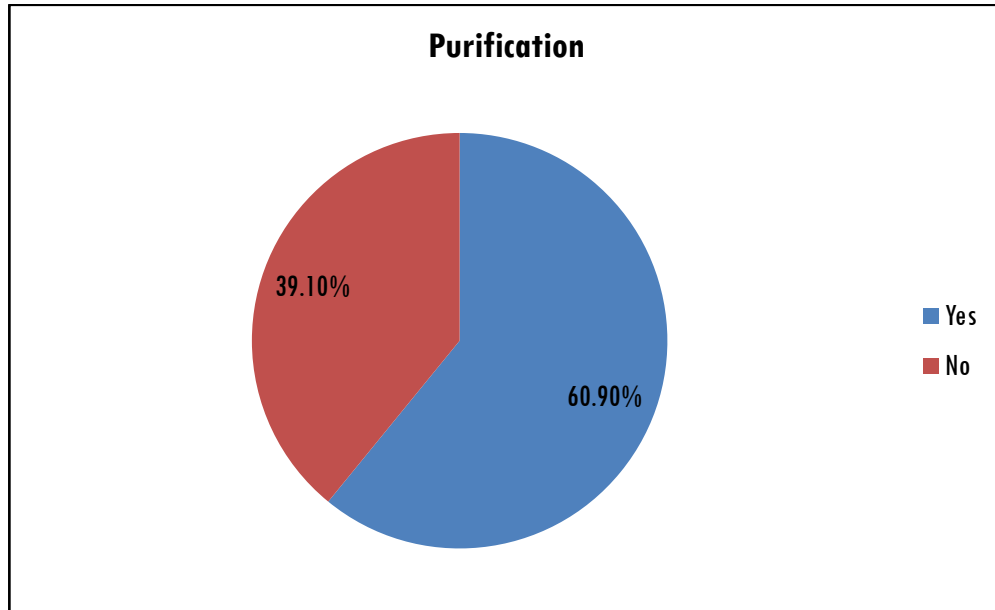
Figure 5.3: Usage of the water for drinking purpose

Regarding the usage of the supplied water for drinking purpose, 94.8% use it for drinking and only 5.2% do not use this water for drinking purpose. They feel that the water is polluted due to industrial waste and other reasons.

Figure 5.4: Various purposes for which water under the project is used

The study also focused on the diverse purpose for which the supplied water is used. It can be seen that 83.5% of the respondents make use of this water for all household purposes. Even though CSL intended this project to be a Drinking Water Project, many respondents conveyed that they were using this water for diverse purposes like cleaning, washing etc.

Figure 5.5: Purification of the water before usage

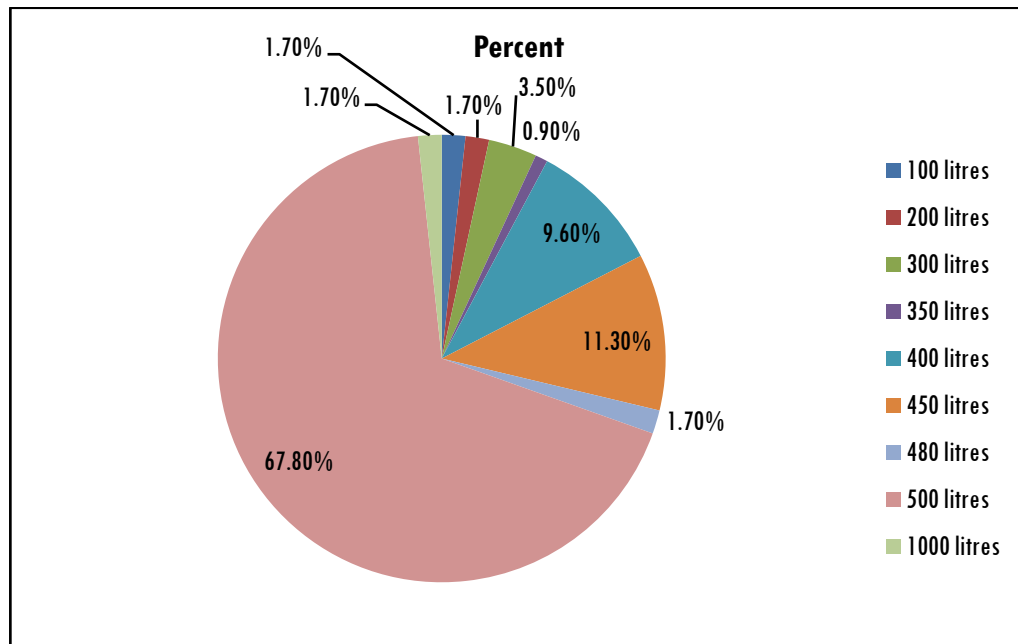


60.9% of the respondents feel that it is necessary to purify the supplied water before using it for drinking purpose. And 39.1% didn't felt the necessity to do it.

Table 5.5: Average quantity of water used per day

| Number of litres used | Percent |
|-----------------------|---------|
| 100 litres | 1.70% |
| 200 litres | 1.70% |
| 300 litres | 3.50% |
| 350 litres | 0.90% |
| 400 litres | 9.60% |
| 450 litres | 11.30% |
| 480 litres | 1.70% |
| 500 litres | 67.80% |
| 1000 litres | 1.70% |
| Total | 100 |

Source: Primary Data

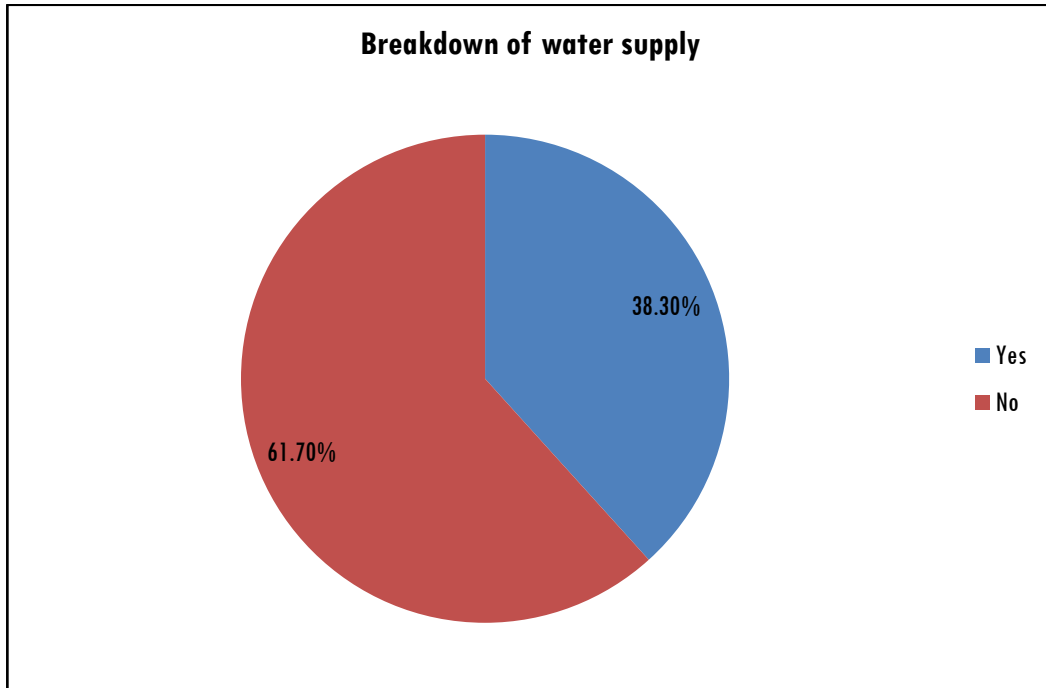
Figure 5.6: Average quantity of water used

The table reveals the average number of litres of water used by the beneficiaries per day. It can be observed that majority of the beneficiaries on an average make use of 500 litres per day.

Table 5.6: Breakdown of Water Supply and Redressal System

| Breakdown of water supply | Yes | No | | | Total |
|----------------------------------|---------------------------|------------------------------|------------------------|-------------------|--------------|
| Percent | 38.30% | 61.70% | | | 100% |
| Reason for breakdown | Technical problems | Geographical Problems | Climate Changes | Don't Know | Total |
| Percent | 54.80% | 7.80% | 0.90% | 36.50% | 100% |
| Time taken for redressal | Below 3 days | 3 days | No Breakdown | Don't Know | Total |
| Percent | 20% | 11.30% | 51.30% | 17.40% | 100% |

Source: Primary Data

Figure 5.7: Break down of water supply

The above table gives information about the breakdown of water supply system. 61.70% respondents stated that the water supply is not interrupted and 38.30% of the respondents have a problem with water supply. Majority (54.80%) of the respondents felt that technical problems were the reason for break down. Regarding the time taken for redressal, 20% of the respondents, responded it took below 3 days and 11.30% stated it took at least 3 days to restore the water supply.

Table 5.7: Payment for water usage

| Payment | Yes | No | | | Total |
|-----------------|------------------------|---------|--------|----------------|-------|
| Percent | 32.20% | 67.80% | | | 100% |
| Mode of payment | Payment based on usage | Monthly | Annual | Not applicable | Total |
| Percent | 18.30% | 13.0% | 1.70% | 67% | 100% |

Source: Primary Data

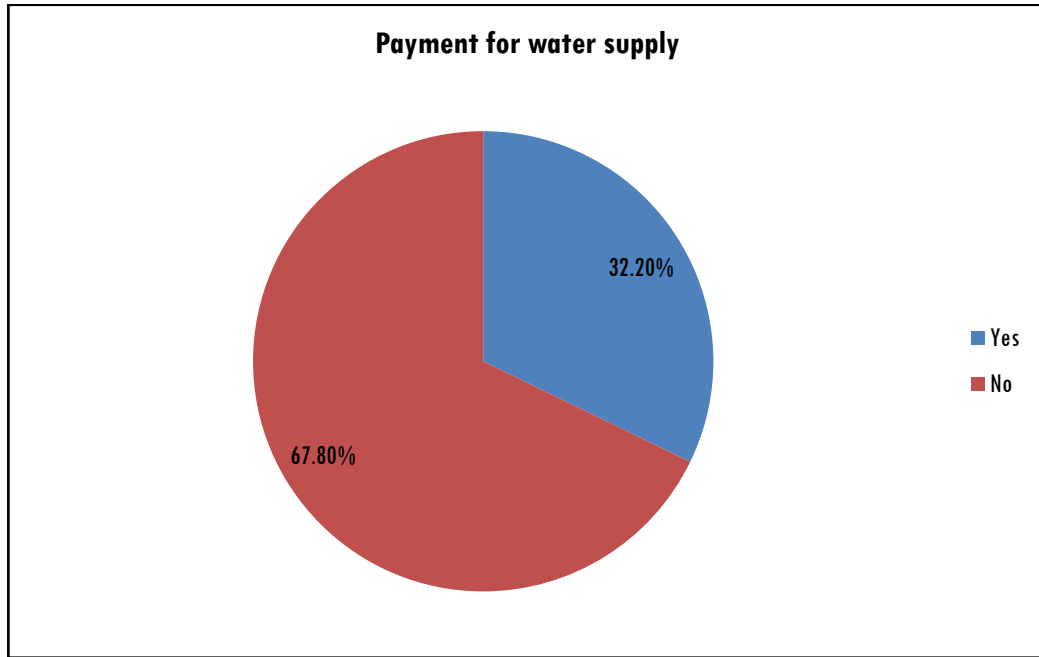
Figure 5.8: Payment for water supply by the beneficiaries

Table 5.7 addresses the payment aspect of the CSR project. 67.80% of the respondents stated that they were not charged for the water supply. 32.20% of the respondents were charged a fee for using the water. From the further enquiry, it was understood that a fee is charged from the households who are residing in rented houses and the natives of that locality is not charged for the usage of water.

Table 5.8: Committee for water management

| Committee to supervise | Yes | No | Don't Know | | |
|------------------------|----------------------------|-------------------------------|------------------------|--------------------------------|------|
| Percent | 39.10% | 55.70% | 5.20% | | |
| Type of Committee | Panchayath Level Committee | Public Participated Committee | Mixed Nature Committee | Don't Know about the committee | |
| Percent | 5.20% | 30.40% | 8.70% | 55.70% | 100% |

Source: Primary Data

The table describes the water management system of the project. The first sub classification shows the awareness of the respondents about the existence of a committee for water management. Only 39.10% of the respondents were aware about the existence of such a committee and 55.70% respondents responded that no such committee is in existence. This shows the low awareness among the residents

regarding the existence of a committee for water supply management. When asked about the nature of the committee, 30.40% stated that it is a public participated committee. A committee is formed for the management of the proper functioning of water supply. 55.70% of the respondents have an opinion that it is a mixed nature committee including the Panchayath members and beneficiaries

Figure 5.9: Existence of committee for water management

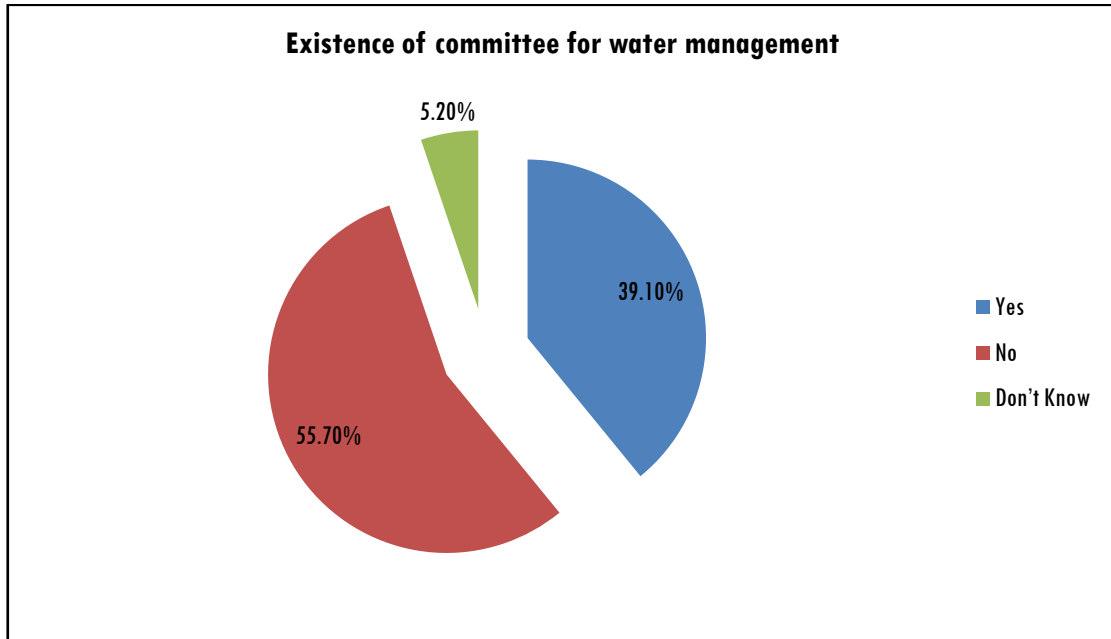


Table 5.9: Suggestions from the beneficiaries for improving the project implementation

| | |
|---|--------|
| Participative management of the project | 29.50% |
| By installing more public taps | 22.10% |
| Speedy redressal of the complaints | 17.40% |
| Including the company in the management process | 29.50% |
| Others | 1.50% |
| Total | 100% |

Source: Primary Data

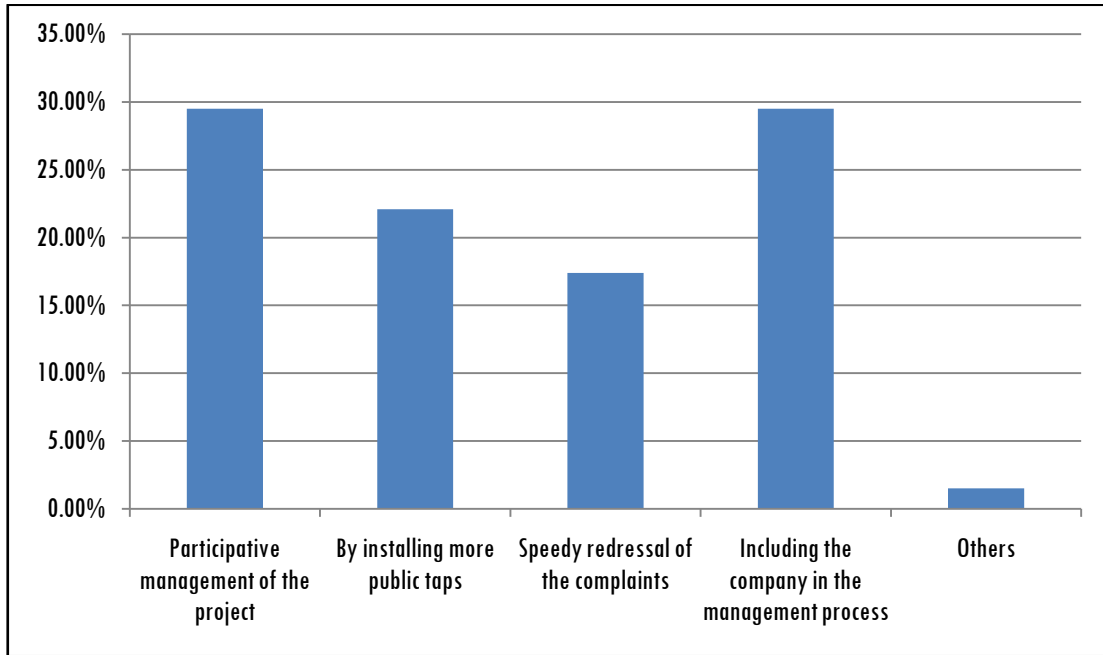
Figure 5.10: Suggestions of the beneficiaries for the improvement of the project

Table 5.9 shows the opinion of the beneficiaries for the improvement and proper functioning of the project. Participative management of the project (29.50%) and including the company in the management process (29.50%) is the major suggestions made by the beneficiaries. They also suggested more installation of public taps in accessible points (22.10%). The major defect detected by the beneficiaries was the non participation of the company in the further management of the project. Also they require more participation of the beneficiary group for the effective management of the project.

5.4 Summary

This chapter aimed at providing the background details of the CSR project of Cochin shipyard Limited and also the demographic, social and economic characteristics of the respondents.

References

1. Over view regarding Cochin Shipyard Limited accessed through
<https://cochinshipyard.com/overview.htm>
2. History of CSL accessed through <https://cochinshipyard.com/history.htm>
3. CSR Committee details of CSL accessed through
https://cochinshipyard.com/csr_organztinstr.htm
4. Details of the CSR activities of CSL accessed through
<https://cochinshipyard.com/csr@csl.htm>
5. Details of the drinking water supply project of CSL accessed through
https://cochinshipyard.com/CSR_Swach-DrinkingWaterProject.htm

Chapter 6

PERCEPTION OF THE BENEFICIARIES REGARDING CORPORATE SOCIAL RESPONSIBILITY

- 6.1 Introduction
- 6.2 Reliability of the Data
- 6.3 KMO (Kaiser- Mayer-Olkin) and Bartlett's Test for Sampling Adequacy
- 6.4 Factor Analysis
- 6.5 Normality of Data
- 6.6 Perception of the beneficiaries regarding Corporate Social Responsibility
- 6.7 Profiling of the beneficiaries using Cluster Analysis
- 6.8 Establishing the clusters through Neural Network
- 6.9 Summary
- References

PERCEPTION OF THE BENEFICIARIES REGARDING CORPORATE SOCIAL RESPONSIBILITY

6.1 Introduction

It was in the last decade, there is an increase in the inclusion of corporate social responsibility practices in business management. Various previous literatures confirm the linkage of CSR with the environment in which it operates as well as the stakeholders. The research of Freeman (1984) regarding the main groups to which an organisation is related led to the formation of “Stakeholder Theory”. Companies must seek a structured form of dialogue with those agents who have (direct or indirect) interests in the company in order to identify their set of interests and their subjective perception of the company (Perez & Rodriguez del Bosque, 2014). This part of the study focus on the analysis of the CSR based on the perception of the stakeholder. This research focused on the beneficiary group of a particular CSR project as stakeholders for this study.

6.2 Reliability of the Data

It is essential to check the strength of the scale when the researcher uses a multi item scale in the questionnaire. The questionnaire consisted of 52 different statements in 10 point scale to understand the perception of the beneficiaries regarding the concept of CSR and CSR project of Cochin Shipyard Limited. The perception of the beneficiaries regarding corporate social responsibility is analysed in this chapter. 12 statements were provided to the respondents to find their perception about the concept of corporate social responsibility. Cronbach’s Alpha is the most commonly used reliability measure.

For checking the internal consistency of the Items the alpha coefficient was calculated.

Cronbach's Alpha

Reliability Testing Cronbach's Alpha: It is designed to measure the internal consistency of the items in the questionnaire. It varies between 0 and 1. The closeness of the Cronbach's Alpha Value to 1 shows greater internal consistency of the items in the questionnaire.

Table 6.1: Cronbach's Alpha for the CSR Variables

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .883 | 12 |

Source: Primary Data

Inference: Cronbach's alpha test is performed to check the reliability of questions or items. The test was performed and it resulted in a high score in both the cases. It is .883 in the case of CSR Variables This indicates the internal consistency of the items. According to Malhotra (2009) Alpha Value with 0.6 and below shows the consistency is not satisfactory.

The next concern is about the normality of the sample. Normality of the sample has an important role in reducing the sampling error. Small samples seriously impact the normality of the data but the impact will reduce when the sample size increases (200 samples or more).

6.3 KMO (Kaiser- Mayer-Olkin) and Bartlett's Test for Sampling Adequacy

The Kaiser-Meyer-Olkin is the measure of sampling adequacy, which varies between 0 and 1. These tests provide the minimum standard to proceed for factor analysis. For this test the minimum fulfillment suggested is .6 and the values which are closer to 1 are treated as better. The Bartlett's Test of Sphericity is the test for null hypothesis that the correlation matrix has an identity matrix. Taking this into consideration, these tests provide the minimum standard to proceed for factor analysis.

Table 6.2: KMO and Bartlett's Test for Sphericity

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .865 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1844.601 |
| | df | 66 |
| | Sig. | .000 |

Source: Primary Data

Normally, $0 < \text{KMO} < 1$

If $\text{KMO} > 0.5$, the sample is adequate

In this case the KMO is .801 which indicates the adequacy of the sample size and the researcher can proceed with Factor Analysis.

Bartlett's Test of Sphericity

Taking a 95% level of significance, $\alpha = 0.05$

The p-value (Sig.) of $.000 < 0.05$, Here in both cases, the factor analysis is valid

The CSR Variables have an approximate of Chi-square is 1844.601 with 66 degrees of freedom, which is significant at 0.05 level of significance. The KMO statistic of 0.865 is also greater than 0.50. Hence Factor Analysis is considered as an appropriate technique for further analysis of the data.

6.4 Factor Analysis

Factor Analysis is a set of methods used to examine how underlying constructs influence the responses on a number of measured variables. It is a statistical approach that is used to analyse interrelationships among a large number of variables in terms of few dimensions/factors. A factor is an underlying dimension that account for several observed variables. Factor analysis help in identifying the common factors that best explain for most of the correlation among the various indicators.

6.4.1 Communalities

The communality values of variables are showing shared variance among the variables as embodied by the extracted factors (Hair et.al. 2009). The communality value is a useful measure indicating the variance showed by an individual variable. A

higher value of communality variable shows a higher degree of variance derived by the factor solution. The statistical rule require that the variables with communality value of less than 0.5 should be removed before further analysis.

Table 6.3: Communalities of CSR Variables

| Communalities | | |
|---|---------|------------|
| Statements | Initial | Extraction |
| I have certain amount of knowledge about the basic concept of corporate social responsibility | 1.000 | .818 |
| Corporate in India engage in social responsibility activities and communicate it to all | 1.000 | .793 |
| I am aware about CSR projects done by the companies in India | 1.000 | .622 |
| It is the duty of the business to behave in an ethical manner | 1.000 | .789 |
| It is the duty of the business to obey the existing rules and regulations related to business | 1.000 | .753 |
| It is the duty of the business to address the social and environmental concerns | 1.000 | .843 |
| CSR will result in enhancing the reputation and goodwill of the company | 1.000 | .772 |
| CSR communication by the company is helpful for people while making a purchase decision | 1.000 | .608 |
| Overall effectiveness of business is determined by the CSR activities of the company | 1.000 | .696 |
| CSR is helpful for a company in minimising the negative impacts created by it on society | 1.000 | .525 |
| CSR of a company is driven by the desire for long term existence | 1.000 | .651 |
| Business should engage in CSR activities even in its bad times | 1.000 | .596 |
| Extraction Method: Principal Component Analysis. | | |

Source: Primary Data

In the above table, value of communality for each variable is more than 0.5 which is the acceptable value and hence the researcher can proceed further for analysis.

6.4.2 Eigen Values (Select those components with Eigen Values ≥ 1)

The Eigen values represent the variance of the factors. The total column contains the Eigen value. The first factor will always account for the most variance and hence have the highest Eigen values. The percentage of variance represents the

percent of total variance accounted by each factor and the cumulative percentage of variance account by the present and the preceding factors.

Table 6.4: Total Variance Explained of the CSR variables

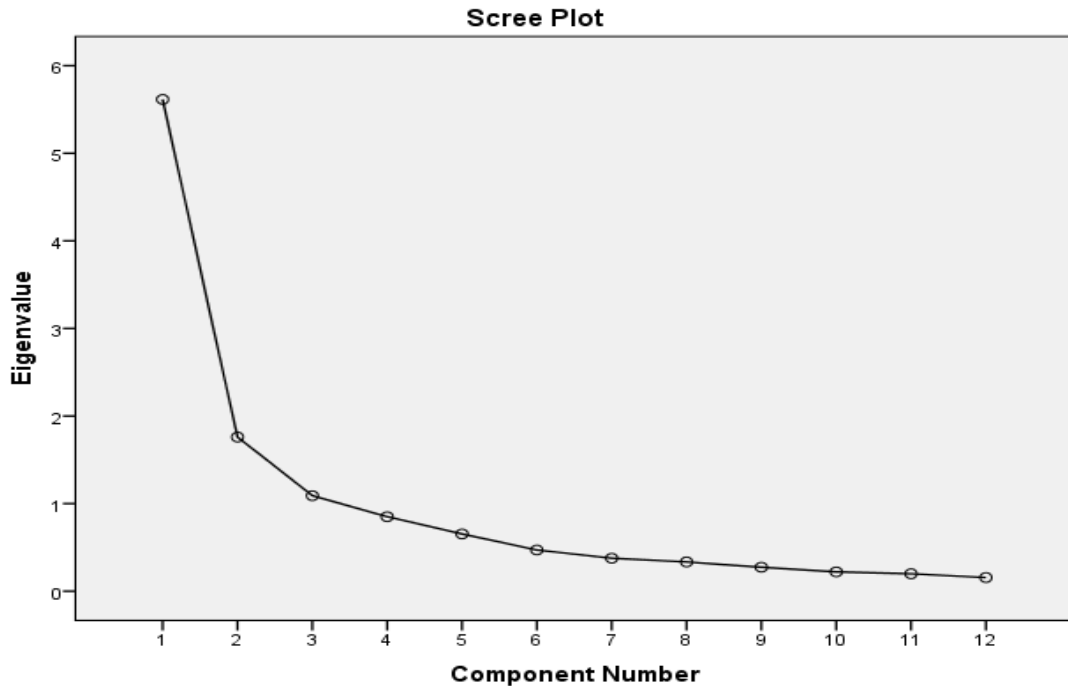
| Component | Total Variance Explained | | | | | | | | |
|--|--------------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Initial Eigen values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 5.615 | 46.792 | 46.792 | 5.615 | 46.792 | 46.792 | 3.809 | 31.745 | 31.745 |
| 2 | 1.760 | 14.666 | 61.458 | 1.760 | 14.666 | 61.458 | 2.779 | 23.162 | 54.907 |
| 3 | 1.091 | 9.089 | 70.547 | 1.091 | 9.089 | 70.547 | 1.877 | 15.640 | 70.547 |
| 4 | .850 | 7.085 | 77.632 | | | | | | |
| 5 | .653 | 5.444 | 83.076 | | | | | | |
| 6 | .470 | 3.919 | 86.995 | | | | | | |
| 7 | .377 | 3.141 | 90.136 | | | | | | |
| 8 | .334 | 2.787 | 92.923 | | | | | | |
| 9 | .273 | 2.277 | 95.200 | | | | | | |
| 10 | .221 | 1.840 | 97.040 | | | | | | |
| 11 | .199 | 1.659 | 98.699 | | | | | | |
| 12 | .156 | 1.301 | 100.000 | | | | | | |
| Extraction Method: Principal Component Analysis. | | | | | | | | | |

Source: Primary Data

Table 5.7 contains information regarding 12 possible factors and their relative explanatory power as expressed by their eigen values. There are three factors having eigen values more than 1. Hence, researcher has retained these three factors for further study. Total variance explained by the three factors is 70.547 percent. A fair percent of variance is there to be explained and assumes appropriateness of the factor analysis.

6.4.3 Screen Plot

The screen plot shows the Eigen value against each factor. The graph represents the Eigen values plotted against the corresponding factor. Eigen values represent the variances of the factor. The point where the slope of the curve is clearly leveling off indicates the number of factors that should be generated by the analysis.

Figure 6.1: Screen Plot of CSR Variables

Examining the screen plot of CSR related variables; it can be observed that from the 3rd factor onwards the line is almost flat, meaning the each successive factor is accounting smaller and smaller amounts of the total variance.

6.4.4 Identification of the core factors

The Rotated Factor Matrix represents the rotated factor loadings, which are the correlations between the variables and the factors. The factor column represents the rotated factors that have been extracted out of the total factor. These are the core factors, which have been used as the final factor after data reduction. According to the grouping of the factors, each group of factors is named which will represent the grouped factor and represent the factors.

Table 6.5: Rotated Component Matrix of CSR Variables

| Rotated Component Matrix^a | | | |
|---|------------------|------|------|
| | Component | | |
| | 1 | 2 | 3 |
| It is the duty of the business to address the social and environmental concerns | .899 | | |
| It is the duty of the business to obey the existing rules and regulations related to business | .854 | | |
| CSR will help in enhancing the reputation and goodwill of the company | .852 | | |
| It is the duty of the business to behave in an ethical manner | .811 | | |
| Overall effectiveness of business is determined by the CSR activities of the company | .727 | | |
| I have certain amount of knowledge about the basic concept of corporate social responsibility | | .870 | |
| Corporate in India engage in social responsibility activities and communicate it to all | | .844 | |
| CSR communication by the company is helpful for people while making a purchase decision | | .672 | |
| I am aware about CSR projects done by the companies in India | | .661 | |
| CSR is helpful for a company in minimising the negative impacts created by it on society | | | .740 |
| CSR of a company is driven by the desire for long term existence | | | .722 |
| Conducting business operations in a way that minimizes harm to the environment and local community can be treated as CSR. | | | .680 |
| Extraction Method: Principal Component Analysis. | | | |
| Rotation Method: Varimax with Kaiser Normalization. ^a | | | |
| a. Rotation converged in 5 iterations. | | | |

Source: Primary Data

Based on the factors extracted from the above process; naming of the factors is done:

6.4.5 Naming of CSR Factors

First factor consist of 5 variables. It includes 1) It is the duty of the business to address the social and environmental concerns (.899). 2) It is the duty of the business to obey the existing rules and regulations related to business (.854) 3) CSR will result in enhancing the reputation and goodwill of the company 4) It is the duty of the business to behave in an ethical manner 5) Overall effectiveness of business is determined by the CSR activities of the company. The group of variables represent

the responsibility of business towards society and stakeholders. The factor is named as “**Responsibility**”. The total variance explained by this factor is 31.745%.

Second factor consist of 4 variables. It includes 1) I have certain amount of knowledge about the basic concept of corporate social responsibility 2) Corporate in India engage in social responsibility activities and communicate it to all 3) CSR communication by the company is helpful for people while making a purchase decision 4) I am aware about CSR projects done by the companies in India . These statements represent how well the business was able to create an awareness regarding the concept and practice of corporate social responsibility and the transparency maintained by the business regarding their CSR activities among the people. Hence the factor is named as “**Transparency.**” The total variance explained by this factor is 23.162%.

The third factor consists of three variables. It includes i) CSR is helpful for a company in minimising the negative impacts created by it on society. ii) CSR of a company is driven by the desire for long term existence iii) Conducting business operations in a way that minimizes harm to the environment and local community can be treated as CSR. These statements show how the CSR is closely linked with the practice of sustainable development in terms of social, economic and environmental dimensions. Considering these elements the factor is named as “**Sustainability**”. The total variance explained by the sustainability factor is 15.640%.

6.5 Normality of Data

It is essential to check the normality of the data before running certain statistical tests. The tests that require data to be normal is

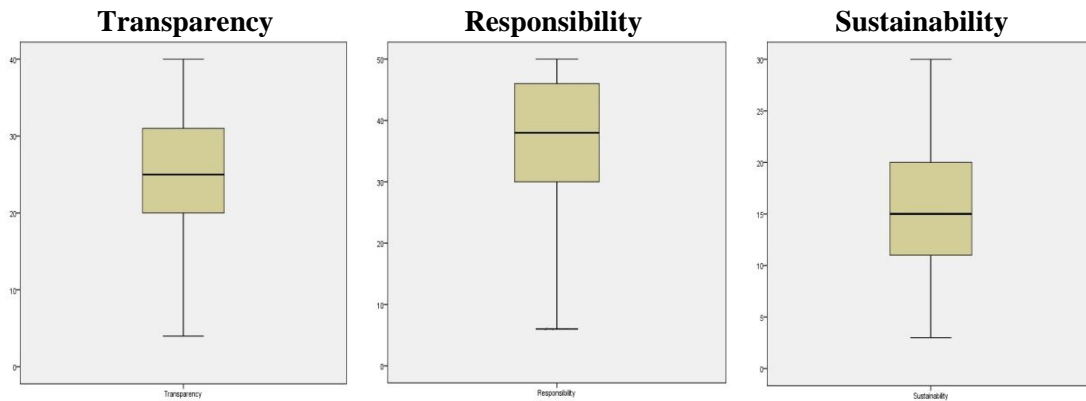
- i) Independent sample t test
- ii) Hierarchical Linear Modelling
- iii) ANOVA
- iv) Goodness of fitness test etc.

Box plot is an important statistical tool used for checking the normality of data. Normality is determined by looking for symmetry of the data. Severe skewness and

outliers are considered as an indication of non normality. It also looks for equal variability.

In the study the normality of data is measured with the help of box plot. It is helpful in showing the overall patterns of responses for a group.

Figure 6.2: Representation of Data Normality of CSR Factors using Box Plot



Box plot is a very useful way of visualising the range and other characteristics of the data. In the figure 6.2 the box plot of transparency, responsibility and sustainability is given. In the case of transparency the median value is 25, 38 in the case of responsibility and 15 in the case of sustainability. It is the midpoint of the data is shown by the line that divides the box into two parts. Half of the scores are greater than or equal to this value and the other half are lower than this value. The middle box represents the middle 50% of the scores for the group. The range of scores from the lower to upper quartile is referred to as the inter- quartile range. The upper and the lower whiskers represent the scores outside the middle 50%.

6.6 Perception of the beneficiaries regarding Corporate Social Responsibility

The study regarding the perception of the beneficiaries regarding CSR was based on the following factors

- i) Transparency
- ii) Responsibility
- iii) Sustainability

6.6.1 Transparency

Transparency factor deals with how the stakeholder interprets corporate social responsibility in the light of his knowledge regarding CSR. It deals with how well the companies have communicated about CSR to its stakeholders.

Transparency factor of corporate social responsibility was calculated by taking the summated scale of the four statements given in the questionnaire. Hence the maximum limit for the scale is forty ($10 \times 4 = 40$) and the minimum limit is four ($1 \times 4 = 4$). Table 6.1 shows the descriptive statistics of the factor such as mean, median, standard deviation, variance, minimum and maximum score and range

Table 6.6: Descriptive Statistics of Transparency

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 24.21 | .598 |
| 95% Confidence Interval for Mean | Lower Bound | 23.03 | |
| | Upper Bound | 25.38 | |
| 5% Trimmed Mean | | 24.48 | |
| Median | | 25.00 | |
| Variance | | 92.164 | |
| Std. Deviation | | 9.600 | |

Source: Primary Data

From the table, it can be observed that the mean value of transparency is 24.21 with a standard deviation of 9.600. The difference between the mean value of the upper and lower bound is 2.35. The median value is 25.

The researcher attempted one sample t test to identify the statistical significance also. Here the score for the test was selected as 24. The mean value of the Transparency was already been calculated as 24.21 and the test was conducted to examine whether there is any statistically significant difference between the mean score and the test score.

Table 6.7: One sample Statistics

| N | Test Value | Mean | SD | Std. Error | t | DF | Sig |
|-----|------------|-------|-------|------------|------|-----|------|
| 258 | 24 | 24.21 | 9.600 | .598 | .344 | 257 | .731 |

Source: Primary Data

Table 6.2 revealed that the difference between the mean score and the test score is not statistically significant at 95% confidence level.

Next the researcher tried to analyse the difference in the perception of the beneficiaries based on their demographic and socio- economic characteristics.

Table 6.8: Demographic Profile wise classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|--------|----------------|-------|------|
| Gender | Male | 24.31 | 9.745 | | .201 | .841 |
| | Female | 24.07 | 9.456 | | | |
| Age | Young Adults | 24.33 | 9.590 | | 1.013 | .364 |
| | Middle aged adults | 24.66 | 9.752 | | | |
| | Old adults | 22.33 | 9.010 | | | |
| Marital Status | Married | 24.43 | 9.783 | | 1.025 | .306 |
| | Single | 22.55 | 8.086 | | | |
| Number of Family Members | Less than or equal to two | 23.97 | 9.357 | | 1.931 | .106 |
| | Three | 22.64 | 9.632 | | | |
| | Four | 25.88 | 10.170 | | | |
| | Five | 22.49 | 10.553 | | | |
| | Above Five | 26.44 | 6.679 | | | |

Source: Primary Data

Transparency aspect of the CSR variable deals with to what extent the respondents are aware about the concept of CSR and how good the companies have succeeded in communicating or reporting CSR to the beneficiaries. From the above table it can be observed that there is no significant difference in the perception of the beneficiaries based on their demographic characteristics.

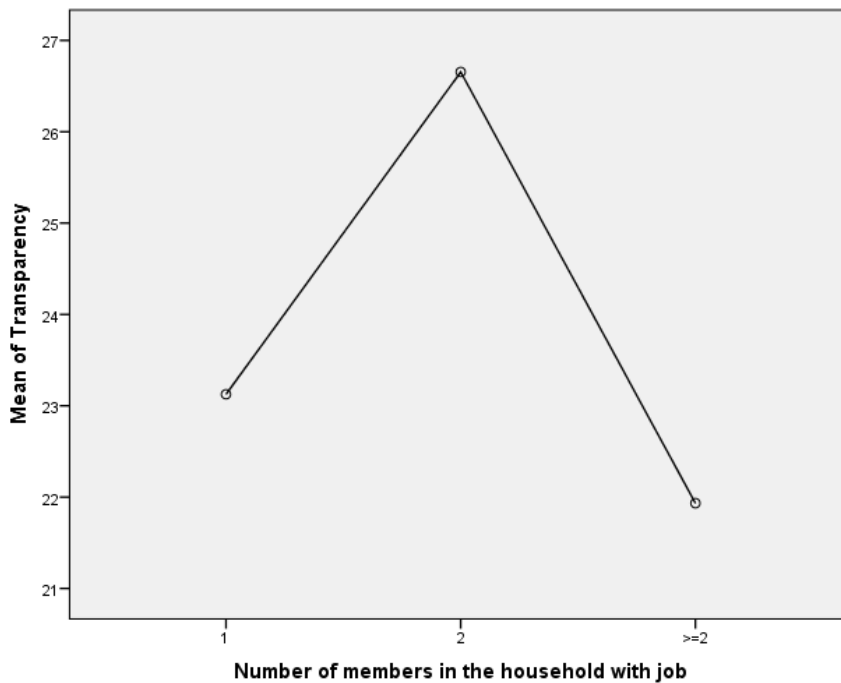
Table 6.9: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|--------|------------------------|-------|------|
| Educational Qualification | Upto Primary | 22.61 | 6.590 | | .363 | .835 |
| | Secondary | 24.23 | 9.846 | | | |
| | Higher Secondary | 24.54 | 8.793 | | | |
| | Graduate | 25.09 | 10.033 | | | |
| | Post Graduate and Above | 23.22 | 12.441 | | | |
| Occupation | Salaried Class | 25.56 | 8.501 | | 2.425 | .066 |
| | Labourer | 25.14 | 8.735 | | | |
| | Self Employed | 25.43 | 12.088 | | | |
| | Jobless | 22.09 | 10.493 | | | |
| Earning Members | One | 23.13 | 9.911 | Sig. difference with 2 | 4.265 | .015 |
| | Two | 26.65 | 8.673 | Sig. difference with 1 | | |
| | Above Two | 21.93 | 9.091 | | | |
| Average Monthly Income | Below 5000 | 23.19 | 9.831 | | .441 | .779 |
| | 5001-10000 | 24.66 | 9.588 | | | |
| | 10001-15000 | 23.25 | 9.921 | | | |
| | 15001-20000 | 24.54 | 8.257 | | | |
| | Above 20000 | 25.09 | 9.091 | | | |

Source: Primary Data

The above table shows the socio economic classification of the respondents and the results of the ANOVAs conducted. Based on the analysis; it can be observed that earning members of the family was the only statistically significant variable. There is significant difference in the perception of the respondents based on the number of earning members in the family. There is difference between the perception of respondent with one earning member and two earning members in the family. The perception regarding the transparency aspect was high among family with two earning members (Mean value of 26.65 with a standard deviation of 8.673).

Figure 6.3: Difference in the perception regarding transparency based on the number of earning members in the family of the respondents



6.6.2 Responsibility

Responsibility factor of CSR deals with the expectations of the stakeholders regarding business.

The responsibility factor of CSR was calculated by following the summated scale of the five statements given in the questionnaire. The maximum limit of the scale was $5 \times 10 = 50$ and the minimum scale was $5 \times 1 = 5$. Table 6.6 shows the descriptive statistics of the factor such as mean, median, standard deviation, variance, minimum and maximum score and range

Table 6.10: Descriptive Statistics of Responsibility

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 36.92 | .394 |
| 95% Confidence Interval for Mean | Lower Bound | 35.62 | |
| | Upper Bound | 38.22 | |
| 5% Trimmed Mean | | 37.69 | |
| Median | | 38.00 | |
| Variance | | 112.674 | |
| Std. Deviation | | 10.615 | |

Source: Primary Data

It can be observed from table 6.6 that the mean value of responsibility is 36.92 with a standard deviation of 10.615. The difference between the mean value of the upper and lower bound of the data is 2.60.

One sample t test was conducted to identify whether there is any significant difference between the test value and the mean value of responsibility

Table 6.11: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|--------|-----------|--------|-----|------|
| 258 | 30 | 36.92 | 10.615 | .661 | 10.469 | 257 | .000 |

Source: Primary Data

Based on the t test, it can be concluded that there is significant difference between the test value and the mean value. Also it can be concluded that the perception of respondents is high regarding the responsibility aspect.

Suitable tests were conducted to study the influence of demographic, socio-economic characteristics on the perception of the respondents.

Table 6.12: Demographic Profile wise classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|--------|----------------|-------|------|
| Gender | Male | 36.74 | 11.087 | | -.298 | .766 |
| | Female | 37.14 | 10.031 | | | |
| Age | Young Adults | 38.09 | 8.497 | | .648 | .524 |
| | Middle aged adults | 36.87 | 11.088 | | | |
| | Old adults | 35.63 | 11.246 | | | |
| Marital Status | Married | 37.40 | 10.235 | | 1.986 | .048 |
| | Single | 33.39 | 12.706 | | | |
| Number of Family Members | Less than or equal to two | 37.91 | 10.279 | | .892 | .469 |
| | Three | 34.87 | 12.254 | | | |
| | Four | 37.97 | 10.422 | | | |
| | Five | 37.41 | 11.206 | | | |
| | Above Five | 37.17 | 6.942 | | | |

Source: Primary Data

Responsibility aspect of CSR deals with the perception of the beneficiaries regarding the obligations of the business towards the society. The analysis revealed that marital status is the statistically significant variable among the demographic

profile classifications. It can be seen that the married people have a higher mean value (37.40) with a standard deviation of (10.235). So there is a difference in the perception of married people regarding the responsibility aspect compared to the ‘single’ respondents.

No other demographic variables were significant in determining the CSR perception of the respondents

Table 6.13: Socio Economic Profile wise classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|--------|---|-------|------|
| Educational Qualification | Up to Primary | 32.71 | 11.048 | | 2.127 | .078 |
| | Secondary | 37.88 | 9.998 | | | |
| | Higher Secondary | 34.84 | 11.505 | | | |
| | Graduate | 37.36 | 10.185 | | | |
| | Post Graduate and Above | 39.44 | 12.041 | | | |
| Occupation | Salaried Class | 38.62 | 9.877 | Sig. difference with jobless | 3.721 | .012 |
| | Labourer | 37.53 | 9.110 | | | |
| | Self Employed | 41.07 | 6.330 | Sig. difference with jobless | | |
| | Jobless | 34.20 | 12.119 | Sig. difference with salaried class and self employed | | |
| Earning Members | One | 36.75 | 11.024 | | .069 | .933 |
| | Two | 37.27 | 10.312 | | | |
| | Above Two | 36.73 | 8.075 | | | |
| Average Monthly Income | Below 5000 | 33.16 | 12.155 | Sig. difference with 5000-10000, 10,000-15000 and above 20000 | 2.947 | .021 |
| | 5001-10000 | 37.45 | 10.008 | Sig. difference with below 5000 | | |
| | 10001-15000 | 39.81 | 7.949 | Sig. difference with below 5000 | | |
| | 15001-20000 | 37.79 | 9.359 | | | |
| | Above 20000 | 37.78 | 10.803 | Sig. difference with below 5000 | | |

Source: Primary Data

When it comes to socio- economic classification, two variables are seen to be significant. The first one is occupation. The occupations of the respondents create a difference in the perception of the respondents. The self employed category had the

highest mean value (41.07) with a standard deviation of 6.330. In the case of jobless category perception regarding responsibility aspect of CSR was statistically lower than all other occupations.

The average monthly income of the respondents was also significant in determining the perception of the respondents. There is difference in the perception of respondents belonging to all categories of income except 150000-20000. The income category of 10001- 15000 possessed the highest mean value of 39.81 with a standard deviation of 7.949. Only the below 5000 group possess a lower perception (Mean value of 33.16 with a standard deviation of 12.155) regarding the responsibility aspect of CSR.

Figure 6.4: Difference in the perception regarding responsibility based on the occupation of the respondents

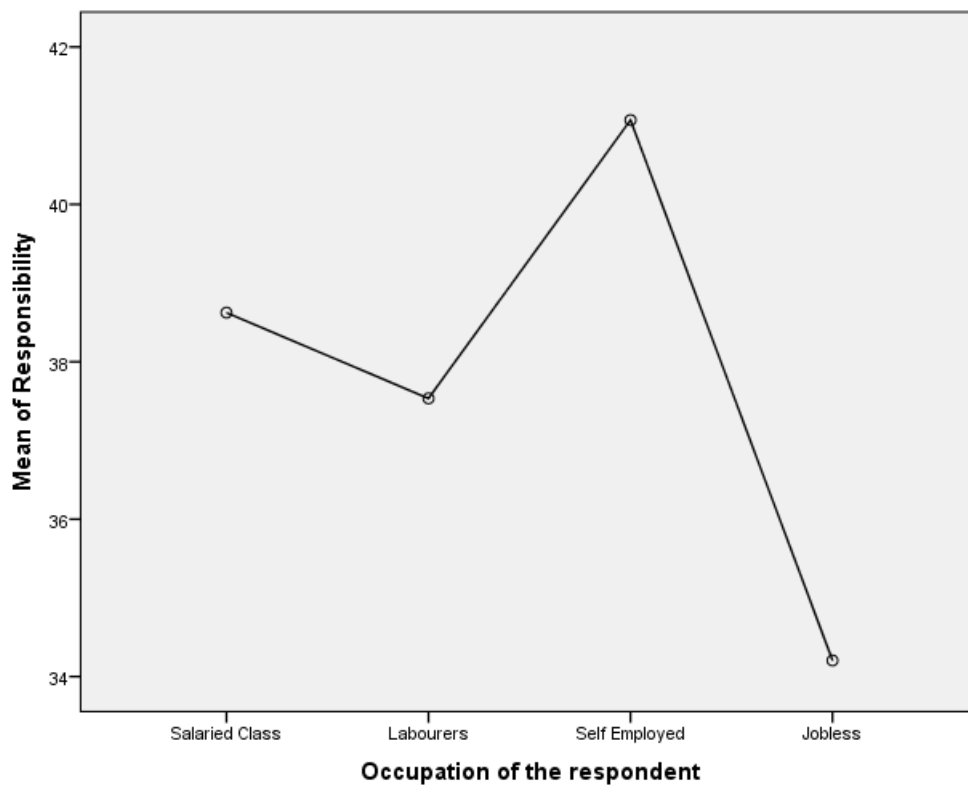
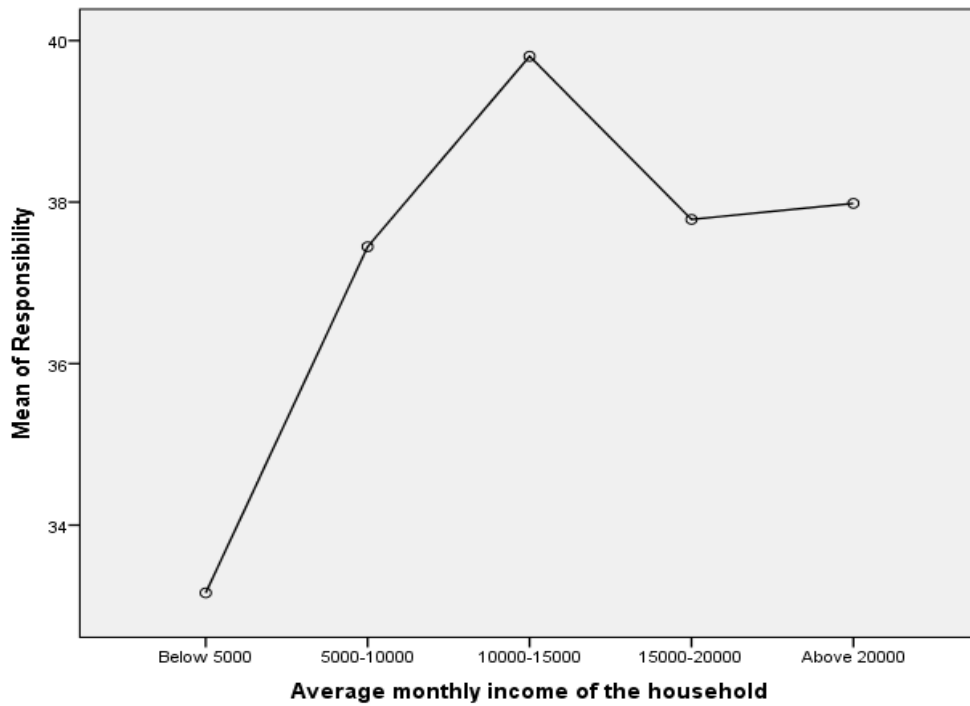


Figure 6.5: Difference in the perception regarding responsibility of business based on the average monthly income of the respondents



6.6.3 Sustainability

The sustainability aspect deals with the perception of the beneficiaries regarding the benefits derived by a business by engaging in CSR.

Descriptive Statistics

Sustainability factor was calculated by taking the summated scale of the 3 statements given in the questionnaire. Hence the maximum limit of the scale is 30 and the maximum limit of the scale is 3. Table 6.11 shows the descriptive statistics of the pillar such as mean, median, standard deviation, variance, minimum score, maximum score and range.

Table 6.14: Descriptive Statistics of Sustainability

| Category | | Statistics | Std. Error |
|---|-------------|------------|------------|
| Mean | | 15.56 | .394 |
| 95% Confidence Interval for Mean | Lower Bound | 14.79 | |
| | Upper Bound | 16.34 | |
| 5% Trimmed Mean | | 15.56 | |
| Median | | 15.00 | |
| Variance | | 39.990 | |
| Std. Deviation | | 6.324 | |

Source: Primary data

Table 6.14 shows that the mean value of transparency is 15.56 with a standard deviation of 6.324. The difference between the upper bound and the lower bound of the mean is only 1.55. The median is 15.

One sample t test was also conducted to analyse whether there is any significant difference between the test value and the mean value. The test value is identified as 18.

Table 6.15: Showing the One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 18 | 15.56 | 6.324 | .394 | -6.912 | 257 | .000 |

Source: Primary Data

Based on the test, it was identified that there is significant difference between the test value and the mean value. It can also be concluded that the perception of the respondents is low regarding the factor sustainability.

Table 6.16: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|---|--------|------|
| Gender | Male | 15.15 | 5.925 | | -1.169 | .243 |
| | Female | 16.08 | 6.785 | | | |
| Age | Young Adults | 16.13 | 6.241 | | .279 | .757 |
| | Middle aged adults | 15.43 | 6.557 | | | |
| | Old adults | 15.33 | 5.588 | | | |
| Marital Status | Married | 15.87 | 6.419 | | 2.147 | .033 |
| | Single | 13.29 | 5.107 | | | |
| Number of Family Members | Less than or equal to two | 16.85 | 4.179 | Sig. difference with 3 | 2.857 | .024 |
| | Three | 13.84 | 5.874 | Sig. difference with less than 2 and greater than 5 | | |
| | Four | 15.11 | 5.826 | Sig. difference with greater than 5 | | |
| | Five | 15.92 | 7.435 | | | |
| | Above Five | 17.59 | 7.148 | Sig. difference with 3 and 4 | | |

Source: Primary Data

Sustainability aspect dealt with the perception of the beneficiaries regarding the benefits derived by business from CSR activities. It can be observed from the table that marital status and number of family members are the variables that cause significant difference. The mean value of the married respondent is higher (15.87) compared to the single respondent with mean value of (13.39). The perception regarding sustainability aspect of CSR based on the number of members in the family also. The perception is high among the family with more than 5 members. The perception is different among all the categories of number of members in the family except in the case of family with 5 members.

Figure 6.6: Difference in the perception regarding sustainability based on the number of members in the household of the respondents

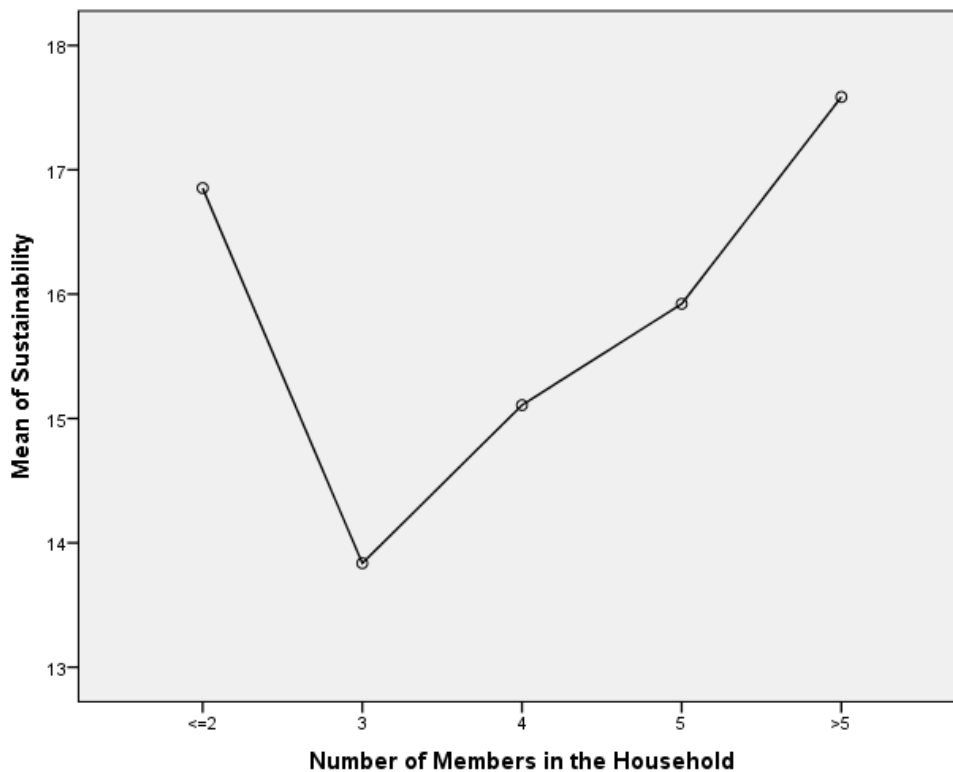


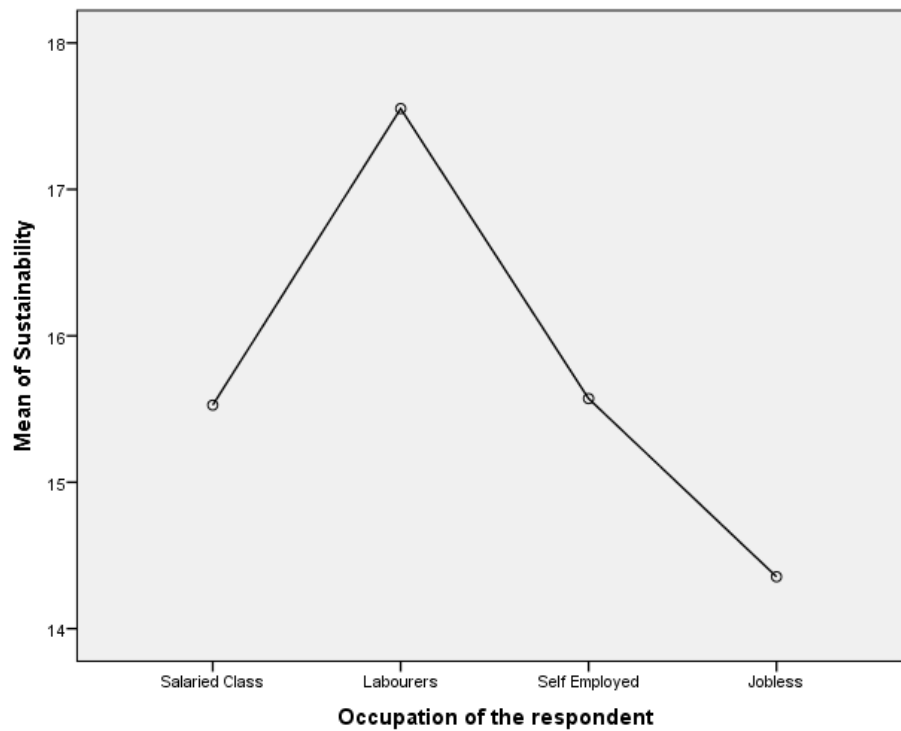
Table 6.17: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|--------------------------------|-------|------|
| Educational Qualification | Upto Primary | 14.36 | 4.946 | | .768 | .547 |
| | Secondary | 15.39 | 6.522 | | | |
| | Higher Secondary | 16.95 | 6.498 | | | |
| | Graduate | 15.81 | 6.114 | | | |
| | Post Graduate and Above | 15.06 | 7.207 | | | |
| Occupation | Salaried Class | 15.53 | 5.472 | | 3.120 | .027 |
| | Labourer | 17.55 | 6.941 | Sig. difference with jobless | | |
| | Self Employed | 15.57 | 5.801 | | | |
| | Jobless | 14.35 | 6.572 | Sig. difference with labourers | | |
| Earning Members | One | 15.26 | 6.152 | | .522 | .594 |
| | Two | 16.13 | 6.662 | | | |
| | Above two | 15.60 | 6.390 | | | |
| Average Monthly Income | Below 5000 | 14.26 | 6.420 | | 4.561 | .185 |
| | 5001-10000 | 15.09 | 5.348 | | | |
| | 10001-15000 | 17.19 | 7.819 | | | |
| | 15001-20000 | 16.07 | 7.180 | | | |
| | Above 20000 | 16.17 | 5.724 | | | |

Source: Primary Data

It can be observed from the table that except for occupation none of the socio-economic variable causes significant difference in the perception of the respondents regarding sustainability aspect. The perception of the respondents is different regarding sustainability based on their occupation. The difference is significant among the labourer category and the jobless category. The mean value is high for the labourers (mean value 17.55 with a standard deviation of 6.941). There is not much difference between the respondents in other category of occupation.

Figure 6.6: Difference in the perception regarding sustainability based on the occupation of the respondents



6.7 Profiling of the beneficiaries using Cluster Analysis

The perception of the beneficiaries about the concept of corporate social responsibility is measured and it is tested for finding out whether there is any significant difference in the perception of the beneficiaries based on their demographic, social and economic profile. Next an effort is made to classify the respondents. Here the researcher has tried to identify the nature of the clusters based on the perception of the respondents. The classification of the respondents was done using clustering technique.

6.7.1 Cluster Analysis

Cluster analysis is helpful in identifying the groups or segments that are more like each other than they are like members of other groups or segments. It is a class of techniques used to classify objects or cases into relatively homogenous groups called clusters. Objects in each cluster tend to be similar to each other and dissimilar to objects in the other clusters. The main feature of cluster analysis is that, there is no

priori information about the group or cluster membership for any of the objects. Here groups or clusters are suggested by the data.

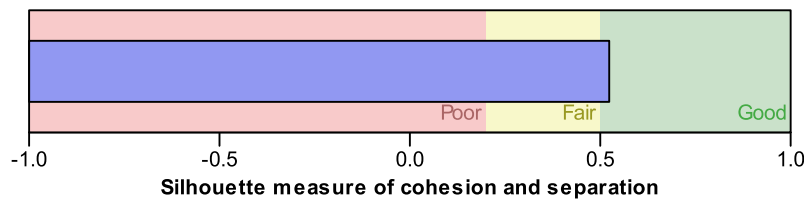
In this study, cluster analysis is used to classify the beneficiaries and the analysis is based on the perception of the beneficiaries about the concept of corporate social responsibility. The inputs given are three. They were 1) Responsibility 2) Sustainability 3) Awareness and it can be noticed from the model summary table that the clusters developed are two.

Table 6.18: Model Summary of Cluster analysis

Model Summary

| | |
|------------------|---------|
| Algorithm | TwoStep |
| Inputs | 3 |
| Clusters | 2 |

Cluster Quality



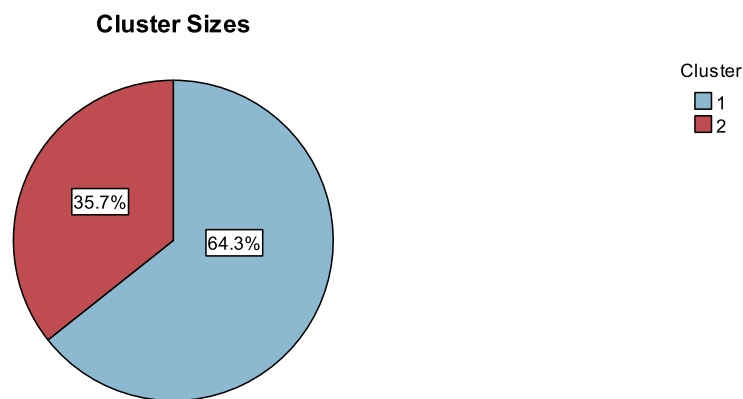
The model summary view gives a snapshot or a summary of the cluster model built. It also includes the Silhouette measure of cluster cohesion and separation. It is shaded to indicate the quality of the cluster as poor, fair and good. The results of the model are interpreted on the basis of the work of Kaufman and Rosseeuw (1990). According to them if the quality is good, it reflects the rating of strong or reasonable evidence. Fair quality reflects their rating of weak evidence and poor reflects that there is no significant evidence. In a good solution, the within-cluster distances are small and the between cluster distances are large, resulting in a silhouette measure close to the maximum value of 1. If the silhouette measure is negative, the average distance of a case to members of its own cluster is larger than the average distance to cases in other clusters, an undesirable feature. The silhouette measure for a cluster is

just the average of the silhouette measures for the cases within the cluster. The silhouette measure ranges from -1 to +1.

From the table 6.18 it is understood that the quality of the cluster good and hence it reflects strong evidence regarding the formation of clusters.

Next is the cluster sizes view. The cluster sizes view shows a pie chart that contain each cluster and the percentage size of each cluster is shown on each slice.

Figure 6.7: Showing the size of the clusters



| | |
|--|-------------|
| Size of Smallest Cluster | 92 (35.7%) |
| Size of Largest Cluster | 166 (64.3%) |
| Ratio of Sizes: Largest Cluster to Smallest Cluster | 1.80 |

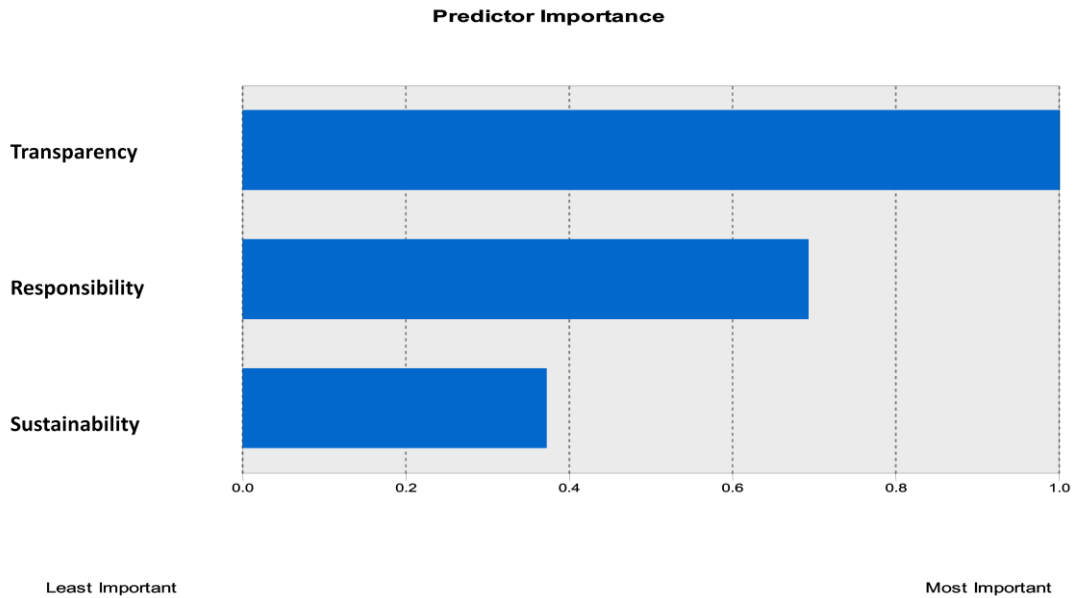
The above graph and table show the size of the smallest cluster, the size of the largest cluster and the ratio of size of the largest cluster to the smallest cluster. 2 clusters was identified from cluster analysis. One cluster consist of 166 respondents (64.3%) and the second cluster consist of 92 respondents (35.7%). The ratio of size of the largest cluster to smallest cluster is 1.80.

6.7.2 Predictor Importance

The predictor importance chart is helpful in indicating the relative importance of each predictor in estimating the model. Since the values are relative, the sum of the values for all predictors on the display is 1.0. Predictor importance does not relate to

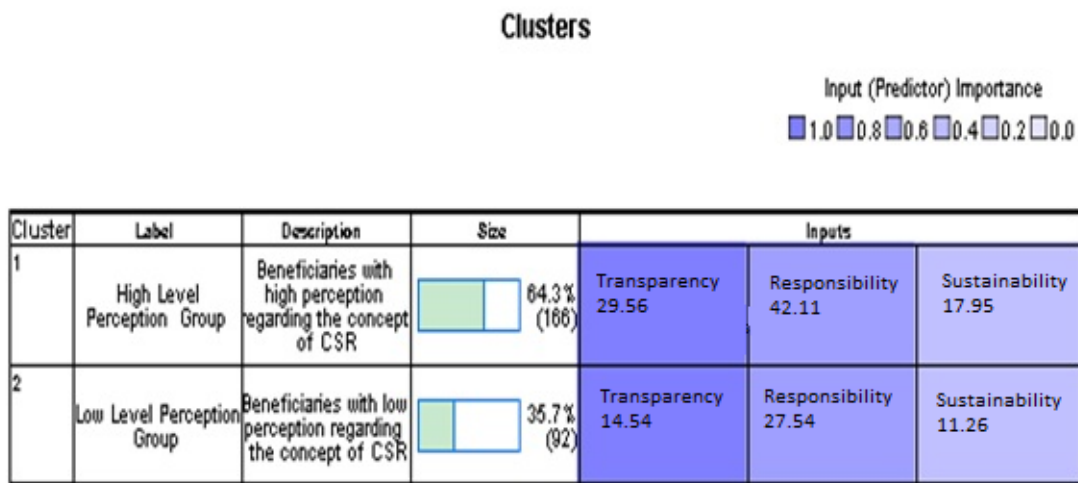
model accuracy. It just relates to the importance of each predictor in making a prediction, not whether or not the prediction is accurate.

Figure 6.8: Showing the predictor importance



According to the figure 6.8 the predictor transparency is the most important one and sustainability is the least important predictor. So it can be concluded that in making predictions regarding the variable CSR, transparency plays the most important role and sustainability the least.

Figure 6.9: Naming of the clusters



Further the clusters are named as i) High Level Perception Group and ii) Low level Perception Group. In the above table also the color variation of the tables indicate the degree of importance assigned to each predictor in estimating the model

The formation of the clusters is further established using independent sample t test. The test was carried on to identify whether there is any significant difference between the two clusters regarding their CSR perception.

Table 6.19: Clusters and CSR Perception

| Cluster | N | Mean | Std. Deviation | t | Sig. (2-tailed) |
|-----------------|-----|---------|----------------|--------|-----------------|
| High Perception | 166 | 89.6205 | 10.84633 | 22.395 | .000 |
| Low Perception | 92 | 53.3478 | 14.95152 | | |

Source: Primary Data

Based on this it can be concluded that there is significant difference in the perception scores of these two clusters. It can be inferred that the cluster 1 (High perception cluster) shows a mean score of 89.6205 with a standard deviation of 10.84633 and it is statistically different from the mean score of cluster 2 (Low perception group) i.e. mean value of 53.3478 with a standard deviation of 14.95152. So there is significant difference between the high perception and low perception group in their perception regarding CSR at 95% confidence level.

6.8 Establishing the clusters through Neural Network

Neural Network is used to help in establishing the perception of the beneficiaries by analysing the CSR aspects. According to Haykin (1998) a neural network is a massively distributed processor that has a natural propensity for storing experiential knowledge and making it available for use. The Multilayer Perceptron (MLP) Module of IBM SPSS Statistics 21 was used to build the neural network model and test its accuracy. The researcher attempted a neural network analysis to identify the pattern of the perception of the beneficiaries.

Table 6.20 Gives information regarding the datasets used to build the Artificial Neural Network Model

Table 6.20: Information regarding data sets

| Case Processing Summary | | | |
|-------------------------|----------|-----|---------|
| | | N | Percent |
| Sample | Training | 181 | 70.2% |
| | Testing | 77 | 29.8% |
| Valid | | 258 | 100.0% |
| Excluded | | 0 | |
| Total | | 258 | |

Source: Primary Data

The training set is used to estimate the network parameters and the testing set is used to prevent overtraining. The training set consists of 181 respondents and the testing set consists of 77 respondents.

Table 6.21: Information regarding network

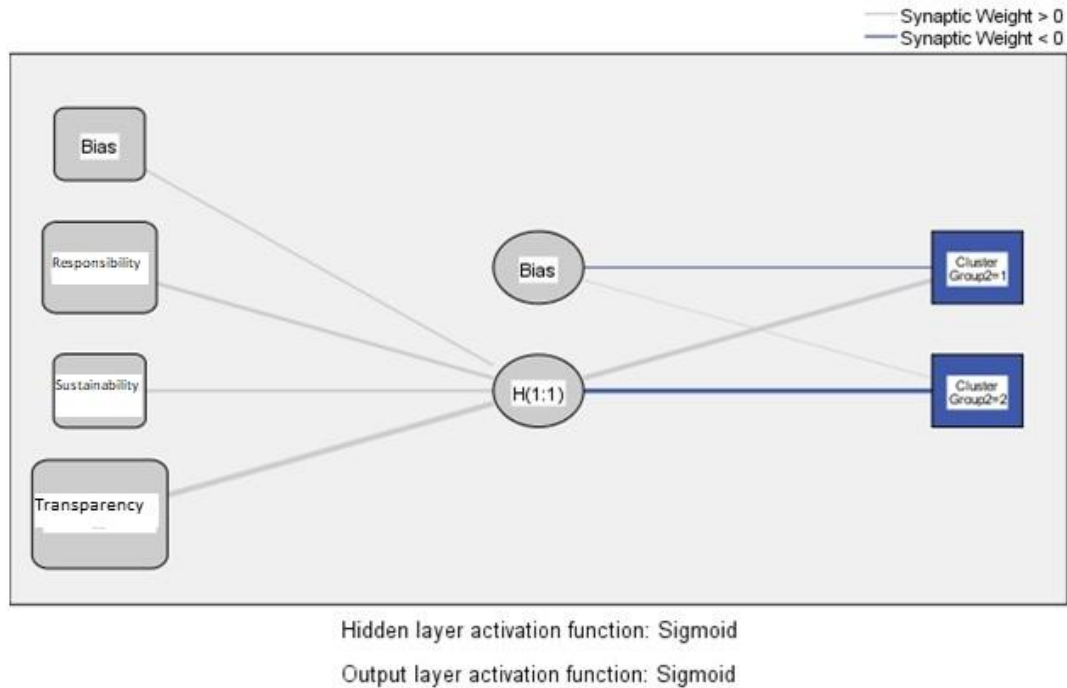
| Network Information | | | | |
|----------------------------|--|---|----------------|--|
| Input Layer | Covariates | 1 | Responsibility | |
| | | 2 | Sustainability | |
| | | 3 | Transparency | |
| | Number of Units ^a | | 3 | |
| | Rescaling Method for Covariates | | Standardized | |
| Hidden Layer(s) | Number of Hidden Layers | | 1 | |
| | Number of Units in Hidden Layer 1 ^a | | 1 | |
| | Activation Function | | Sigmoid | |
| Output Layer | Dependent Variables | 1 | ClusterGroup2 | |
| | Number of Units | | 2 | |
| | Activation Function | | Sigmoid | |
| | Error Function | | Sum of Squares | |
| a. Excluding the bias unit | | | | |

Source: Primary Data

The Table 6.21 shows the number of neurons in every layer and the three variables (Responsibility, Sustainability and Transparency). Automatic architecture selection chose 1 node for the hidden layer, while the output layer had 2 nodes to code the depended variable.

The network diagram that SPSS used to predict the outcome from the three variables is shown in figure 6.9. The diagram shows 3 input nodes, 1 hidden node and the two output nodes representing the high perception and low perception group

Figure 6.10: Diagrammatic representation of neural network



The perceptions of the respondents are regarding CSR variables (responsibility, goodwill and awareness) represents the input layer and the neural network leads to Cluster 1 which represents the high perception group. So it can be concluded that the respondents having high perception regarding all these variables belong to the cluster “High Perception Group”.

Table 6.22: Modal Summary

| Model Summary | | |
|--|-------------------------------|--|
| Training | Sum of Squares Error | .579 |
| | Percent Incorrect Predictions | 0.0% |
| | Stopping Rule Used | 1 consecutive step(s) with no decrease in error ^a |
| | Training Time | 0:00:00.00 |
| Testing | Sum of Squares Error | .488 |
| | Percent Incorrect Predictions | 1.3% |
| Dependent Variable: ClusterGroup2 | | |
| a. Error computations are based on the testing sample. | | |

Source: Primary Data

The model summary, shown in Table provides information related to the results of training and testing. The small value (.579) of the error indicates the power of the model to predict course outcome.

The error is less for the testing data compared to the training data set, meaning that the network model has not been over fitted to the training data. The result justifies the role of testing sample which is to prevent overtraining. According to the table, the percentage of incorrect predictions based on training and testing sample respectively are 0% and 1.3%. The learning procedure was performed until 10 consecutive steps with no decrease in error function were attained from the testing sample.

Table 6.23: Parameter Estimates

| Parameter Estimates | | | | |
|---------------------|-----------------------|----------------|---------------------------|--------------------------|
| Predictor | | Predicted | | |
| | | Hidden Layer 1 | Output Layer | |
| | | H(1:1) | [High Perception Group=1] | [Low Perception Group=2] |
| Input Layer | (Bias) | 4.082 | | |
| | Responsibility | 8.006 | | |
| | Goodwill | 6.183 | | |
| | Stakeholder awareness | 11.451 | | |
| Hidden Layer 1 | (Bias) | | -3.563 | 3.362 |
| | H(1:1) | | 11.421 | -11.373 |

Source: Primary Data

Based on the parameter estimates also it can be stated that the if the perception of the beneficiary group is high regarding the responsibility, sustainability and transparency the beneficiaries will belong to Cluster Group 1 i.e. the high perception group. In this table the values of all the 3 predictors are seen positive and the value of the high perception group is also positive. So the clustering of the respondents to high perception and low perception group can be validated.

Table 6.24: Classification Table

| Classification | | | | |
|----------------|-------------------------|-------------------------|------------------------|-----------------|
| Sample | Observed | Predicted | | |
| | | High Perception Cluster | Low Perception Cluster | Percent Correct |
| Training | High Perception Cluster | 116 | 0 | 100.0% |
| | Low Perception Cluster | 0 | 65 | 100.0% |
| | Overall Percent | 64.1% | 35.9% | 100.0% |
| Testing | High Perception Cluster | 50 | 0 | 100.0% |
| | Low Perception Cluster | 1 | 26 | 96.3% |
| | Overall Percent | 66.2% | 33.8% | 98.7% |

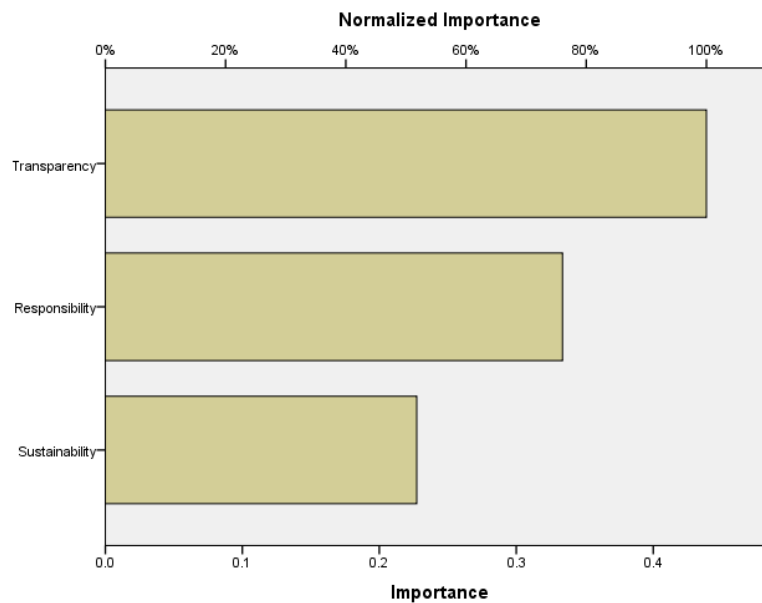
Dependent Variable: ClusterGroup2

Source: Primary Data

Table 6.24 shows the classification table of the neural network. It displays the classification table for each categorical dependent variable by partition and overall. The table gives the number of cases classified correctly and incorrectly for each category. From the table it can be seen that the prediction percent is 100% in the case of testing data. It is 96.3% in the case of training data since there was an instance of including a low perception respondent in the high perception group and. This affected the overall prediction percentage. The overall percentage of the prediction being correct is 98.7%

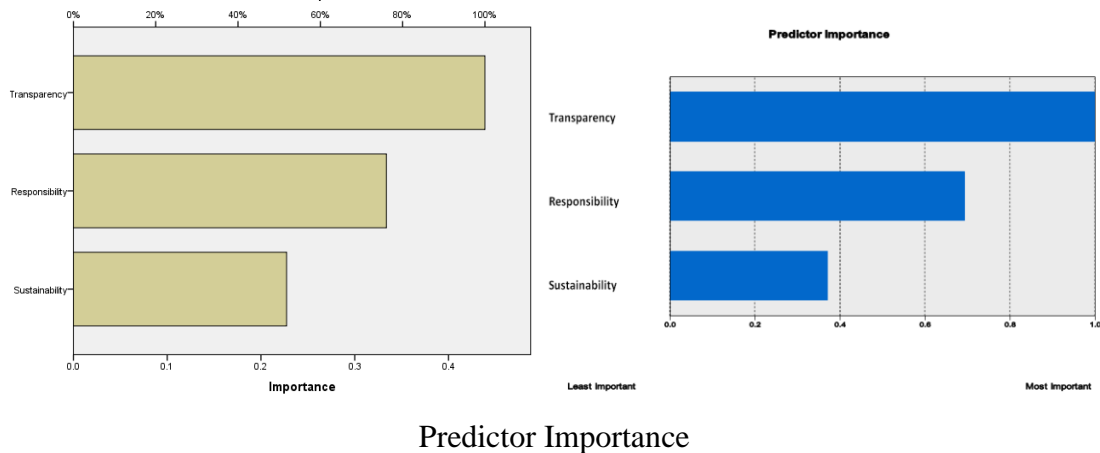
Next figure show the normalised importance of the factors in determining the variable corporate social responsibility.

Figure 6.11: Normalised importance



Based on the neural network, in the normalised importance also, transparency is considered to be the most important factor. The factors responsibility and sustainability are having lesser importance. So it can be concluded that transparency is the most important factor influencing the perception of the beneficiaries regarding CSR. This validates the predictor importance derived from the cluster analysis also.

Figure 6.12: Figure showing the comparison of normalised importance and predictor importance



In the Figure 6.12 a comparison is made between the predictor importance derived through cluster analysis and the normalised importance derived through artificial neural network. It can be understood that in both cases transparency aspect is considered as the most important predictor. It gives stress on the need for proper communication and reporting of the CSR activities by the companies to the shareholders. It helped in understanding the relative importance of these three factors in establishing the perception of the respondents regarding CSR.

6.9: Summary

So to conclude, transparency, responsibility and sustainability factors are influencing the perception of the beneficiaries regarding corporate social responsibility. The beneficiaries want the business to fulfill their obligations to the community and the society and the company in turn can enjoy the benefits. But the most important aspect is communication with the stakeholders.

According to Bhattacharya, Sen, Korschun (2011) Conventional wisdom suggests that the biggest return to CR spending stems from an increased *intent to purchase products* from or *seek employment* with or *invest* in a firm that is deemed socially responsible. The authors point out the importance of creating awareness among stakeholders. They state that creation of awareness among the stakeholders is the first step of creating a positive perception.

References

1. Andrea Perez and Ignacio Rodriguez del Bosque “Corporate social responsibility and customer loyalty: exploring the role of identification, satisfaction and type of company” *Journal of Services Marketing* ISSN 0887 – 6045, 9th February 2015
2. C.B. Bhattacharya, Daniel Korschun & Sankar Sen,(2009), Strengthening Stakeholder–Company Relationships Through Mutually Beneficial Corporate Social Responsibility Initiatives *S. J Bus Ethics* (2009) 85 (Suppl2): 257. https://doi.org/10.1007/s10551_008-9730-3.
3. Nick Z. Zacharis (2016) Predicting student academic performance in blended learning using artificial neural networks , *International Journal of Artificial Intelligence and Applications (IJAIA)*, Vol. 7, No. 5, September 2016 , DOI: 10.5121/ijaia.2016.7502 pp. 17-29
4. Naresh K.Malhotra & Satyabushan Dash,(2007), *Marketing Research : An applied Orientation*, Pearson, Seventh Edition
5. https://www.ibm.com/support/knowledgecenter/en/SS3RA7_15.0.0/com.ibm.sps.modeler.help/clusterviewer_modelsummary_panel.html
6. Marija Norusis “*Straight talk about data analysis and IBM Statistics*” accessed through www.norusis.com/

Chapter 7

PERCEPTION OF THE BENEFICIARIES REGARDING CSR PROJECT OF COCHIN SHIPYARD LIMITED

- 7.1 Introduction
- 7.2 Reliability and Normality of Data
- 7.3 Factor Analysis
- 7.4 Normality of CSR Project Factors
- 7.5 Perception of beneficiaries regarding CSR project of CSL
- 7.6 Perception of beneficiaries regarding CSR project
- 7.7 Perception of beneficiaries regarding the project and the factors influencing the perception of beneficiary group
- 7.8 Summary
- References

PERCEPTION OF THE BENEFICIARIES REGARDING CSR PROJECT OF COCHIN SHIPYARD LIMITED

7.1 Introduction

The views and insights of the people who benefitted from CSR programmes can be an invaluable source of insight regarding the effectiveness of a programme. The perception of the beneficiaries can be systematically solicited and used to guide the future policies and programmes. The success of any project or programme can be assessed by understanding the beneficiary experience regarding that programme. For a project to be successful, the needs of the beneficiaries has to be clearly analysed and understood for appropriate planning to take place (Swanepoel & de Beer, 2006).

This part of the study focussed on the perception of the beneficiaries regarding the “Drinking Water Supply Project” of Cochin Shipyard Limited. This water project answered the water scarcity problem of the residents of Ambadimala. It has been 3 years since the introduction of the project and a retrospective review is essential to understand the experience of the beneficiary group regarding the project.

7.2 Reliability and Normality of Data

It is essential to check the strength of the scale when the researcher uses a multi item scale in the questionnaire. The questionnaire consisted of 52 different statements in 10 point scale to understand the perception of the beneficiaries regarding the CSR project of Cochin Shipyard Limited. 12 statements were provided to the respondents to find their perception about the concept of corporate social responsibility and 40 statements to understand their perception specifically about the CSR project of Cochin Shipyard Limited. Cronbach’s Alpha is the most commonly used reliability measure.

For checking the internal consistency of the Items the alpha coefficient was calculated.

7.2.1 Reliability Statistics

Cronbach's Alpha

Reliability Testing Cronbach's Alpha: It is designed to measure the internal consistency of the items in the questionnaire. It varies between 0 and 1. The closeness of the Cronbach's Alpha Value to 1 shows greater internal consistency of the items in the questionnaire.

Table 7.1: Cronbach's Alpha for CSR Project Variables

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .923 | 40 |

Source: Primary Data

Inference: Cronbach's alpha test is performed to check the reliability of questions or items. The test was performed and it resulted in a high score. The Cronbach's Alpha value for CSR project variable is .923 in the case of CSR project. This indicates the internal consistency of the items. Bohrnstedt and Knoke (1994) suggest that researchers should strive to achieve alphas of .70 or higher.

The next concern is about the normality of the sample. Normality of the sample has an important role in reducing the sampling error. Small samples seriously impact the normality of the data but the impact will reduce when the sample size increases (200 samples or more).

7.2.2 KMO (Kaiser- Mayer-Olkin) and Bartlett's Test

The Kaiser-Meyer-Olkin is a measure of sampling adequacy. The value of this measure varies between 0 and 1. These tests provide the minimum standard to proceed for factor analysis. For this test the minimum fulfillment suggested is .6 and the values which are closer to 1 are treated as better. The test provides the minimum standard to proceed for factor analysis.

Table 7.2: KMO and Bartlett's Test for Sphericity for CSR Project Variables

| KMO and Bartlett's Test | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | .801 | |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 9173.042 |
| | df | 780 |
| | Sig. | .000 |

Source: Primary Data

Normally, $0 < \text{KMO} < 1$

If $\text{KMO} > 0.5$, the sample is adequate

In this case the KMO is .801 which indicates the adequacy of the sample size and the researcher can proceed with Factor Analysis.

Bartlett's Test of Sphericity

Taking a 95% level of significance, $\alpha = 0.05$

The p-value (Sig.) of $.000 < 0.05$, Here in both cases, the factor analysis is valid

In the case of CSR Project Variables the approximate of Chi-square is 9173.042 with 780 degrees of freedom, which is significant at 0.05 level of significance. The KMO statistic of the project variables is 0.801. This is greater than 0.50. Hence Factor Analysis is considered as an appropriate technique for further analysis of the data.

7.3 Factor Analysis

Factor Analysis is a set of methods used to examine how underlying constructs influence the responses on a number of measured variables. It is a statistical approach that is used to analyse interrelationships among a large number of variables in terms of few dimensions/factors. A factor is an underlying dimension that account for several observed variables. Factor analysis help in identifying the common factors that best explain for most of the correlation among the various indicators.

7.3.1 Communalities

The communality values of variables are showing shared variance among the variables as embodied by the extracted factors (Hair et.al. 2009). The communality value is a useful measure indicating the variance showed by an individual variable. A higher value of communality variable shows a higher degree of variance derived by the factor solution. The statistical rule require that the variables with communality value of less than 0.5 should be removed before further analysis.

Table 7.3: Communalities of CSR Project Variables

| Communalities | | |
|--|----------------|-------------------|
| | Initial | Extraction |
| Individual pipeline connections are provided under the project at an affordable tariff | 1.000 | .647 |
| Water quality is ensured through a three tier purification process | 1.000 | .859 |
| The project has received wide acceptance among the residents | 1.000 | .742 |
| Water availability is ensured for all the residents | 1.000 | .857 |
| The residents participate in the management of the project | 1.000 | .619 |
| Water availability is ensured to even economically backward residents of the area | 1.000 | .745 |
| Maintenance of the project is done in continuous basis to ensure the availability of water | 1.000 | .834 |
| Continous supply of water is ensured | 1.000 | .818 |
| Accuracy is maintained in water supply | 1.000 | .805 |
| The project resulted in easiness in availability of water | 1.000 | .694 |
| Sufficient quantity of water is made available through the project | 1.000 | .661 |
| There is a system to receive the complaints of the beneficiaries | 1.000 | .798 |
| The complaints of the beneficiaries are promptly addressed | 1.000 | .859 |
| The repair and maintenance done of the water supply system is done in regular basis | 1.000 | .758 |
| The infrastructure of the water supply system is of good quality | 1.000 | .872 |
| The maintenance of the of the infrastructure is done in regular basis | 1.000 | .833 |
| The physical appearance of the water is good | 1.000 | .859 |
| Water provided in the project is particle free | 1.000 | .872 |
| Water provided in the project is taste free | 1.000 | .852 |
| Water provided in the project is odourless | 1.000 | .773 |
| Adequate and constant water pressure is maintained | 1.000 | .750 |
| The breakdown of the water supply system is addressed promptly | 1.000 | .791 |
| Water is provided after purification process | 1.000 | .771 |
| Water borne diseases are never reported in our locality | 1.000 | .706 |
| The safety of the water is ensured | 1.000 | .663 |
| There are responsible persons to redress the breakdowns and repairs | 1.000 | .787 |
| The amount charged for the water supply is affordable | 1.000 | .641 |
| The authorities promptly respond to the complaints of the beneficiaries | 1.000 | .723 |
| Information is provided to the beneficiaries regarding the functioning of the project | 1.000 | .805 |
| Water usage by the households are assessed and payment is charged accordingly | 1.000 | .774 |

| | | |
|--|-------|------|
| The company has its representation in the project implementation committee | 1.000 | .684 |
| All the project details are recorded and maintained by the committee | 1.000 | .820 |
| The beneficiaries are included in the project implementation committee | 1.000 | .781 |
| All details about functioning of the project is communicated to the beneficiaries | 1.000 | .659 |
| There is no political interference in the management of the project | 1.000 | .719 |
| The committee meets in regular intervals to discuss the functioning of the project | 1.000 | .755 |
| I am aware that Ambadimala Water Supply Project is a CSR project of CSL | 1.000 | .591 |
| The water supply project of CSL reduced the water scarcity faced by Ambadimala Residents | 1.000 | .608 |
| The water supply project at Ambadimala is funded by CSL | 1.000 | .698 |
| CSL have initiated several projects as a part of their CSR | 1.000 | .559 |
| Extraction Method: Principal Component Analysis. | | |

Source: Primary Data

It can be noticed that the value of communality for each variable in the above table is more than 0.5 which is the acceptable value and hence the researcher can proceed further for analysis.

7.3.2 Eigen Values (Select those components with Eigen Values >=1)

The Eigen values represent the variance of the factors. The total column contains the Eigen value. The first factor will always account for the most variance and hence have the highest Eigen values. The percentage of variance represents the percent of total variance accounted by each factor and the cumulative percentage of variance account by the present and the preceding factors.

Table 7.4: Total Variance Explained of the CSR Project variables

| Component | Total Variance Explained | | | | | | | | |
|-----------|--------------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Initial Eigen values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 11.687 | 29.219 | 29.219 | 11.687 | 29.219 | 29.219 | 5.247 | 13.116 | 13.116 |
| 2 | 4.244 | 10.610 | 39.828 | 4.244 | 10.610 | 39.828 | 4.412 | 11.029 | 24.145 |
| 3 | 3.388 | 8.469 | 48.297 | 3.388 | 8.469 | 48.297 | 3.779 | 9.448 | 33.593 |
| 4 | 2.928 | 7.321 | 55.618 | 2.928 | 7.321 | 55.618 | 3.612 | 9.030 | 42.623 |
| 5 | 2.077 | 5.193 | 60.811 | 2.077 | 5.193 | 60.811 | 3.437 | 8.594 | 51.217 |

| | | | | | | | | | |
|----|-------|-------|---------|-------|-------|--------|-------|-------|--------|
| 6 | 1.755 | 4.388 | 65.199 | 1.755 | 4.388 | 65.199 | 2.825 | 7.062 | 58.278 |
| 7 | 1.430 | 3.575 | 68.774 | 1.430 | 3.575 | 68.774 | 2.640 | 6.600 | 64.878 |
| 8 | 1.324 | 3.311 | 72.084 | 1.324 | 3.311 | 72.084 | 2.516 | 6.290 | 71.168 |
| 9 | 1.205 | 3.014 | 75.098 | 1.205 | 3.014 | 75.098 | 1.572 | 3.930 | 75.098 |
| 10 | .917 | 2.292 | 77.390 | | | | | | |
| 11 | .860 | 2.151 | 79.542 | | | | | | |
| 12 | .800 | 2.000 | 81.541 | | | | | | |
| 13 | .740 | 1.850 | 83.391 | | | | | | |
| 14 | .703 | 1.757 | 85.149 | | | | | | |
| 15 | .579 | 1.447 | 86.595 | | | | | | |
| 16 | .500 | 1.251 | 87.846 | | | | | | |
| 17 | .471 | 1.177 | 89.023 | | | | | | |
| 18 | .462 | 1.155 | 90.178 | | | | | | |
| 19 | .383 | .957 | 91.134 | | | | | | |
| 20 | .374 | .936 | 92.070 | | | | | | |
| 21 | .309 | .772 | 92.843 | | | | | | |
| 22 | .306 | .764 | 93.607 | | | | | | |
| 23 | .280 | .699 | 94.306 | | | | | | |
| 24 | .253 | .633 | 94.939 | | | | | | |
| 25 | .249 | .623 | 95.562 | | | | | | |
| 26 | .236 | .590 | 96.152 | | | | | | |
| 27 | .214 | .534 | 96.686 | | | | | | |
| 28 | .179 | .448 | 97.134 | | | | | | |
| 29 | .163 | .408 | 97.542 | | | | | | |
| 30 | .150 | .374 | 97.917 | | | | | | |
| 31 | .121 | .303 | 98.220 | | | | | | |
| 32 | .117 | .293 | 98.513 | | | | | | |
| 33 | .109 | .272 | 98.785 | | | | | | |
| 34 | .103 | .258 | 99.043 | | | | | | |
| 35 | .088 | .220 | 99.263 | | | | | | |
| 36 | .077 | .192 | 99.456 | | | | | | |
| 37 | .066 | .164 | 99.620 | | | | | | |
| 38 | .062 | .154 | 99.774 | | | | | | |
| 39 | .051 | .128 | 99.902 | | | | | | |
| 40 | .039 | .098 | 100.000 | | | | | | |

Extraction Method: Principal Component Analysis.

Source: Primary Data

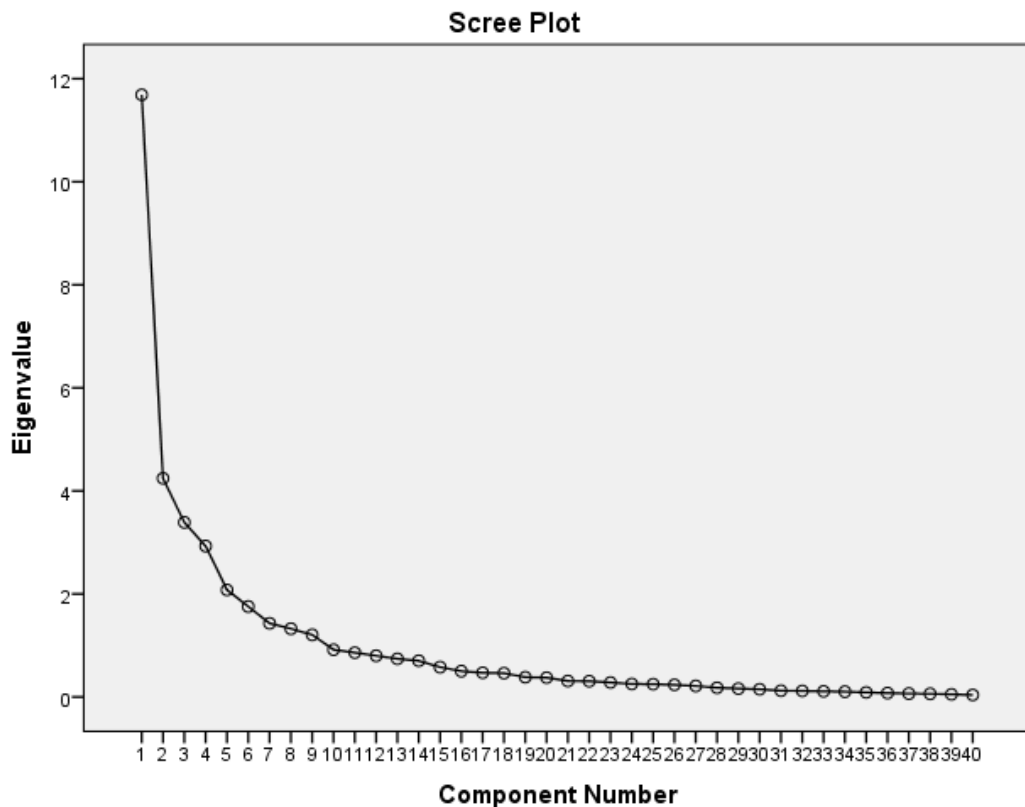
In the case of perception about CSR project (Table 7.4) information regarding 40 possible factors and their relative explanatory power as expressed by their Eigen values. In this case, the factors having eigen values more than 1 is nine. Hence, researcher has retained these nine factors for further study. Total variance explained by the nine factors is 75.098 percent.

There is a fair percent of variance to be explained and assumes appropriateness of the factor analysis.

7.3.3 Screen Plot

The screen plot shows the Eigen value against each factor. The graph represents the Eigen values plotted against the corresponding factor. Eigen values represent the variances of the factor. The point where the slope of the curve is clearly levelling off indicates the number of factors that should be generated by the analysis.

Figure 7.1: Screen plot of CSR Project Variables



In this case, the line is becoming flat from the 9th factor and the successive factors is accounting for smaller and smaller amount of the total variance.

7.3.4 Identification of the core factors

The Rotated Factor Matrix represents the rotated factor loadings, which are the correlations between the variables and the factors. The factor column represents the rotated factors that have been extracted out of the total factor. These are the core factors, which have been used as the final factor after data reduction. According to the grouping of the factors, each group of factors is named which will represent the grouped factor and represent the factors.

Table 7.5: Rotated Component matrix of CSR Project Variables

| Rotated Component Matrix ^a | | | | | | | | | |
|--|-----------|------|------|------|------|------|------|---|---|
| | Component | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| The physical appearance of the water is good | .896 | | | | | | | | |
| Water provided in the project is taste free | .880 | | | | | | | | |
| Water provided in the project is particle free | .876 | | | | | | | | |
| Water provided in the project is odourless | .806 | | | | | | | | |
| Adequate and constant water pressure is maintained | .671 | | | .451 | | | | | |
| The safety of the water is ensured | .498 | | | | | .480 | | | |
| All the project details are recorded and maintained by the committee | | .848 | | | | | | | |
| The beneficiaries are included in the project implementation committee | | .813 | | | | | | | |
| The committee meets in regular intervals to discuss the functioning of the project | | .792 | | | | | | | |
| The company has its representation in the project implementation committee | | .763 | | | | | | | |
| There is no political interference in the management of the project | | .686 | | | | | .440 | | |
| All details about functioning of the project is communicated to the beneficiaries | | .544 | | | .422 | | | | |
| Water usage by the households are assessed and payment is charged accordingly | | .459 | | | | .457 | | | |
| Water availability is ensured for all the residents | | | .807 | | | | | | |
| The project has received wide acceptance among the residents | | | .787 | | | | | | |
| Water quality is ensured through a three tier purification process | | | .691 | | | | .528 | | |
| Individual pipeline connections are provided under the project at an affordable tariff | | | .677 | | | | | | |
| Water availability is ensured to even economically backward residents of the area | | | .619 | | .444 | | | | |
| The residents participate in the management of the project | | | .528 | | | | | | |

| | | | | | | | | |
|--|------|------|--|------|------|--|------|------|
| Continous supply of water is ensured | | | | .848 | | | | |
| Accuracy is maintained in water supply | | | | .820 | | | | |
| The project resulted in easiness in availability of water | | | | .693 | | | | |
| Maintenance of the project is done in continuous basis to ensure the availability of water | | .482 | | .635 | | | | |
| Sufficient quantity of water is made available through the project | | | | .534 | | | | |
| The complaints of the beneficiaries are promptly addressed | | | | .847 | | | | |
| The repair and maintenance done of the water supply system is done in regular basis | | | | .767 | | | | |
| There is a system to receive the complaints of the beneficiaries | | | | .653 | | | | |
| Water is provided after purification process | | | | .739 | | | | |
| Water borne diseases are never reported in our locality | .421 | | | .702 | | | | |
| The amount charged for the water supply is affordable | | | | .533 | | | | |
| Information is provided to the beneficiaries regarding the functioning of the project | | | | .435 | .531 | | | |
| There are responsible persons to redress the breakdowns and repairs | | | | | .797 | | | |
| The breakdown of the water supply system is addressed promptly | | | | | .790 | | | |
| The authorities promptly respond to the complaints of the beneficiaries | | | | .400 | .486 | | | |
| The water supply project at Ambadimala is funded by CSL | | | | | | | .816 | |
| The water supply project of CSL reduced the water scarcity faced by Ambadimala Residents | | | | | | | .752 | |
| CSL have initiated several projects as a part of their CSR | | | | | | | .727 | |
| I am aware that Ambadimala Water Supply Project is a CSR project of CSL | | | | | | | .706 | |
| The infrastructure of the water supply system is of good quality | .431 | | | | | | | .677 |
| The maintenance of the of the infrastructure is done in regular basis | .554 | | | | | | | .571 |
| Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. ^a | | | | | | | | |
| a. Rotation converged in 8 iterations. | | | | | | | | |

Source: Primary Data

7.3.5 Naming of CSR Project Variables

The 1st factor consists of 6 variables. It includes the statements which indicate the quality aspects of the project. This factor deals with i) Physical appearance of the water. ii) Taste of the water. iii) Water is particle free. iv) Water is odourless. v) Adequate and constant pressure of the water. vi) Safe water. Based on all these aspects, the factor is named as **“Project Quality”**

Second factor consist of 7 variables. It consists of the following statements. i) All the project details are recorded and maintained by the committee ii) Inclusion of beneficiaries in the project implementation committee iii) The committee meet in regular intervals to discuss the functioning of the project iv) The company has its representation in the project implementation committee v) There is no political interference in the management of the project. vi) All details about the functioning of the project are communicated to the beneficiaries. vii) Water usage by the households is assessed and payment is charged accordingly. All these statements deal with the management of the project and hence the factor is named as **“Project Management”**.

The 3rd factor is based on 6 variables. The following are the statements i) Water availability is ensured for all the residents. ii) The project has received wide acceptance among the residents. iii) Water quality is ensured through a three tier purification process. iv) Individual pipeline connections are provided under the project at an affordable tariff. v) Water availability is ensured to even economically backward residents of the area vi) The residents participate in the management of the project. All these statements indicate how well the project survives and hence it is named as **“Project Viability”**

The next sets of statements are as follows i) Continuous supply of water is ensured ii) Accuracy is maintained in water supply iii) The project resulted in easiness in availability of water iv) Maintenance of the project is done in continuous basis to ensure the availability of water v) Sufficient quantity of water is made available

through the project. The statements indicate the implementation of the project and the factor is named as “**Project Execution**”

All the statements deal with the administration of the project. The following are the statements i) The complaints of the beneficiaries are promptly addressed ii) The repair and maintenance done of the water supply system is done in regular basis iii) There is a system to receive the complaints of the beneficiaries. The factor is named as **Project Governance**.

There are another set of statements showing the benefit derived from the CSR project. The statements are i) Water is provided after purification process ii) Water borne diseases are never reported in our locality iii) The amount charged for the water supply is affordable. iv) Information is provided to the beneficiaries regarding the functioning of the project. Hence the factor is tagged as “**Project Benefit**”

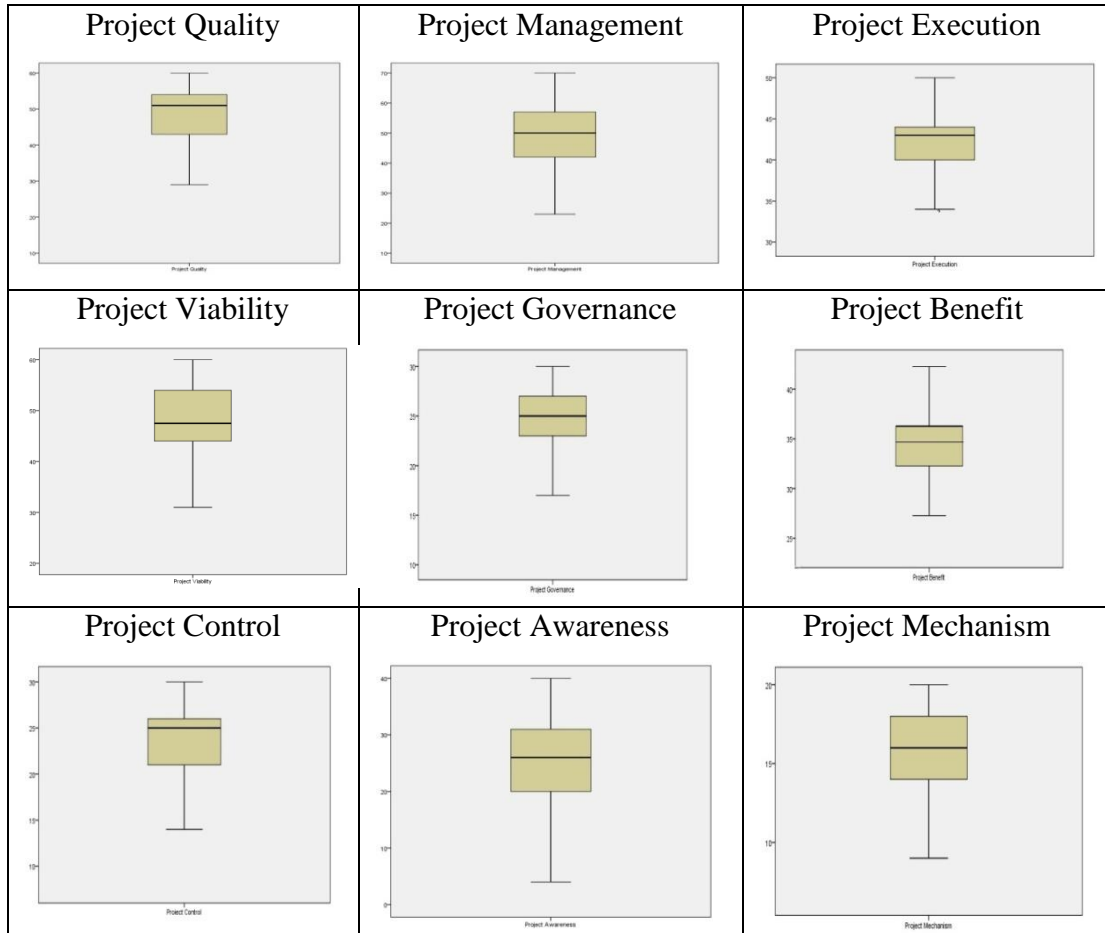
This factor consist of 3 statements and how the project process is controlled and the statements are i) there are responsible persons to redress the breakdown and repairs. ii) The breakdown of the water supply system is addressed promptly. iii) The authorities promptly respond to the complaints of the beneficiaries. The factor is named as **Project Control**

All the following statements indicate the awareness of the project beneficiaries about the project. The statements indicating the beneficiary awareness are as follows. i) The water supply project at Ambadimala is funded by CSL. ii) The water supply project of CSL reduced the water scarcity faced by Ambadimala Residents. iii) CSL has initiated several projects as a part of their CSR. iv) I am aware that Ambadimala Water Supply Project is a CSR project of CSL. Hence the factor is named as “**Project Awareness**”

The next two statements represent the infrastructure facility of the project. The statements are i) The infrastructure of the water supply system is of good quality ii) The maintenance of the of the infrastructure is done in regular basis and hence the factor is tagged as named as “**Project Mechanism**”.

7.4 Normality of CSR Project Factors

Figure 7.2: Normality of the CSR Project Factors



Box plot provides a useful way for visualising and viewing and other characteristics of the data. In the figure 7.2 the box plot of all the nine factors are given. The midpoint of the data is shown by the line that divides the box into two parts. Half of the scores are greater than or equal to this value and the other half are lower than this value. The middle box represents the middle 50% of the scores for the group. The range of scores from the lower to upper quartile is referred to as the inter-quartile range. The upper and the lower whiskers represent the scores outside the middle 50%.

7.5 Perception of beneficiaries regarding CSR project of CSL

The perception of the beneficiaries regarding the project is assessed based on the following nine factors.

- Project Quality
- Project Management
- Project Execution
- Project Viability
- Project Governance
- Project Benefit
- Project Control
- Project Awareness
- Project Mechanism

7.5.1 Project Quality

The factor project quality deal with the opinion of the respondents regarding the quality of the water supplied through the project. The beneficiaries were asked about how they feel about the quality of the water supplied to them.

Descriptive Statistics

Project quality was calculated on the strength of the summated scale of 6 statements given in the questionnaire. The maximum limit of the scale is $6 \times 10 = 60$ and the minimum limit is $6 \times 1 = 6$. The following table shows the descriptive statistics of the factor project quality.

Table 7.6: Descriptive Statistics of Project Quality

| Category | Statistics | Std. Error |
|----------------------------------|-------------|------------|
| Mean | 48.39 | .536 |
| 95% Confidence Interval for Mean | Lower Bound | 47.33 |
| | Upper Bound | 49.44 |
| 5% Trimmed Mean | 49.03 | |
| Median | 51.00 | |
| Variance | 74.207 | |
| Std. Deviation | 8.614 | |

Source: Primary Data

From the table 7.1 it can be observed that the mean value of the factor is 48.39 with a standard deviation of 8.614. The difference between the upper bound and the lower bound is 2.11.

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was decided to be 36 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 48.39.

Table 7.7: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 36 | 48.39 | 8.614 | .536 | 23.098 | 257 | .000 |

Source: Primary Data

Based on the t test it can be concluded that the perception is high regarding the project quality and the test shows a statistically significant difference between the test value and the mean value.

Further the study was carried to analysis whether there is any difference in the perception of the respondents regarding transparency based on their demographic, social and economic characteristics. The gender, age, marital status and number of members in the family were taken as the base for the analysis. Table 7.3 represents the summary of the results of the tests conducted among the demographic profile of the respondents.

Table 7.8: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|--------|----------------|-------|------|
| Gender | Male | 46.88 | 9.152 | | 3.212 | .001 |
| | Female | 50.29 | 7.500 | | | |
| Age | Young Adults | 48.63 | 10.027 | | .465 | .629 |
| | Middle aged adults | 48.03 | 8.203 | | | |
| | Old adults | 49.42 | 8.319 | | | |
| Marital Status | Married | 48.30 | 8.531 | | -.466 | .642 |
| | Single | 49.06 | 9.320 | | | |
| Number of Family Members | Less than or equal to two | 50.82 | 5.895 | | 1.558 | .186 |
| | Three | 46.54 | 10.500 | | | |
| | Four | 48.57 | 8.516 | | | |
| | Five | 48.33 | 7.696 | | | |
| | Above Five | 49.17 | 8.040 | | | |

Source: Primary Data

It can be observed from the table that there are significant differences in the perception about project quality among male and female. The female group was having the highest mean (50.29) when compared with the male group (46.88). The difference in the perception owes to the nature of the CSR project. Being the female members of the family, they use the water from the project more frequently for cooking and other household purposes. All other demographic variables are statistically not significant in determining the perception regarding the project quality. The age, marital status and the number of members in the family does not influence the perception of the beneficiaries regarding project quality.

Also researcher also analysed the difference in the perception of the respondents regarding transparency based on the educational qualification, occupation, average monthly income and the number of earning members in the family of the respondents.

Table 7.9: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|--------|----------------|-------|------|
| Educational Qualification | Up to Primary | 48.21 | 10.304 | | .472 | .756 |
| | Secondary | 48.60 | 7.307 | | | |
| | Higher Secondary | 49.35 | 7.800 | | | |
| | Graduate | 47.08 | 11.199 | | | |
| | Post Graduate and Above | 49.11 | 7.235 | | | |
| Occupation | Salaried Class | 48.58 | 9.677 | | .704 | .550 |
| | Labourer | 48.45 | 8.670 | | | |
| | Self Employed | 45.14 | 7.347 | | | |
| | Jobless | 48.65 | 7.600 | | | |
| Earning Members | One | 49.08 | 8.804 | | 1.438 | .239 |
| | Two | 47.12 | 7.942 | | | |
| | Above two | 48.13 | 9.920 | | | |
| Average Monthly Income | Below 5000 | 49.98 | 5.443 | | 1.501 | .202 |
| | 5001-10000 | 47.61 | 8.679 | | | |
| | 10001-15000 | 49.33 | 8.931 | | | |
| | 15001-20000 | 49.39 | 7.719 | | | |
| | Above 20000 | 46.71 | 10.789 | | | |

Source: Primary Data

The socio economic profile of the respondents does not create a difference in the perception. Education, occupation, number of earning members in the family and the average monthly income didn't create any difference in the perception. This can be due to the fact the quality of the water provided is stable and there is not much difference of opinion among the beneficiaries regarding the quality of the project.

So it can be concluded that all the respondents have high level of perception regarding the factor project quality irrespective of their social and economic differences.

7.5.2 Project Management

This factor deals with the management of the project. It covers the aspects like committee for managing the project

Descriptive Statistics

Project management was calculated on the strength of the summated scale of 7 statements given in the questionnaire. The maximum limit of the scale is $7 \times 10 = 70$ and the minimum limit is $7 \times 1 = 7$. The following table shows the descriptive statistics of the factor.

Table 7.10: Descriptive Statistics of Project Management

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 48.14 | .691 |
| 95% Confidence Interval for Mean | Lower Bound | 46.78 | |
| | Upper Bound | 49.50 | |
| 5% Trimmed Mean | | 48.87 | |
| Median | | 50.00 | |
| Variance | | 123.081 | |
| Std. Deviation | | 11.094 | |

Source: Primary Data

From the table 7.10 it can be observed that the mean value of the factor is 48.14 with a standard deviation of 11.094. The difference between the upper bound and lower bound mean is 2.72.

One sample t test was conducted to understand the statistical significance of the factor. Here the test score was decided to be 42 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 48.14.

Table 7.11: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|--------|-----------|-------|-----|------|
| 258 | 42 | 48.14 | 11.094 | .691 | 8.895 | 257 | .000 |

Source: Primary Data

It is evident from the table 7.11 that the respondents have high level of perception regarding project management. The test score was 42 and the mean value was 48.14, the one sample t test shows a statistically significant difference at 95% confidence level.

The researcher had analysed the perception of the respondents regarding the management of the project on the basis of their demographic characteristics.

Table 7.12: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|--------|----------------|------|------|
| Gender | Male | 48.30 | 10.436 | | .252 | .801 |
| | Female | 47.95 | 11.918 | | | |
| Age | Young Adults | 48.63 | 10.458 | | .282 | .755 |
| | Middle aged adults | 48.28 | 11.009 | | | |
| | Old adults | 47.02 | 12.318 | | | |
| Marital Status | Married | 48.20 | 11.268 | | .232 | .817 |
| | Single | 47.71 | 9.887 | | | |
| Number of Family Members | Less than or equal to two | 49.29 | 10.732 | | .722 | .578 |
| | Three | 46.40 | 12.774 | | | |
| | Four | 47.86 | 10.818 | | | |
| | Five | 49.00 | 10.233 | | | |
| | Above Five | 49.41 | 9.972 | | | |

Source: Primary Data

There is no significant difference in the perception regarding project management based on the demographic variables of the respondents. All the respondents have perceived about the management of the project in similar ways.

The study also analysed the difference in the perception of the respondents on the basis of the social and economic characteristics.

Table 7.13: Socio Economic Profile wise Classifications

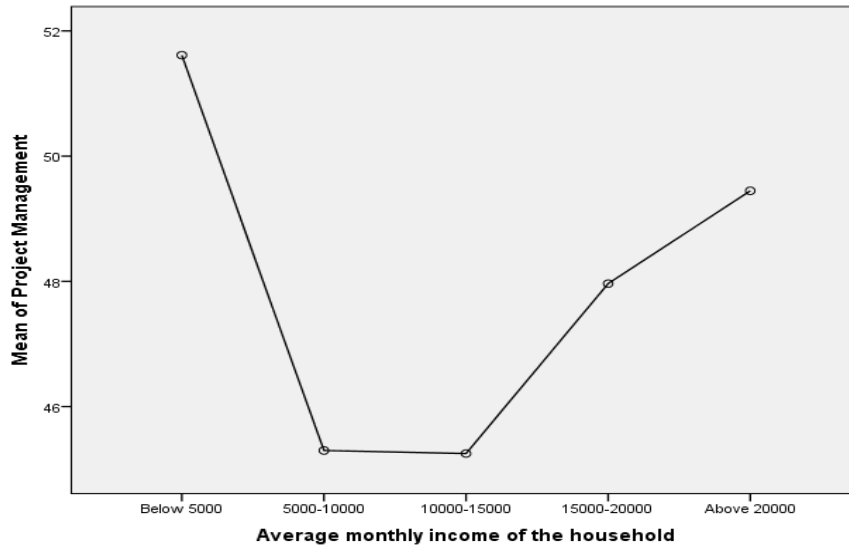
| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|--------|--|-------|------|
| Educational Qualification | Upto Primary | 46.79 | 10.789 | | 1.102 | .356 |
| | Secondary | 49.27 | 10.386 | | | |
| | Higher Secondary | 47.24 | 11.285 | | | |
| | Graduate | 46.13 | 12.812 | | | |
| | Post Graduate and Above | 50.39 | 10.216 | | | |
| Occupation | Salaried Class | 48.08 | 10.600 | | .148 | .931 |
| | Labourer | 47.81 | 11.386 | | | |
| | Self Employed | 50.00 | 9.806 | | | |
| | Jobless | 48.14 | 11.703 | | | |
| Earning Members | One | 47.52 | 11.440 | | .718 | .489 |
| | Two | 49.31 | 10.667 | | | |
| | Above two | 48.27 | 9.758 | | | |
| Average Monthly Income | Below 5000 | 51.61 | 9.388 | Sig. difference with 5000-10000 and 10001- 20000 | 3.595 | .007 |
| | 5001-10000 | 45.30 | 10.874 | Sig. difference with below 5000 and above 20000 | | |
| | 10001-15000 | 45.25 | 14.629 | Sig. difference with below 5000 | | |
| | 15001-20000 | 47.96 | 8.809 | | | |
| | Above 20000 | 49.45 | 10.580 | Sig. difference with 5000-10000 | | |

Source: Primary Data

The average monthly income of the respondents causes a difference in the perception of the respondents regarding project management. The difference in the mean value is significant in the case of average monthly income of the respondents.

There is higher level of perception among the respondents whose average monthly income is below 5000 (Mean value of 51.61 with a standard deviation of 9.388).

Figure 7.3: Difference in the perception regarding project management based on the average monthly income of the respondents.



7.5.3 Project Execution

The factor project execution covers how the project is executed. It deals with how the projects functions and cater to the need of the beneficiaries.

Descriptive Statistics

Project execution was calculated on the strength of the summated scale of 5 statements given in the questionnaire. The maximum limit of the scale is 50 and the minimum limit is 5. The following table shows the descriptive statistics of the factor project execution.

Table 7.14: Descriptive Statistics of Project Execution

| Category | Statistics | Std. Error |
|----------------------------------|-------------|------------|
| Mean | 41.40 | .352 |
| 95% Confidence Interval for Mean | Lower Bound | 40.71 |
| | Upper Bound | 42.10 |
| 5% Trimmed Mean | 41.78 | |
| Median | 43.00 | |
| Variance | 31.915 | |
| Std. Deviation | 5.649 | |

Source: Primary Data

From the table 7.14 it can be observed that the mean value of the factor is 41.40 and the standard deviation is 5.649. The difference between the upper bound and the lower bound is nominal (1.39).

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was 30 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 41.49

Table 7.15: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 30 | 41.40 | 5.649 | .352 | 32.422 | 257 | .000 |

Source: Primary Data

It can be observed from the table 7.15 that there is significant difference between the test value and the mean value. It can also be concluded that the perception regarding project execution is high among the respondents.

Next the researcher have made an analysis to identify whether there is any difference in the perception of the respondents regarding project execution based on the demographic profile of the respondents.

Table 7.16: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|--------|------|
| Gender | Male | 41.02 | 5.47 | | -1.223 | .223 |
| | Female | 41.89 | 5.856 | | | |
| Age | Young Adults | 41.26 | 5.454 | | .834 | .435 |
| | Middle aged adults | 41.70 | 5.501 | | | |
| | Old adults | 40.47 | 6.419 | | | |
| Marital Status | Married | 41.15 | 5.762 | | -2.458 | .018 |
| | Single | 43.29 | 4.368 | | | |
| Number of Family Members | Less than or equal to two | 41.47 | 4.974 | | .426 | .790 |
| | Three | 40.81 | 6.397 | | | |
| | Four | 41.92 | 5.010 | | | |
| | Five | 41.78 | 5.163 | | | |
| | Above five | 41.02 | 6.502 | | | |

Source: Primary Data

The marital status of the respondents created a difference in the perception of the respondents about the project execution. The mean value of perception is high among the single category respondents rather than the married respondents.

An analysis was done to identify the difference in the perception of the respondents based on their socio demographic characteristics.

Table 7.17: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|----------------|-------|------|
| Educational Qualification | Upto Primary | 42.46 | 5.757 | | 1.002 | .407 |
| | Secondary | 41.61 | 5.475 | | | |
| | Higher Secondary | 41.32 | 5.879 | | | |
| | Graduate | 40.17 | 5.856 | | | |
| | Post Graduate and Above | 42.17 | 5.555 | | | |
| Occupation | Salaried Class | 41.70 | 5.693 | | .334 | .801 |
| | Labourer | 41.47 | 6.193 | | | |
| | Self Employed | 42.07 | 4.122 | | | |
| | Jobless | 40.97 | 5.498 | | | |
| Earning Members | One | 41.94 | 5.592 | | 2.310 | .101 |
| | Two | 40.32 | 5.475 | | | |
| | Above two | 41.80 | 6.689 | | | |
| Average Monthly Income | Below 5000 | 41.37 | 4.896 | | .539 | .707 |
| | 5001-10000 | 41.81 | 5.955 | | | |
| | 10001-15000 | 42.11 | 6.662 | | | |
| | 15001-20000 | 41.43 | 4.290 | | | |
| | Above 20000 | 40.62 | 5.968 | | | |

Source: Primary Data

There is no significant difference in the perception of the respondents about the project execution factor based on their socio-economic classifications. The mean value differences are not significant regarding project execution. All the respondents irrespective of their socio economic characteristics have high level of perception regarding the factor project execution.

7.5.4 Project Viability

The factor deals with the feasibility of the project. It covers the aspects necessary for the survival of the project.

Descriptive Statistics

Project viability was calculated on the strength of the summated scale of 6 statements given in the questionnaire. The maximum limit of the scale is $6 \times 10 = 60$ and the minimum limit is $6 \times 1 = 6$. The following table shows the descriptive statistics of the factor project quality.

Table 7.18: Descriptive Statistics of Project Viability

| Category | Statistics | Std. Error |
|----------------------------------|-------------|------------|
| Mean | 48.15 | .435 |
| 95% Confidence Interval for Mean | Lower Bound | 47.29 |
| | Upper Bound | 49.00 |
| 5% Trimmed Mean | 48.39 | |
| Median | 47.50 | |
| Variance | 48.780 | |
| Std. Deviation | 6.984 | |

Source: Primary Data

From the table 7.18 it can be observed that the mean value of the factor is 48.15 with a standard deviation of 6.984. 1.71 is the difference between the upper bound and lower bound of the mean.

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was decided to be 36 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 48.15

Table 7.19: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 36 | 48.15 | 6.984 | .435 | 27.936 | 257 | .000 |

Source: Primary Data

The result of the one sample t test shows that the difference is significant between the test value and the mean value. Also the perception of the respondents is very high about project execution.

Table 7.20: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|-------|------|
| Gender | Male | 47.86 | 6.620 | | -.739 | .461 |
| | Female | 48.51 | 7.433 | | | |
| Age | Young Adults | 48.54 | 6.468 | | .136 | .873 |
| | Middle aged adults | 47.98 | 7.243 | | | |
| | Old adults | 48.28 | 6.748 | | | |
| Marital Status | Married | 48.06 | 7.165 | | -.532 | .595 |
| | Single | 48.77 | 5.536 | | | |
| Number of Family Members | Less than or equal to two | 46.82 | 7.570 | | .836 | .503 |
| | Three | 47.73 | 7.177 | | | |
| | Four | 48.94 | 7.331 | | | |
| | Five | 49.02 | 6.519 | | | |
| | Above Five | 47.59 | 6.160 | | | |

Source: Primary Data

Project viability factor describes how the project is feasible for the respondents. There is no difference in the perception of the respondents about project viability based on the demographic characteristics of the respondents.

Table 7.21: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|----------------|-------|------|
| Educational Qualification | Upto Primary | 47.64 | 7.460 | | 1.646 | .163 |
| | Secondary | 48.93 | 7.006 | | | |
| | Higher Secondary | 45.73 | 5.767 | | | |
| | Graduate | 47.96 | 7.280 | | | |
| | Post Graduate and Above | 49.17 | 6.964 | | | |
| Occupation | Salaried Class | 48.76 | 7.389 | | .560 | .642 |
| | Labourer | 48.24 | 8.018 | | | |
| | Self Employed | 46.79 | 5.925 | | | |
| | Jobless | 47.68 | 5.998 | | | |
| Earning Members | One | 48.33 | 6.954 | | .166 | .847 |
| | Two | 47.79 | 7.281 | | | |
| | Above two | 48.27 | 5.849 | | | |
| Average Monthly Income | Below 5000 | 49.16 | 6.128 | | .686 | .602 |
| | 5001-10000 | 47.61 | 7.534 | | | |
| | 10001-15000 | 48.89 | 7.811 | | | |
| | 15001-20000 | 47.43 | 6.686 | | | |
| | Above 20000 | 47.63 | 6.873 | | | |

Source: Primary Data

From the table it can be observed that there is no significant difference in the perception of the respondents based on their socio economic classifications. All are having a positive perception regarding the viability of the project irrespective of their demographic, socio-economic differences.

7.5.5 Project Governance

It deals with how the administration of the project is carried on.

Descriptive Statistics

Project governance was calculated by taking the summated scale of 3 statements in the questionnaire. 30 is the maximum limit and 3 is the minimum limit of the scale. The table below shows the descriptive statistics of the factor project governance

Table 7.22: Descriptive Statistics of Project Governance

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 24.31 | .281 |
| 95% Confidence Interval for Mean | Lower Bound | 23.75 | |
| | Upper Bound | 24.86 | |
| 5% Trimmed Mean | | 24.74 | |
| Median | | 25.00 | |
| Variance | | 20.423 | |
| Std. Deviation | | 4.519 | |

Source: Primary Data

From the table 7.22 it is evident that the mean value of the factor is 48.39 with a standard deviation of 8.614. The difference between the upper bound and the lower bound is only 1.11.

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was decided to be 36 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 48.39.

Table 7.23: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 18 | 24.31 | 4.519 | .281 | 22.414 | 257 | .000 |

Source: Primary Data

Based on the test, there is significant difference between the test value and the mean value. It can be seen from the table 7.23 that the mean value of project governance is far higher than the test value. So it can be estimated that the perception of the respondents is high regarding project governance.

Table 7.24: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|--------|------|
| Gender | Male | 24.12 | 3.783 | | -.751 | .453 |
| | Female | 24.54 | 5.313 | | | |
| Age | Young Adults | 24.65 | 4.942 | | 1.553 | .214 |
| | Middle aged adults | 24.48 | 4.085 | | | |
| | Old adults | 23.21 | 5.392 | | | |
| Marital Status | Married | 24.01 | 4.638 | | -2.901 | .004 |
| | Single | 26.48 | 2.706 | | | |
| Number of Family Members | Less than or equal to two | 24.18 | 4.181 | | .335 | .855 |
| | Three | 23.88 | 4.660 | | | |
| | Four | 24.75 | 4.180 | | | |
| | Five | 24.47 | 3.591 | | | |
| | Above Five | 24.20 | 6.018 | | | |

Source: Primary Data

The factor project governance addresses how well the complaints of the people are received and redressed by the project management committee. It can be observed from the table that marital status of the people create significant difference in the perception of the respondents regarding the project governance factor. There is significant difference in the perception of the married respondents and the single respondents. The perception of single respondents is high (mean value of 26.48 with a standard deviation of 2.706).

Table 7.25: Socio Economic Profile wise Classifications

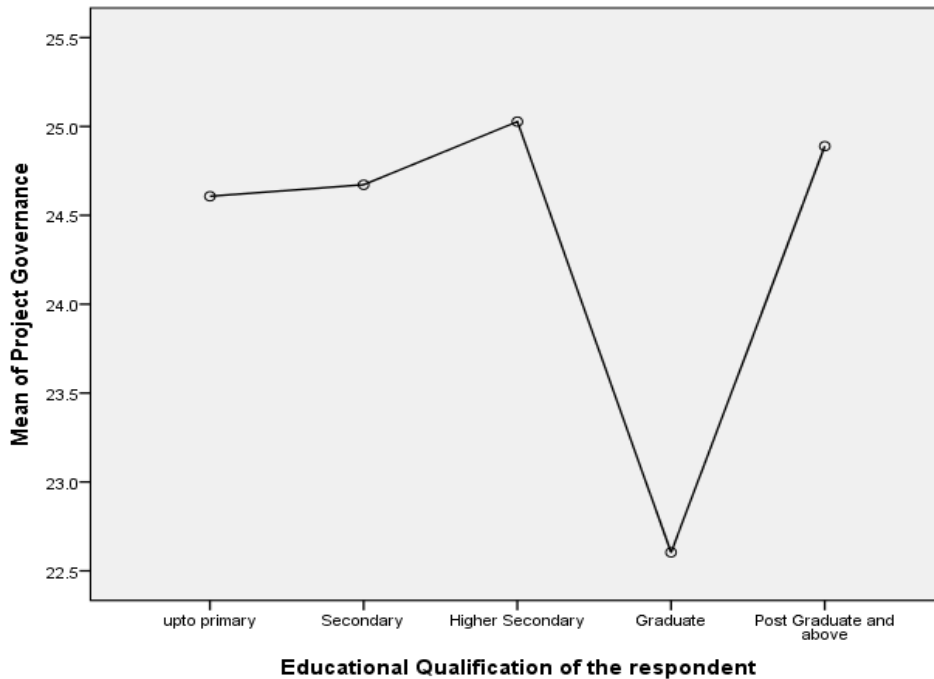
| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|--------------------------|-------|------|
| Educational Qualification | Upto Primary | 24.61 | 5.573 | Sig. difference with all | 2.477 | .045 |
| | Secondary | 24.67 | 3.941 | Sig. difference with all | | |
| | Higher Secondary | 25.03 | 2.986 | Sig. difference with all | | |
| | Graduate | 22.60 | 5.988 | Sig. difference with all | | |
| | Post Graduate and Above | 24.89 | 2.948 | Sig. difference with all | | |
| Occupation | Salaried Class | 24.66 | 4.392 | | 1.024 | .383 |
| | Labourer | 24.53 | 4.206 | | | |
| | Self Employed | 25.21 | 1.311 | | | |
| | Jobless | 23.68 | 5.087 | | | |
| Earning Members | One | 24.24 | 4.820 | | 1.882 | .154 |
| | Two | 24.05 | 4.083 | | | |
| | Above two | 26.47 | 2.900 | | | |
| Average Monthly Income | Below 5000 | 24.44 | 3.740 | | 1.885 | .114 |
| | 5001-10000 | 24.13 | 4.840 | | | |
| | 10001-15000 | 25.58 | 3.916 | | | |
| | 15001-20000 | 25.18 | 3.139 | | | |
| | Above 20000 | 23.28 | 5.441 | | | |

Source: Primary Data

It can be observed that the education of the respondents created a difference in the perception of the people regarding project governance. The perception is high among respondents with higher secondary education with a mean value of 25.03 and standard deviation of 2.986

No other variables create any significant difference in the perception of the respondents regarding the project governance factor.

Figure 7.4: Difference in the perception regarding project Governance based on educational qualification of the respondents



7.5.6 Project Benefit

This factor deals with the various benefits derived from the project.

Descriptive Statistics

Project Benefit was calculated by taking the summated scale of 4 statements given in the questionnaire. The maximum limit of the scale is $4 \times 10 = 40$ and the minimum limit is $4 \times 1 = 4$. The following table shows the descriptive statistics of the factor project benefit.

Table 7.26: Descriptive Statistics of Project Benefit

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 32.45 | .314 |
| 95% Confidence Interval for Mean | Lower Bound | 31.83 | |
| | Upper Bound | 33.06 | |
| 5% Trimmed Mean | | 32.79 | |
| Median | | 34.00 | |
| Variance | | 25.485 | |
| Std. Deviation | | 5.048 | |

Source: Primary Data

From the table 7.26 it can be observed that the mean value of the factor is 32.45 with a standard deviation of 5.048. The difference between the upper bound and the lower bound is 1.23.

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was decided to be 24 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 32.45.

Table 7.27: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 24 | 32.45 | 5.048 | .314 | 26.872 | 257 | .000 |

Source: Primary Data

It can be observed from the table 7.27 that the perception of the respondents is high regarding the factor project benefit. There is significant difference between the test value and the mean value of the factor.

Table 7.28: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|-------|------|
| Gender | Male | 32.17 | 5.313 | | -.998 | .319 |
| | Female | 32.80 | 5.095 | | | |
| Age | Young Adults | 31.22 | 5.551 | | 2.175 | .116 |
| | Middle aged adults | 32.87 | 5.091 | | | |
| | Old adults | 32.40 | 3.965 | | | |
| Marital Status | Married | 32.64 | 4.963 | | 1.706 | .089 |
| | Single | 31.00 | 5.508 | | | |
| Number of Family Members | Less than or equal to two | 33.94 | 4.235 | | 2.304 | .059 |
| | Three | 31.06 | 6.045 | | | |
| | Four | 32.72 | 5.113 | | | |
| | Five | 33.06 | 3.875 | | | |
| | Above five | 32.27 | 4.722 | | | |

Source: Primary Data

There is no significant difference in the perception regarding benefit from the project based on the demographic classification of the respondents. This factor dealt with how the project has become beneficial to the respondents. There is no difference in the project perception of the respondents with respect to the benefits derived from the project.

Table 7.29: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|----------------|-------|------|
| Educational Qualification | Upto Primary | 32.14 | 5.046 | | .859 | .489 |
| | Secondary | 32.89 | 4.734 | | | |
| | Higher Secondary | 32.54 | 4.598 | | | |
| | Graduate | 31.40 | 6.106 | | | |
| | Post Graduate and Above | 32.78 | 4.622 | | | |
| Occupation | Salaried Class | 32.58 | 5.743 | | .321 | .810 |
| | Labourer | 32.26 | 5.014 | | | |
| | Self Employed | 33.57 | 4.071 | | | |
| | Jobless | 32.26 | 4.474 | | | |
| Earning Members | One | 32.31 | 5.310 | | 1.366 | .257 |
| | Two | 32.32 | 4.432 | | | |
| | Above Two | 34.53 | 5.317 | | | |
| Average Monthly Income | Below 5000 | 33.32 | 3.425 | | 2.247 | .064 |
| | 5001-10000 | 31.33 | 5.464 | | | |
| | 10001-15000 | 31.78 | 5.758 | | | |
| | 15001-20000 | 34.11 | 3.881 | | | |
| | Above 20000 | 32.42 | 5.690 | | | |

Source: Primary Data

The socio economic characteristics of the respondents do not create any difference in the perception of the respondents regarding project benefit. All the respondents maintain high perception regarding project benefit irrespective of their socio economic status.

7.5.7 Project Control

It deals with how the various aspects of the project are controlled.

Descriptive Statistics

Project control was calculated on the strength of the summated scale of 3 statements given in the questionnaire. The maximum limit of the scale is 30 and the minimum limit is 3. The table given below shows the descriptive statistics of the factor project control.

Table 7.30: Descriptive Statistics of Project Control

| Category | | Statistics | Std. Error |
|---|--------------------|------------|------------|
| Mean | | 23.24 | .303 |
| 95% Confidence Interval for Mean | Lower Bound | 22.64 | |
| | Upper Bound | 23.83 | |
| 5% Trimmed Mean | | 23.53 | |
| Median | | 25.00 | |
| Variance | | 23.722 | |
| Std. Deviation | | 4.871 | |

Source: Primary Data

From the table 7.30 it can be observed that the mean value of the factor is 23.24 with a standard deviation of 4.871. 1.19 is the difference between the upper bound and lower bound of the mean.

One sample t test is applied to identify whether there is any difference between the test value and the mean value. Here the test score was decided to be 18.

Table 7.31: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 18 | 23.24 | 4.871 | .303 | 17.269 | 257 | .000 |

Source: Primary Data

Based on the one sample test it can be concluded that the difference between the test value and mean value is significant. Also it can be understood that the perception of the respondents is high regarding the control of the project.

The study also attempted to understand whether there is any significant difference in the perception of the respondents based on the demographic, social and economic characteristic of the respondents.

Table 7.32: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|--------|------|
| Gender | Male | 22.78 | 4.997 | | -1.680 | .094 |
| | Female | 23.81 | 4.666 | | | |
| Age | Young Adults | 22.15 | 5.364 | | 2.817 | .062 |
| | Middle aged adults | 23.78 | 4.551 | | | |
| | Old adults | 22.56 | 5.179 | | | |
| Marital Status | Married | 23.54 | 4.854 | | .917 | .360 |
| | Single | 22.48 | 5.006 | | | |
| Number of Family Members | Less than or equal to two | 23.59 | 4.507 | | 1.428 | .225 |
| | Three | 22.13 | 6.012 | | | |
| | Four | 24.05 | 4.456 | | | |
| | Five | 23.12 | 4.179 | | | |
| | Above five | 23.61 | 4.364 | | | |

Source: Primary Data

The project control factor dealt with how the project implementation is monitored by the agency and how well the corrective actions are initiated to redress the complaints of the beneficiaries. There is no difference in the perception regarding project control based the demographic classifications of the respondents

Table 7.33: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|----------------|-------|------|
| Educational Qualification | Upto Primary | 22.64 | 5.606 | | 1.439 | .222 |
| | Secondary | 23.85 | 4.417 | | | |
| | Higher Secondary | 23.03 | 4.200 | | | |
| | Graduate | 22.08 | 6.330 | | | |
| | Post Graduate and Above | 23.83 | 4.287 | | | |
| Occupation | Salaried Class | 22.66 | 5.492 | | .698 | .554 |
| | Labourer | 23.47 | 4.289 | | | |
| | Self Employed | 23.64 | 3.992 | | | |
| | Jobless | 23.61 | 4.681 | | | |
| Earning Members | One | 23.02 | 5.390 | | .449 | .638 |
| | Two | 23.64 | 3.731 | | | |
| | Above two | 23.27 | 4.487 | | | |
| Average Monthly Income | Below 5000 | 23.63 | 3.721 | | 1.538 | .192 |
| | 5001-10000 | 22.27 | 5.041 | | | |
| | 10001-15000 | 24.56 | 3.768 | | | |
| | 15001-20000 | 23.64 | 4.507 | | | |
| | Above 20000 | 22.95 | 6.104 | | | |

Source: Primary Data

The education, occupation, earning members in the family and the average monthly income does not create any significant difference in the perception of the respondents regarding project control.

7.5.8 Project Awareness

This factor of the project deals with the knowledge of the respondents regarding the project and its implementation.

Descriptive Statistics

Project awareness was calculated on the strength of the summated scale of 4 statements given in the questionnaire. The maximum limit of the scale is $4 \times 10 = 60$ and the minimum limit is $4 \times 1 = 4$. The following table shows the descriptive statistics of the factor project awareness.

Table 7.34: Descriptive Statistics of Project Awareness

| Category | | Statistics | Std. Error |
|----------------------------------|-------------|------------|------------|
| Mean | | 25.48 | .503 |
| 95% Confidence Interval for Mean | Lower Bound | 24.49 | |
| | Upper Bound | 26.47 | |
| 5% Trimmed Mean | | 25.83 | |
| Median | | 26.00 | |
| Variance | | 65.192 | |
| Std. Deviation | | 8.074 | |

Source: Primary Data

From the table 7.34 it can be observed that the mean value of the factor is 25.48 with a standard deviation of 8.074. The lower bound of the mean was 24.49 and the upper bound was 26.47. The difference between the upper bound and the lower bound is 1.98.

The researcher also applied one sample t test to study the statistical significance of the same. Here the test score was decided to be 24 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 25.48

Table 7.35: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|-------|-----|------|
| 258 | 24 | 25.48 | 8.074 | .503 | 2.945 | 257 | .000 |

Source: Primary Data

The one sample t test is conducted and based on the result it can be concluded that the difference is significant between the test value and the mean value. The perception of the respondents is only moderate regarding project awareness.

Next the tests were conducted to analyse whether the demographic, social and economic characteristics of the respondents create any difference in the perception of the respondents regarding the factor.

Table 7.36: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|-------|------|
| Gender | Male | 25.75 | 8.625 | | .602 | .548 |
| | Female | 25.14 | 7.344 | | | |
| Age | Young Adults | 26.33 | 7.287 | | .722 | .487 |
| | Middle aged adults | 25.50 | 8.338 | | | |
| | Old adults | 24.35 | 8.050 | | | |
| Marital Status | Married | 26.00 | 7.947 | | 2.809 | .005 |
| | Single | 21.71 | 8.125 | | | |
| Number of Family Members | Less than or equal to two | 25.97 | 8.347 | | 1.680 | .155 |
| | Three | 23.94 | 8.524 | | | |
| | Four | 25.49 | 7.608 | | | |
| | Five | 25.14 | 8.718 | | | |
| | Above five | 28.00 | 6.561 | | | |

Source: Primary Data

Project awareness is an important factor in determining the project perception of the respondents. This factor deal with how well the beneficiaries are aware about the role of CSL in the water supply project.

From the table it can be observed that there is significant difference in the perception of the married people. The mean value of the response of the married respondent is higher with a mean value of 26.00 and with a standard deviation of 7.947.

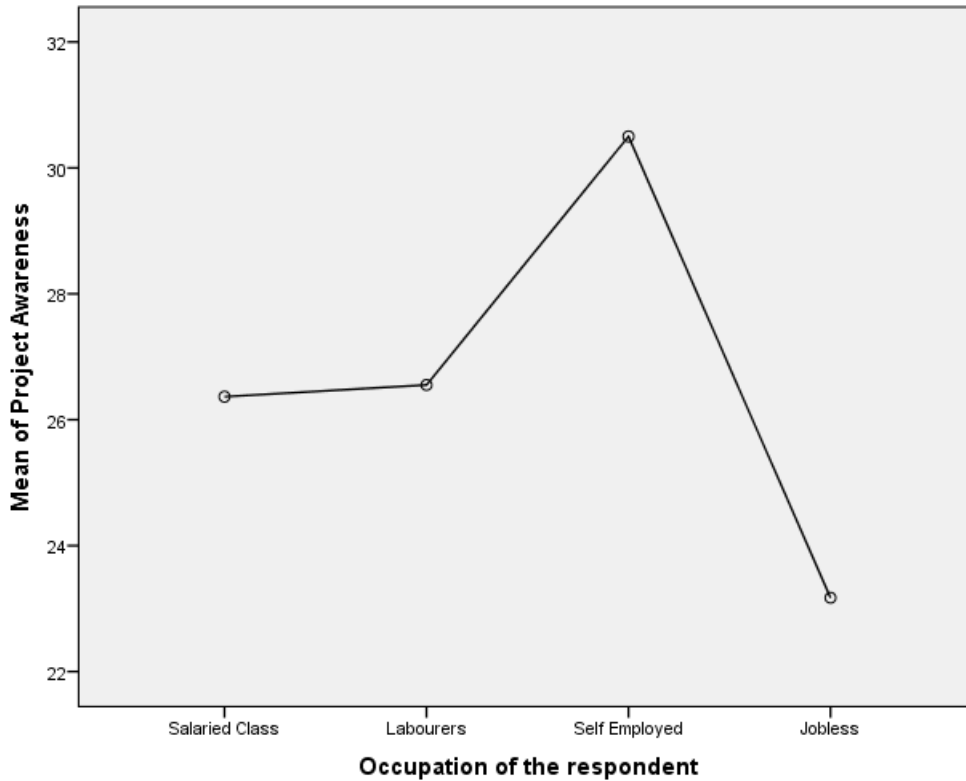
Table 7.37: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|----------------|-------|------|
| Educational Qualification | Upto Primary | 23.32 | 5.382 | | .955 | .433 |
| | Secondary | 26.26 | 8.131 | | | |
| | Higher Secondary | 24.43 | 7.929 | | | |
| | Graduate | 25.66 | 8.589 | | | |
| | Post Graduate and Above | 25.17 | 9.775 | | | |
| Occupation | Salaried Class | 26.37 | 7.164 | | 5.304 | .001 |
| | Labourer | 26.55 | 7.605 | | | |
| | Self Employed | 30.50 | 6.161 | | | |
| | Jobless | 23.17 | 8.880 | | | |
| Earning Members | One | 24.78 | 8.190 | | 1.568 | .210 |
| | Two | 26.62 | 7.777 | | | |
| | Above two | 26.53 | 8.167 | | | |
| Average Monthly Income | Below 5000 | 25.76 | 9.277 | | .713 | .583 |
| | 5001-10000 | 24.13 | 7.217 | | | |
| | 10001-15000 | 26.56 | 6.367 | | | |
| | 15001-20000 | 26.25 | 7.145 | | | |
| | Above 20000 | 25.68 | 8.911 | | | |

Source: Primary Data

The perception regarding project awareness is affected by the occupation of the respondents. No other socio- economic variables create any difference in the perception of the respondents. Regarding occupation, the mean value of the self employed category is high compared to other occupation categories. (Mean value of 30.50 with a standard deviation of 6.161.)

Figure 7.5: Difference in the perception regarding project awareness based on the occupation of respondents



7.5.9 Project Mechanism

This aspect deals with the infrastructure facilities of the project.

Descriptive Statistics

Project mechanism was calculated on the strength of the summated scale of 2 statements given in the questionnaire. The maximum limit of the scale is 20 and the minimum limit is 2. The following table shows the descriptive statistics of the factor.

Table 7.38: Descriptive Statistics of Project Mechanism

| Category | Statistics | Std. Error |
|----------------------------------|-------------|------------|
| Mean | 15.68 | .207 |
| 95% Confidence Interval for Mean | Lower Bound | 15.27 |
| | Upper Bound | 16.09 |
| 5% Trimmed Mean | 15.92 | |
| Median | 16.00 | |
| Variance | 11.060 | |
| Std. Deviation | 3.326 | |

Source: Primary Data

From the table 7.38 it can be observed that the mean value of the factor is 15.68 with a standard deviation of 3.326. The difference between the upper bound and the lower bound is .82.

One sample t test was applied to study the statistical significance of the same. Here the test score was decided to be 12 and the test was conducted to identify whether there is any significant difference between the test score and the mean score of 15.68.

Table 7.39: One sample Statistics

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|-------|-------|-----------|--------|-----|------|
| 258 | 12 | 15.68 | 3.326 | .207 | 17.766 | 257 | .000 |

Source: Primary Data

From the table 7.39 it is evident that there is significant difference between the test value and the mean value. Also the respondents are having high level of perception regarding the project mechanism.

Table 7.40: Demographic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|--------------------------|---------------------------|-------|-------|----------------|--------|------|
| Gender | Male | 15.08 | 3.502 | | -3.331 | .001 |
| | Female | 16.44 | 2.930 | | | |
| Age | Young Adults | 15.98 | 3.585 | | .483 | .618 |
| | Middle aged adults | 15.52 | 3.290 | | | |
| | Old adults | 15.88 | 3.156 | | | |
| Marital Status | Married | 15.56 | 3.418 | | -1.616 | .107 |
| | Single | 16.58 | 2.405 | | | |
| Number of Family Members | Less than or equal to two | 15.41 | 3.211 | | 3.020 | .019 |
| | 3 | 14.64 | 3.700 | | | |
| | 4 | 15.80 | 3.615 | | | |
| | 5 | 16.45 | 2.935 | | | |
| | Above 5 | 16.44 | 2.248 | | | |

Source: Primary Data

Project mechanism factor consider the infrastructure of the project and the proper maintenance of it. The gender, marital status as well as the number of members in the family creates a difference in the perception of the respondents regarding project mechanism. The female category has higher level of perception compared to the male respondents. The mean value of female respondents is 16.44 with a standard deviation of 2.930. The difference is significant in the perception of the single

category respondents (mean value of 16.58 with a standard deviation of 2.405). It is higher than the married respondents

Figure 7.6: Difference in the perception regarding project mechanism based on the number of members in the household

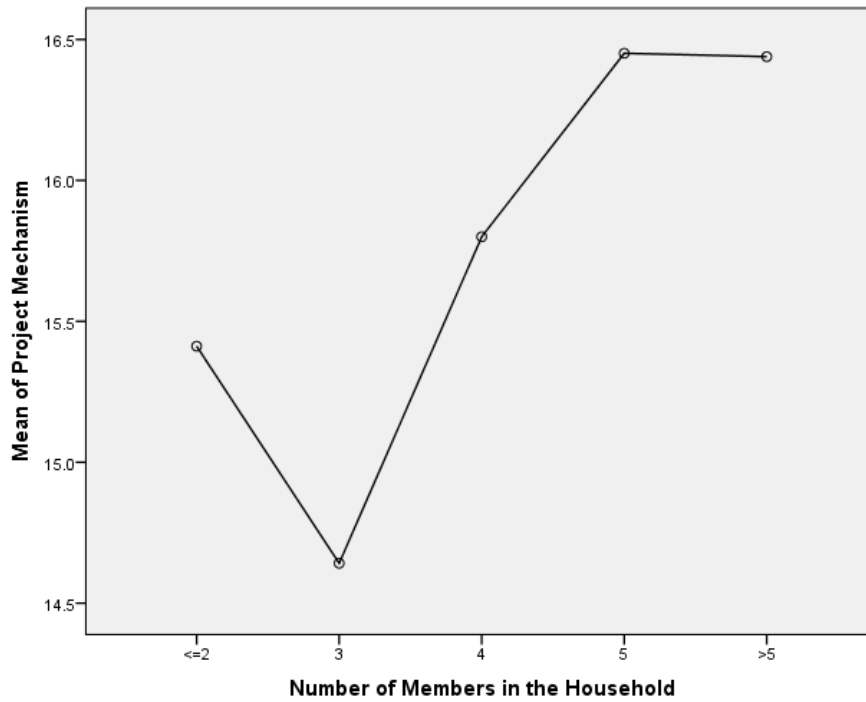


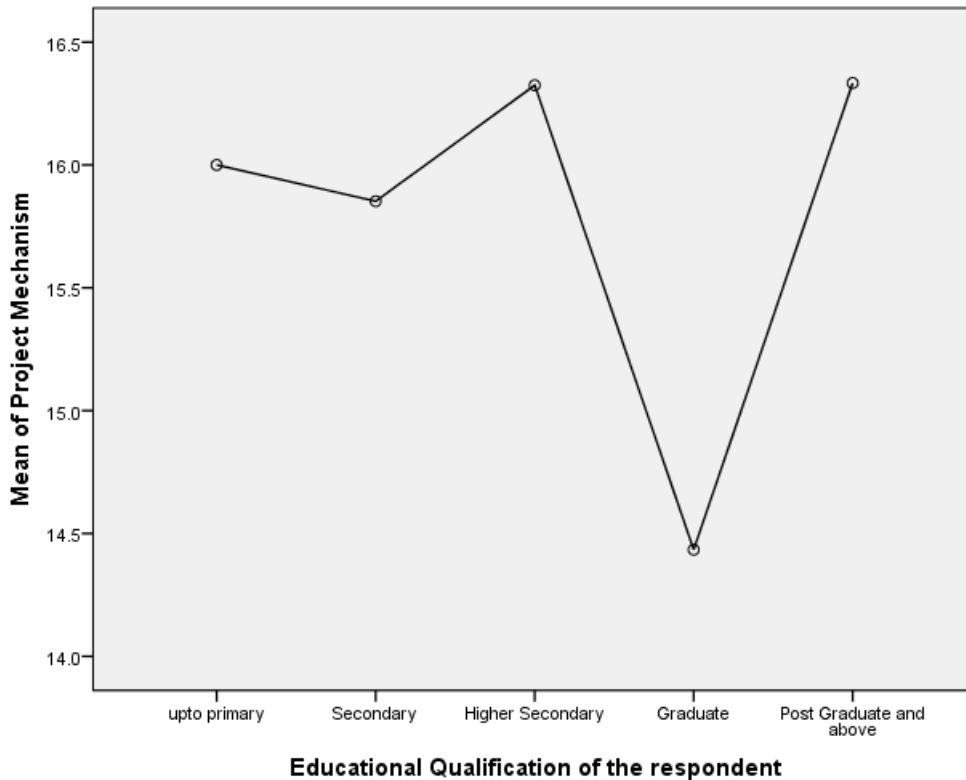
Table 7.41: Socio Economic Profile wise Classifications

| Category | Group | Mean | S.D | Post Hoc (LSD) | F/t | Sig |
|---------------------------|-------------------------|-------|-------|--------------------------|-------|------|
| Educational Qualification | Upto Primary | 16.00 | 3.139 | Sig. difference with UG | 2.590 | .037 |
| | Secondary | 15.85 | 3.014 | Sig. difference with UG | | |
| | Higher Secondary | 16.32 | 2.858 | Sig. difference with UG | | |
| | Graduate | 14.43 | 4.268 | Sig. difference with all | | |
| | Post Graduate and Above | 16.33 | 2.701 | Sig. difference with UG | | |
| Occupation | Salaried Class | 15.37 | 3.967 | | .583 | .627 |
| | Labourer | 16.07 | 3.020 | | | |
| | Self Employed | 16.00 | 2.660 | | | |
| | Jobless | 15.70 | 2.881 | | | |
| Earning Members | One | 15.65 | 3.370 | | .948 | .389 |
| | Two | 15.52 | 3.198 | | | |
| | Above two | 16.80 | 3.570 | | | |
| Average Monthly Income | Below 5000 | 15.85 | 2.648 | | 1.110 | .352 |
| | 5001-10000 | 15.84 | 3.053 | | | |
| | 10001-15000 | 16.39 | 3.174 | | | |
| | 15001-20000 | 15.46 | 3.372 | | | |
| | Above 20000 | 15.05 | 4.129 | | | |

Source: Primary data

Educational qualification also creates a difference in the perception of the respondents. The perception is high among post graduates and above (mean value of 16.33 with a standard deviation of 2.701). The perception of the under graduate category is different from the respondents belonging to other educational category.

Figure 7.7: Difference in the perception regarding project mechanism based on the educational qualification of respondents



The study further focused on establishing the 9 factors and its contribution in determining the overall project rating by the respondents. First the researcher attempted a one sample t test is run to identify the mean of the overall project perception and whether there is any significant difference between the test value and the mean value.

7.6 Perception of beneficiaries regarding CSR project

Table 7.42: One sample statistics of Project perception

| N | Test Value | Mean | SD | Std.Error | t | DF | Sig |
|-----|------------|---------|---------|-----------|--------|-----|------|
| 258 | 60 | 76.8072 | 9.23261 | .57480 | 29.240 | 257 | .000 |

Source: Primary Data

Based on the one sample t test, it is identified that the mean value of the project perception is 76.8072 with a standard deviation of 9.23261. Also there is significant difference between the test value and the mean value.

Next step was to check whether there is any significant difference between the high perception cluster and the low perception cluster regarding the project perception. Independent sample t test was conducted to identify the difference between the perceptions of 2 clusters regarding the project perception.

Table 7.43: Independent Sample t test for Project Rating

| Cluster Group | N | Mean | Std. Deviation | Std. Error Mean | t value | Sig. (2 tailed) |
|-------------------------|-----|---------|----------------|-----------------|---------|-----------------|
| High Perception Cluster | 166 | 78.4774 | 9.14015 | .70941 | 4.016 | .000 |
| Low Perception Cluster | 92 | 73.7935 | 8.65951 | .90282 | 4.079 | .000 |

Source: Primary Data

Based on the test, it can be concluded that there is significant difference between the high perception group and low perception group regarding the project perception. The high perception group which maintains high perception regarding CSR maintains a high perception regarding CSR project also.

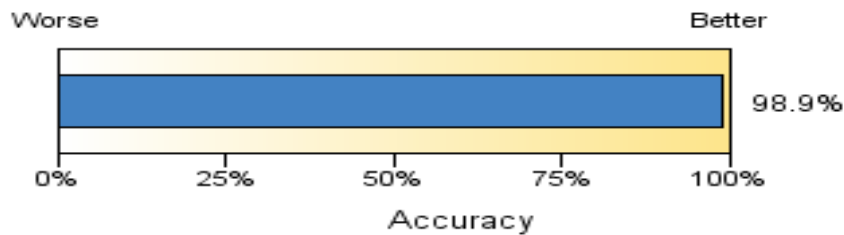
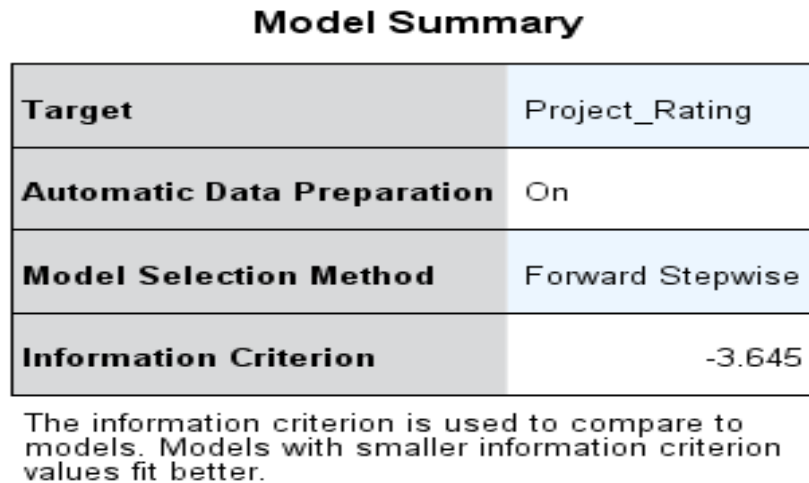
7.7 Perception of beneficiaries regarding the project and the factors influencing the perception of beneficiary group

The study analysed the importance of nine factors in determining the perception of beneficiary group regarding the CSR project of Cochin Shipyard Limited.

Figure 1 shows the automatic data preparation and model selection performed as part of the model building process. The default method, forward stepwise is used in

this analysis. This starts with no effects in the model and adds and removes effects one step at a time until no more can be added or removed.

Figure 7.8: Summary of model fit



Source: Primary Data

The first visible model is a high- level summary of the same and its fit. The chart displayed accuracy values which is adjusted to R_2 multiply with 100; thus the adjusted $t R_2$ of the final model is 0.989. So the level of accuracy of the data is 98.9%, proving that the data is fit for the model. The effect of the factors of perception regarding CSR project is presented in an ANOVA table with the individual effect of the factor

Table 7.44: The effect of factors in determination of beneficiary perception

Effects
Target: Project_Rating

| Source | Sum of Squares | df | Mean Square | F | Sig. | Importance |
|----------------------------|----------------|-----|-------------|-----------|------|------------|
| Corrected Model ▼ | 21,672.374 | 9 | 2,408.042 | 2,545.641 | .000 | |
| Pjctmgt_transformed | 1,377.279 | 1 | 1,377.279 | 1,455.979 | .000 | 0.322 |
| Pjctawareness_transformed | 944.449 | 1 | 944.449 | 998.416 | .000 | 0.221 |
| pjctviability_transformed | 507.876 | 1 | 507.876 | 536.897 | .000 | 0.119 |
| pjctquality_transformed | 495.561 | 1 | 495.561 | 523.878 | .000 | 0.116 |
| Pjctexecution_transformed | 275.860 | 1 | 275.860 | 291.623 | .000 | 0.064 |
| Pjctcontrol_transformed | 202.670 | 1 | 202.670 | 214.251 | .000 | 0.047 |
| Pjctbenefit_transformed | 181.946 | 1 | 181.946 | 192.343 | .000 | 0.043 |
| PjctGovernance_transformed | 166.289 | 1 | 166.289 | 175.791 | .000 | 0.039 |
| Pjctmechanism_transformed | 126.790 | 1 | 126.790 | 134.035 | .000 | 0.030 |
| Residual | 234.595 | 248 | 0.946 | | | |
| Corrected Total | 21,906.969 | 257 | | | | |

The diagram below shows the predictors in the final model in order of rank of importance. For this linear model the sum of importance values is one (1).

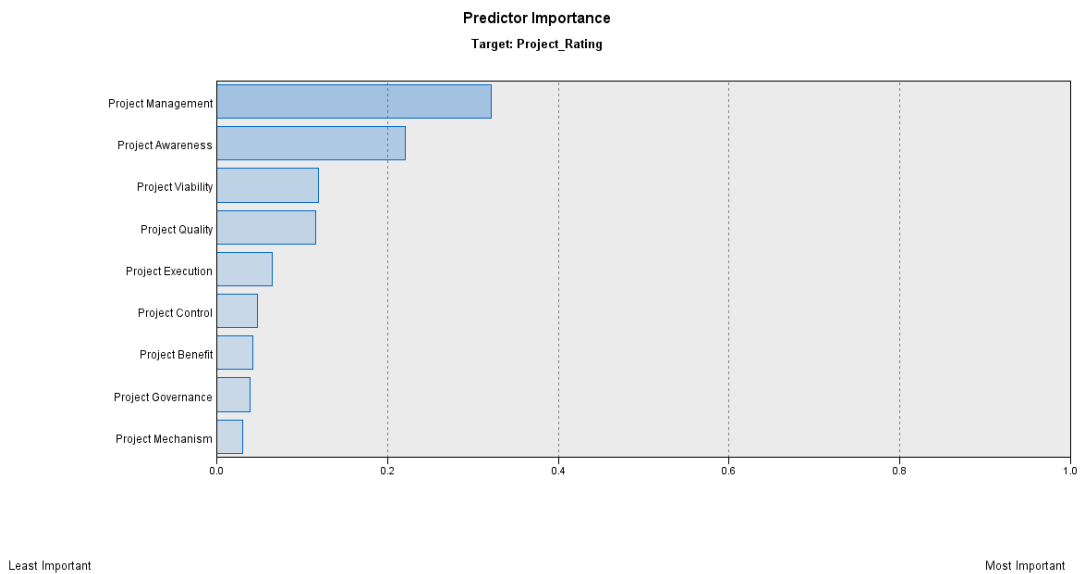
$$0.322 + 0.221 + 0.119 + 0.116 + 0.064 + 0.047 + 0.043 + 0.039 + 0.030 = 1$$

The sum of importance of all the factors equal to one. Project management and project awareness are the important factors in determining the project perception. The table shows that the perception of the respondents regarding a project is determined by how a project is managed and to what extent the beneficiaries are knowledgeable regarding a project

It is evident from the table 7.44 that all factors are statistically significant in determining the project perception.

The procedure used in the information criterion to determine which predictors to add is done according to F test. It also shows the level of importance of the 9 factors in forming the perception of the beneficiary group regarding the CSR project.

Figure 7.9: Predictor of Importance



In the figure 7.8 factors determining the project perception is presented in the order of predictors rank. It can be observed that “Project management” was ranked first in the order of importance followed by “Project Awareness”. These two factors highly influence the perception of the beneficiaries of the project.

Project viability and project quality followed this. The balance factors have only nominal importance.

Visualisation of the ANOVA Table is shown in the figure 7.9 which illustrates the factors influencing the project perception of beneficiary group. The predictors were ordered from top to bottom in the order of importance. The thickness of each connecting line is based on the statistical significance of the effect. It is important to note that all the factors are statistically significant in determining the perception of the beneficiary group at 95% confidence level.

Table 7.45: Parameter Estimates

Coefficients
Target: Project_Rating

| Model Term | Coefficient ▶ | Sig. | Importance |
|----------------------------|---------------|------|------------|
| Intercept | -4.301 | .000 | |
| Pjctmngt_transformed | 0.274 | .000 | 0.322 |
| Pjctawareness_transformed | 0.249 | .000 | 0.221 |
| pjctviability_transformed | 0.234 | .000 | 0.119 |
| pjctquality_transformed | 0.248 | .000 | 0.116 |
| Pjctexecution_transformed | 0.268 | .000 | 0.064 |
| Pjctcontrol_transformed | 0.268 | .000 | 0.047 |
| Pjctbenefit_transformed | 0.258 | .000 | 0.043 |
| PjctGovernance_transformed | 0.304 | .000 | 0.039 |
| Pjctmechanism_transformed | 0.314 | .000 | 0.030 |

The coefficient shows the relationship of each model parameter to Project Perception. The model can be characterised in the equation as follows.

$$PP = -4.30 + (0.27 M) + (0.24 A) + (0.23 V) + (0.24 Q) + (0.26 E) + (0.26 C) + (0.25 B) + (0.30 G) + (0.31 ME)$$

Where PP = Project Perception

M = Project Management

A = Project Awareness

V = Project Viability

Q = Project Quality

E = Project Execution

C = Project Control

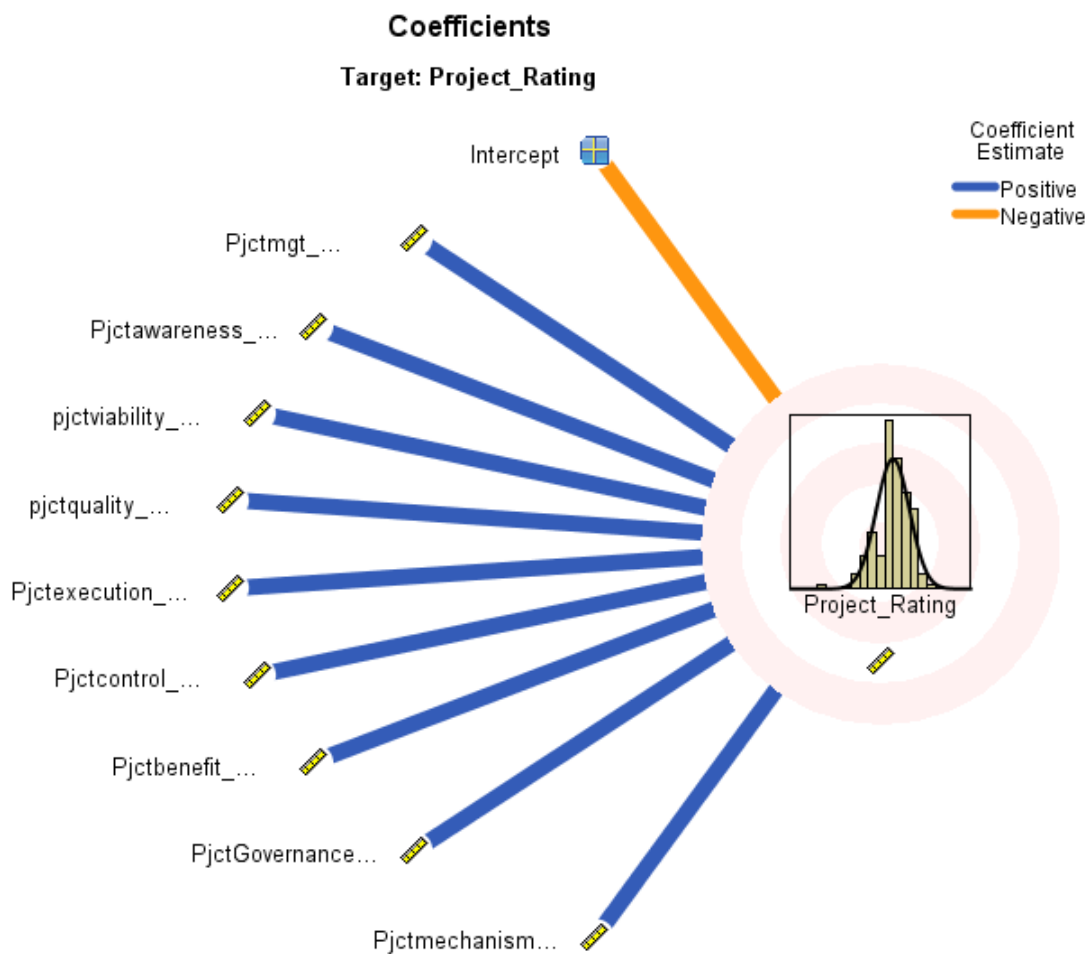
B = Project Benefit

G = Project Governance

ME = Project mechanism

Diagrammatic representation of the parameter estimates are depicted below. The chart displays intercept first and then the factors determining project perception sort by decreasing predictor importance.

Figure 7.10: Diagrammatic representation of the parameter estimates



The model is summarised by stating that, all the 9 factors have a positive effect on determining the positive perception of beneficiary group regarding CSR project of Cochin Shipyard Limited. The perception of the beneficiaries are determined on the basis of their response to the above 9 factors. The factors are arranged in the order of the prominence in determining the project perception. Each and every aspect regarding the working and benefits of the project is covered by measuring the project

perception. The perception of the beneficiary group as a stakeholder is very important in measuring the effect and impact of the project in long term.

7.8 Summary

According to Bhattacharya et.al “no two stakeholders are exactly alike”. So it is important for the management to realise the heterogeneous nature of the stakeholders and they need to know how the stakeholders perceive the CSR initiatives of the company.

The perception of the beneficiaries regarding CSR project of CSL is studied and it can be observed that the respondents maintain high positive perception regarding the project. It is also observed that project management and project awareness have an important role in deciding the perception of the respondents. These two factors deal with how the project of a company is managed and to what extent the stakeholders are aware about the implementation and functioning of the project. These findings lead to the fact and the need of making the stakeholders aware about the CSR activities of the company. The heterogeneity in the nature of the stakeholders is visible.

References

1. C.B.Bhattacharya, Sankar Sen & Daniel Korschun (2011), *Leveraging Corporate Responsibility- the stakeholder route to maximising business and social value*, Cambridge University Press
2. Bohrnstedt, George & Knoke, David, (2002), *Statistics for Social Data Analysis*. Teaching Sociology. 17. 10.2307/1318093.
3. Swanepoel, H. & De Beer, F., (2006.) *Community development. Breaking the cycle of poverty* 4th edition. Formeset Printers Cape. South Africa.
4. Sreejith S., (2018) *An Empirical Study on Telecentre Sustainability with special reference to Akshaya Project, Kerala*, Archers & Elevators Publishing House.

Chapter 8

FINDINGS, SUGGESTIONS AND CONCLUSION

- 8.1 Introduction
- 8.2 Research Problem
- 8.3 Objectives of the study
- 8.4 Significance of the study
- 8.5 Research Methodology adopted for the study
- 8.6 Presentation of the thesis
- 8.7 CSR implementation and compliance by the Kerala based listed Companies
- 8.8 Perception of the beneficiaries regarding CSR and CSR Project
- 8.9 Suggestions Based on the Study
- 8.10 Scope for Further Research
- 8.11 Conclusion

**FINDINGS, SUGGESTIONS
AND CONCLUSION****8.1 Introduction**

The aim of this chapter is to offer a summary of the research work done by the researcher. The first part will offer an overview regarding the research problem, aim and methodology of the study. The second part offer a discussion of the findings regarding each objective based on the primary and secondary data analysis. Third part offers certain suggestions that can be implemented by the companies, government and beneficiaries based on the findings of the study.

Corporate social responsibility has become an essentiality in the modern world and the people or more precisely the stakeholders have recognised the need for this business practice. Even though there were many countries like Sweden, Norway, Denmark, France etc which had made the reporting of CSR mandatory, India was the first country to introduce mandatory CSR by introducing it in the companies Act. The Ministry of Corporate Affairs had also made its effort in providing a direction to initiate the CSR activities of the companies. It was in 1st April 2014, the mandatory CSR clause came in to force. Many companies in India were engaged in social initiatives even before the introduction of the clause, but the compulsion from the part of the ministry defiantly resulted in an acceleration of CSR initiatives in India.

8.2 Research Problem

The increased awareness and concern amongst the stakeholders, has resulted in their demand that businesses of all types and sizes need to function with fairness and responsibility. Specifically, this calls for businesses being thoroughly aware and conscious of their social, environmental and economic responsibilities, and balance these different considerations in an ethical manner. The Government of our country has also taken this issue gravely and introduced many policies and regulations in this regard. The Ministry of Corporate Affairs had issued the voluntary guidelines for the

implementation of CSR in 2009. They have also issued a revised guide line in 2011. Efforts were also made to make CSR mandatory based on certain conditions and this also came true by the introduction of mandatory CSR in the Companies At 2013. Further rules and amendments are also introduced in this regard. It is high time to make an analysis regarding the implementation of these regulations by various companies and how well they implement various projects as a part of their CSR initiative. All these made it inevitable to study how this is implemented by the companies in Kerala and the approach of beneficiaries to the CSR practices of companies in Kerala.

Apart from the few all India statistics, the data regarding the implementation of CSR in Kerala is limited. So the study first addressed the question regarding the CSR implementation of the companies in Kerala. To make the study more specific, the study was limited to those companies which are registered in Kerala and which are listed in NSE or BSE. These companies are named as Kerala based listed companies and all the 26 companies which come under this category are included in the study. The study made an attempt to understand about

- How the CSR implementation is done by the Kerala based listed companies?
- What is the major sector of CSR and the amount spent in each sector?
- Whether these companies are carrying on their
 - a) CSR policy formulation,
 - b) CSR committee formation and
 - c) CSR implementation
 - d) Selection of area of CSR intervention
 - e) CSR spending in compliance with the CSR clause in Companies Act 2013?

Also the researcher felt it is necessary to make a study from the stakeholder point of view. While reviewing many previous studies, the researcher identified the studies reflecting the perception of the managers, employees, consumers etc. regarding CSR and its implementation. Very few studies are available which reflect

the perception of the beneficiary group of a CSR project. So an attempt was made to understand the perception of the beneficiaries regarding the concept of CSR as well as the project. For conducting the study in a deeper way, a single project was identified by the researcher. This project selection was done by scanning the CSR projects of the Kerala based listed companies and identified a single project with large number of beneficiaries. The CSR project selected for the study was the Drinking water supply project of Cochin Shipyard Limited at Ambadimala Settlement Colony, in Chottanikkara Panchayath of Ernakulum District. So from the beneficiary aspect the study attempted to answer the following questions.

- What is the perception of beneficiaries regarding the concept of CSR?
- Is there any difference in the perception of the beneficiaries regarding the concept of CSR based on their gender, educational qualification, occupation, age, religion, marital status, income, size of their family and number of earning members in the family?
- What is the perception of the beneficiaries regarding CSR project of Cochin Shipyard Limited?
- Is there any difference in the perception of the beneficiaries regarding the CSR project of Cochin Shipyard Limited based on their gender, educational qualification, occupation, age, religion, marital status, income, size of their family and number of earning members in the family?

8.3 Objectives of the study

The main purpose of the study is to make an analysis of the CSR practices of selected companies in Kerala. The objectives of the study are

1. To make a comparative study of the CSR implementation of Kerala based listed companies.
2. To find out the compliance of Kerala based listed companies with the CSR legal framework in India.
3. To identify the major sectors of CSR investment and expenditure incurred by the Kerala based listed companies.

4. To understand the perception of beneficiaries regarding the concept of CSR
5. To study the perception of beneficiaries regarding the CSR project of Cochin Shipyard Limited.

8.4 Significance of the study

Over the centuries, this strong tradition of charity in almost all the business communities of India has acquired a secular character. The concept of CSR was emerged and practiced by the polluting industries like oil, chemicals etc in the earlier years. But the spread of CSR today is at a thriving rate. The companies are maintaining managers, officials etc for the proper implementation of CSR and the reporting is also given greater attention through publishing reports of CSR activities in the official websites as well as the annual reports of the company. The introduction of mandatory CSR in the Companies Act 2013 had accelerated the process of CSR in India. The reflections of the CSR activities all over India can be seen in the state of Kerala also.

Many major companies of Kerala had come up with innovative ways of solving social problems. As per the latest CSR report of NGO BOX regarding the CSR spending, Kerala's share is only 1.68% of the total CSR spending in India. The study will help in understanding the CSR initiatives of the Kerala based listed companies. The study intend to identify the CSR practices of Kerala based listed companies. Another aspect covered in the study is the stakeholder perception regarding CSR. Many previous studies had covered the perception of managers, employees and customers. But very few studies project the perception of the beneficiary group regarding the initiative and its benefits. So the study also intends to understand the perception and satisfaction of the beneficiary group regarding the CSR project.

8.5 Research Methodology adopted for the study

The study started with a literature review to have a proper understanding about CSR and the studies carried on this area of study. The literature study was helpful in developing a framework for the study. The study was based on both secondary and primary data. The secondary data and its analysis lead to primary data based study.

The study from the perspective of the company was conducted based on secondary data. For carrying on the study all the 26 Kerala based listed companies were selected. Secondary data was collected from the annual reports, CSR reports, sustainability reports etc published by the company for the past 4 years. So the period of study was from 2014-15 to 2017-18. Percentage analysis was applied for the analysis of the secondary data. A tool was developed to cover all the aspects of the CSR implementation as well as the compliance of the companies with the Companies act 2013.

The study from the perspective of stakeholder i.e. the beneficiary group was conducted based on the primary data. The data for this study was collected from the beneficiary group of the CSR project of CSL. The CSR project of CSL was implemented as a drinking water supply project in Ambadimala of Chottanikkara Panchayath in Ernakulam. The beneficiary group of 750 households constituted the population of the study. Out of these 258 beneficiary households was selected using the simple random sampling method. A structured questionnaire was developed to conduct the study. A pilot study was conducted among 40 households to check the appropriateness of the research questions and methods used in the study. Reliability test and content validity test was also done to ensure the accuracy. The method used in the study was descriptive in nature. Appropriate statistical tools like percentage analysis, one sample t test, independent sample t test, ANOVA, post hoc analysis were used for the analysis. Also the profiling of the respondents was done through clustering. The relative importance of the factors in determining the perception regarding CSR and project was established using artificial neural network and automatic linear model.

8.6 Presentation of the thesis

- Chapter 1:- Introduction
- Chapter 2:- Review of Literature
- Chapter 3:- Theoretical & Legal framework for CSR in India

| | |
|-------------|---|
| Chapter 4:- | CSR practices and CSR Compliance of Kerala based Listed Companies |
| Chapter 5:- | Background study on the CSR project of CSL |
| Chapter 6:- | Perception of the beneficiaries about CSR |
| Chapter 7:- | Perception of the beneficiaries regarding the CSR project of CSL |
| Chapter 8:- | Summary of findings, suggestions and conclusion |
| Appendices | |

Findings

8.7 CSR implementation and compliance by the Kerala based listed Companies

In this part of the study, CSR implementation of the companies and its compliance with the mandatory CSR clause is presented. The findings were based on the following variables.

Table 8.1: Variables studied using secondary data

| Variables | Purpose |
|----------------------------|--|
| CSR Committee | To understand the extent of compliance of CSR regulations achieved by the companies regarding the formation of CSR committee |
| CSR Policy | To understand the extent of compliance of CSR regulations achieved by the companies regarding the formulation of CSR policy. |
| CSR Reporting | To understand the extent of compliance of CSR regulations achieved by the companies regarding the Disclosure / CSR Reporting |
| CSR Expenditure | <ul style="list-style-type: none"> ○ To understand the extent of compliance of CSR regulations achieved by the companies regarding the CSR expenditure ○ To make a comparison between the prescribed and actual expenditure ○ To identify the companies which belong to the unspent category and the reason |
| Implementation Mode of CSR | To understand how the companies have implemented CSR |
| Location of CSR spending | To identify the geographical area chosen by the companies to make CSR investment |
| Area of CSR Intervention | To identify the area of CSR intervention chosen by the companies |

8.7.1 CSR Committee

According to the Companies Act 2013, it was mandated that, the companies having net worth of INR 500 crore or more or, turnover of INR1000 crore or more or net profit of 5 crore or more during any financial year shall be required to constitute a CSR Committee of the Board Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director with effect from 1st April 2014.

The first part of the analysis makes an enquiry to the aspect of formation of CSR committee. Regarding the formation of the committee among these 26 companies, the companies which formed a CSR committee was 17 in 2014 -15 and it was 22 in 2017-18. Only 4 companies is left to form a CSR committee and these 4 companies do not come under the purview of mandatory CSR.

While analysing the CSR committee aspects, the following was the major findings.

- There were companies which have not provided the details of the members in 2014-15 and 2015-16. But all the companies have made it a practice to disclose the details of the CSR committee in the director's annual report by 2016-17.
- The presence of independent directors is ensured by the company in all the years. There is at least one independent director in the CSR committee of majority of the companies (95.5%). Three companies had more than 2 independent directors in the CSR committee
- Only 6 companies have the presence of a woman director in their CSR committee. There were only 3 companies with women director in 2014-15. There is only one women director in all these 6 companies
- Majority of the companies convene the CSR committee meetings without fail. 5 companies have conducted meetings more than 3 times in a year.
- Disclosure of the role of the CSR committee is specified by all the companies in their annual report.

This gives an understanding regarding the compliance level of the companies regarding the formation of CSR committee. Out of the 26 companies, except 4, all have completed the formalities regarding the formation of CSR committee. The left behind companies do not come under the purview of mandatory clause and hence it can be stated that the compliance level is 100% regarding the CSR committee formation.

8.7.2 CSR policy

The Companies Act, 2013 mandated that the companies have to formulate CSR policies. It require the polices to list out the projects or programmes it is planning to implement, what is the execution mechanism and how will the monitoring and the evaluation framework will function. It is also required that the policy should be made available in the official website of the company and its web link is available in the annual report.

Regarding the policy formulation, these are the major findings

- The companies which formulated a CSR policy following the act in 2014-15 were only 17. This number was increased to 22 in the year 2017-18.
- The availability of CSR policy in the public domain was ensured by 20 out of the 22 companies in 2017-18.
- The act requires the disclosure of various aspects in the CSR policy and the compliance in that regard is given below.

Table 8.2: Disclosures made in CSR policy

| Disclosure made in the CSR policy | 2014-15 | 2017-18 |
|---|---------|---------|
| Area of Intervention | 17/17 | 20/22 |
| CSR Vision/Mission | 10/17 | 11/22 |
| CSR governance structure | 14/17 | 14/22 |
| Mode of Implementation | 15/17 | 17/22 |
| Monitoring framework | 16/17 | 18/22 |
| Composition of CSR committee | 9/17 | 11/22 |
| Treatment of the surplus arising out of CSR | 9/17 | 11/22 |

So the disclosure of the various matters related to CSR through the CSR policy varied among the companies.

- Majority have displayed the area of intervention, mode of implementation, monitoring framework etc. in their CSR policy.
- Only 50% of them had revealed about their CSR mission/vision, composition of the CSR committee and the treatment of the surplus arising out of CSR in their CSR policy.
- Regarding the companies which disclosed the treatment of surplus, all the companies stated that the surplus arising out of CSR will not form part of the profit and it will be utilized for future CSR activities.

8.7.3 Reporting of CSR

The Board's report of a company covered under the CSR rules pertaining to a financial year commencing on or after the 1st day of April 2014 should include an annual report on CSR containing particulars given in the format Also, the Board of Directors of the company should take into account the recommendations of the CSR Committee, approve the CSR Policy for the company and disclose the contents of such policy in its report and it should be displayed on the company's website as per the particulars specified in the format. In this segment of the study, the CSR reporting of the following things was covered.

The details about the reporting of the companies in the annual report are discussed below.

- In 2014-15 18 companies have reported CSR in their annual reports. In 2017-18 this number increased to 21
- The requirement of reporting CSR in the prescribed format was fulfilled by 17 out of 18 companies in 2014-15 and this was 19 out of 21 companies in the year 2017-18
- The companies are required to give a responsibility statement regarding the fulfilment of CSR and this number was 17 in 2014-15 and 19 companies in 2017-18.

- The companies also reported the average net profit, prescribed expenditure, actual expenditure, unspent amount, sector of CSR, location, implementation mode etc in the prescribed format. The disclosure of these matters depended on whether the companies carried out CSR activities in a particular year.

8.7.4 CSR Spending

- In 2014-15 the number of companies which had made the CSR spends was 17 and this was same in 2017-18 also.

A comparison between the prescribed CSR expenditure and the actual expenditure incurred by the companies is made. As per the act the act, the companies are required to spend 2% of their average net profit based of the net profit of preceding three financial years.

$$\text{CSR spent \%} = \text{CSR Spent} / \text{Average net profit based on the net profit of the preceding three years} * 100.$$

- In 2014-15 the number of companies which made the CSR spends of 2% and above was 6. 11 (64.7%) companies spent below the mandatory requirement that year.
- In 2017-18, the companies which spend over and above the mandatory requirement become 53% and those spend below become 47%.
- The companies which had met with the compliance level and spend beyond that in all the years were
 - Kitex Garments Limited
 - Aspin wall Company Limited
 - Kerala Solvents and Extractions Limited
 - V Guard Industries Limited
- The percentage of CSR spending was only 46.88% of the total prescribed expenditure of the companies in the year 2014-15. This has increased to 83.58% of the total prescribed expenditure in the year 2017-18.

8.7.5 Unspent CSR

- The number of companies with unspent part of the required CSR was 20 in 2014-15 and this was reduced to 17 companies by 2017-18.
- Among the 20 companies 9 companies didn't incur any CSR expenditure and other 11 didn't completely spend the required amount due to other reasons
- In 2017-18 8 companies were loss making and 9 didn't complied with the 2% requirement due to other reasons
- The reasons cited by the companies were varying. The major reason reported by them was that the companies are in search of sustainable and long term projects. Other reasons were non availability of efficient implementing agencies and the actual spend incurred was lower than the budgeted amount etc.
- In 2014-15 5 out of 11 companies and in 2017-18 4 out of the 9 companies had carried forward the unspent amount to spend it in the next financial year.

8.7.6 Mode of Implementation of CSR

The way in which CSR is implemented by the companies is discussed in this section. The major ways adopted by the companies for the implementation of CSR is

- a) Direct implementation by the company
 - b) Through implementing agencies like NGOs, Charitable Institutions etc.
 - c) By forming CSR foundation
- 52.9% of the companies are directly implementing the CSR activities in 2017-19.
 - There is a trend of combining with NGOs or collaborating agencies to implement the CSR. Most of the companies adopt all these methods to suit the project.

8.7.7 Location of CSR Spending

Here, the focus is given on the location selected by the companies for the CSR intervention. The companies mainly make their CSR contributions in the locality where they operate. There are companies which make contributions all over Kerala. And there is another set of corporate giants who initiate their CSR activities in multi states.

- 41.2% of the companies made their CSR investment in the locality where their business operates in 2017-18
- Companies which spend in multi states was 6 (35.3%) in 2017-18

8.7.8 Sector wise CSR Spending

The companies act had specified certain areas for making the CSR spend in the Schedule VII of the Companies Act. Later certain items were added in the amended rules made regarding CSR. This segment of the study aim to identify the main area of CSR spent made by the Kerala based listed Companies. The companies in Kerala had mostly invested in education and it is seconded by healthcare. Social empowerment activities like welfare of senior citizens and women empowerment are also given priority.

- The major part of the CSR expenditure of the companies in 2014-15 was allocated to health (38.35%) and Education (36.33%).
- Education topped the list of sectors of CSR spending for the year 2015-16. 41.8% of the total amount spent in the year was spent on education.
- In 2016-17, 43.79% of the fund was allocated to education sector. Health sector secured the second place with 28.65% followed by environment (17.14%).
- In the year 2017-18 41.58% of the total amount is allocated for education. 24.17% of the spending is made on healthcare. Environment (22.69%) followed the health and secured the third position in the CSR spending in 2017-18.

- Education, Health and Environment were the major sectors chosen by the Kerala based listed companies all the years.

8.8 Perception of the beneficiaries regarding CSR and CSR Project

The primary data analysis was carried on the basis of the following variables.

Table 8.3: Variables used in Primary Data Analysis

| Variables | Purpose |
|---|--|
| Demographic <ul style="list-style-type: none"> • Gender • Age • Marital Status • Religion • Number of Family Members | To analyse the relationship between the demographic variables and the perception of the beneficiary group. |
| Socio- Economic <ul style="list-style-type: none"> • Educational Qualification • Occupation • Earning Members • Average Monthly Income | To analyse the relationship between the socioeconomic variables and the perception of the beneficiary group. |
| CSR <ul style="list-style-type: none"> • Transparency • Responsibility • Sustainability | Helpful in understanding the perception regarding the concept of corporate social responsibility |
| CSR Project <ul style="list-style-type: none"> • Project Quality • Project Management • Project Execution • Project Viability • Project Governance • Project Benefit • Project Control • Project Awareness • Project Mechanism | Helpful in understanding the perception and satisfaction of the beneficiary group regarding the CSR project of Cochin Shipyard limited |

8.8.1 Findings based on the analysis of the details of the CSR project of Cochin Shipyard Limited

- It is observed that 47.3% of the respondents and 32.9% of the respondents rely on the individual pipe connection they obtained through the CSR project of Cochin Shipyard Limited for availing water.
- The least used source is the public tap by water authority. It was stated by the respondents that the public tap facility of the water authority was not functioning in the dry seasons.
- Regarding the availability of water, it is observed that water is supplied twice in a week according to 72.2% of the respondents
- Regarding the usage of the supplied water through the project, for drinking purpose, 94.8% use it for drinking.
- 5.2% do not use this water for drinking purpose. They feel that the water is polluted due to industrial waste and other reasons.
- It can be seen that 83.5% of the respondents make use of this water for all household purposes. Even though CSL intended this project to be a Drinking Water Project, many respondents conveyed that they were using this water for diverse purposes like cleaning, washing etc.
- 60.9% of the respondents feel that it is necessary to purify the supplied water before using it for drinking purpose.
- It can be observed that majority of the beneficiaries on an average make use of 500 litres per day.
- 61.70% respondents stated that the water supply is not interrupted. Only 38.30% felt there is interruption in water supply. They think technical issues are the main reason for the interruption.
- 67.80% of the respondents stated that they were not charged for the water supply. , it was understood that a fee is charged from the households who are

residing in rented houses and the natives of that locality is not charged for the usage of water.

- Only 39.10% of the respondents were aware about the existence of such a committee. This indicates that there is low level of awareness among the residents regarding the existence of a committee for water supply management
- Participative management of the project (29.50%) and including the company in the management process (29.50%) is the major suggestions made by the beneficiaries.

8.8.2 Findings regarding the perception of the beneficiaries about corporate social responsibility.

The study regarding the perception of beneficiaries regarding CSR is done based on the following factors

1. Transparency
 2. Responsibility
 3. Sustainability
- Based on the one sample t test there is significant difference between the mean value and test value in the case of responsibility and sustainability. And the assumption of difference between the mean value and test value failed in the case of transparency.
 - The respondents maintain a positive perception regarding the transparency and responsibility aspect and there is a negative perception regarding sustainability.

8.8.3 Findings regarding the perception of the respondents regarding the concept and practice of corporate social responsibility based on the demographic, socio-economic profile of the respondents.

- **Transparency:** Transparency aspect of the CSR variable deals with to what extent the respondents are aware about the concept of CSR and how good the companies have succeeded in communicating or reporting CSR to the

beneficiaries. There is significant difference in the perception of the respondents based on the number of earning members in the family.

- **Responsibility:** Responsibility aspect of CSR deals with the perception of the beneficiaries regarding the obligations of the business towards the society. The analysis revealed that marital status, occupation and average monthly income of the respondents is the statistically significant variable in determining the perception of the respondents regarding responsibility. The perception of the married respondents is high (mean value of 37.40 with a standard deviation of 10.235) when compared with the single respondents. Regarding responsibility, the perception is different among salaried class, self employed and jobless categories. The perception of the jobless is different with the other two categories.
- **Sustainability:** Sustainability aspect dealt with the perception of the beneficiaries regarding the benefits derived by business from CSR activities. It can be observed from the table that marital status and number of family members are the variables that cause significant difference in the perception of the respondents. Among the socio economic variables occupation creates significant difference in the perception of the respondents regarding sustainability. The perception of the married respondents is higher than the single category. The perception is different among all the categories of number of members in the family except in the case of family with 5 members. Regarding the occupation wise classification of the respondents, there is difference between the labourers and jobless category
- Based on the perception of the respondents regarding CSR, they were classified into two groups. They are i) High level perception group and ii) Low level perception group.
- Transparency is the most important predictor in predicting the CSR variable.
- Perception regarding CSR is significantly different among the high perception and low perception group.

- In the neural network model also transparency was the most important factor influencing the perception of the respondents and sustainability was the least important factor.

8.8.4 Findings regarding the perception of the beneficiaries about the CSR project of Cochin Shipyard Limited

One sample t test was conducted to find out whether there is significant difference between the mean value and test value of the factors of CSR Project.

- Project Quality
 - Project Management
 - Project Execution
 - Project Viability
 - Project Governance
 - Project Benefit
 - Project Control
 - Project Awareness
 - Project Mechanism
- Based on the test, it was identified that there is significant difference between the mean value and test value of the nine factors.
 - The mean value is higher than the test value in all the cases

Further the study tried to understand whether there is difference in the perception of the respondents based on their demographic, social and economic characteristics.

- **Project Quality:** There are significant differences in the perception about project quality among male and female. Gender is the only variable that causes significant difference in the perception of the respondents. The perception is high among female respondents with a mean of 50.29 and standard deviation of 7.500.

- **Project Management:** There is significant difference in the perception of the respondents based on the average monthly income of the respondents. There is difference in the perception of all category incomes except the 15001 -20000 income category.
- **Project Execution:** The marital status cause a difference in the perception of the respondents regarding project execution. The perception of the single respondents is high compared to married respondents regarding the execution of the project
- **Project Viability:** The perception of the respondents regarding the viability of the project is not affected by their demographic, social and economic characteristics.
- **Project Governance:** Marital status and education of the people create significant difference in the perception of the respondents regarding the project governance factor. The perception regarding the governance aspect is higher among the single respondents rather than the married ones.
- **Project Benefit:** There is no significant difference in the perception of the respondents based on their demographic, social and economic characteristics.
- **Project Control:** Demographic, social and economic variables do not create any difference in the perception of the respondents regarding project control.
- **Project Awareness:** Marital status and occupation creates difference in the perception of the respondents regarding project awareness. Married people are more aware about the project, its funding etc. The mean value (26) of married people is high compared to the single category (Mean value is 21.71). Perception of the respondents is also affected by the category of occupation. The jobless category's perception is different regarding project awareness. Their perception is comparatively low than the people with job. The family with 3 members is having different perception regarding project mechanism when compared with all other categories. Regarding education, the perception

of the graduates regarding the project mechanism is different from respondents with other educational qualification

- **Project Mechanism:** The gender, marital status, number of members in the family and education creates a difference in the perception of the respondents regarding project mechanism. The perception is high among female. Considering the marital status, the single category of the respondents has higher perception about the mechanism of the project. The undergraduates have difference in their perception regarding project mechanism.
- Based on Automatic Linear Model, it is established that all the nine factors have a positive influence on forming the perception regarding the CSR project. All factors are statistically significant in determining the project perception.
- In the predictor importance, Project management and Project awareness were identified as the most important factors influencing the CSR project perception.

8.9 Suggestions Based on the Study

8.9.1 To the Companies

- Education, Health and Environment are the main sectors chosen by the companies. There are other areas which require the attention and assistance. Such areas can be given more importance.
- It will be great if the companies engage in sustainable long term projects which will benefit the beneficiary group in the long run. The companies must back out the CSR activities which focus on Philanthropy. Instead they must come up with CSR projects through which they are able to deliver social and environmental benefits.
- Companies can conduct surveys in their locality to identify the immediate needs of the community before investing in a CSR project. The legal framework on CSR stress on the need to conduct baseline/need assessment survey before the selection of a CSR activity.

- Companies should have a control over the project in which they have made investment. They should not rely completely on the implementing agency/NGO to carry on the project.
- The companies can choose the method of implementing CSR projects by collaborating with other companies in the same locality. The Companies Act also allows the companies to collaborate with other companies. This will be beneficial for the companies since the cost and expertise for implementing the project is shared. The budget allocation for the project will be more and will result in the sustainable development of the area.
- After a project is implemented, the companies must conduct a survey to assess the satisfaction and perception of the beneficiaries of the project. The Companies Act and the guidelines for Central Public Sector Enterprises require the companies to conduct an impact assessment study of the projects by external agencies.
- Companies should think beyond the compliance aspect regarding the CSR reporting
- Study shows just above average awareness among beneficiaries regarding CSR as well as CSR projects. This should be addressed by formulating proper communication strategies
- Suitable publicising media should be used by the companies to spread their CSR initiatives
- Companies can include the details of their CSR practices in the product package, advertisements etc.

8.9.2 To Cochin Shipyard Limited

- CSL should have their representation in the project committee at Ambadimala. This was the major defect pointed out by the beneficiaries.
- They should conduct an impact assessment/ beneficiary survey to assess the satisfaction, problems and needs of the beneficiaries of the project.

- The awareness level of beneficiaries is low regarding the project. Company should take effort to publicise their CSR activities

8.9.3 To the Beneficiaries of CSR Project of CSL

- Beneficiaries should have representation in the project management for ensuring proper functioning of the project.
- The implementing agency (Panchayath) should take initiative in arranging meetings with the beneficiaries to discuss the project.
- Maintenance of the project infrastructure can be taken care by the beneficiaries.
- Beneficiaries should give suggestions and lodge complaints regarding the functioning of the project in time.

8.9.4 To the Beneficiaries/Stakeholders in general

- Try to consider CSR of the brand or company while making a purchase decision. The encouragement from the stakeholders can act as an inducing factor for the companies to indulge in sustainable CSR activities.
- Employees of the companies can volunteer to engage in the CSR practices initiated by the company. Previous literature proves that CSR activities of the company encourage the employees to take up jobs and continue in the company. It also boosts the morale of the employees.

8.9.5 To the Government

- Government has only declared a list of activities coming under CSR activities. Instead the Government can declare a “theme of the year” and ask the companies to direct their investment in that particular area.
- Public Private Partnership Models can be introduced in the implementation of CSR projects
- Government should have a proper monitoring mechanism to ensure the sustainable investment of companies in CSR projects

- Ministry of Corporate Affairs should give stress on publicising the CSR practices of companies
- State wise awards and recognitions can be introduced to encourage the companies to come up with sustainable CSR projects.
- Special tax concessions or rebates can be introduced for the companies which perform beyond the mandatory compliance level. As of now no tax benefits are available for the companies on CSR expenditure. Only the contributions made to PMNRF and other recognised funds, donations to political parties, scientific research projects, rural development projects etc. qualify for tax deduction.

8.10 Scope for Further Research

- Study of CSR practices of Public Sector Enterprises.
- CSR practices and its effect on the brand image of the company
- CSR practices and its influence on buying behaviour of consumers
- Comparative study of CSR practices and reporting of public sector and private sector enterprise.
- Impact of CSR practices of the companies in the development of different sectors.

8.11 Conclusion

The study on the CSR practices of Kerala based listed companies is helpful in understanding the CSR practices of these companies since the introduction of mandatory CSR clause in the Companies Act 2013. It can be beneficial to different stakeholders. From the study it is evident that CSR as a practice is adopted by the companies as a part of their good governance. The data regarding CSR of Kerala based Listed Companies show that effort is taken by the companies to comply with CSR and in some instances they contribute more than that. They are taking efforts to implement their CSR activities in a structured way and seek to engage in sustainable projects. The study is useful for the companies to assess the beneficiary perception

regarding the project and take corrective actions if needed. This study helped in understanding the factors considered by the beneficiaries in forming their perception about a project. The beneficiaries as stakeholders give importance to how the project is managed in a way that it is beneficial to them. Another aspect is information dissemination. This is regarding keeping the stakeholders updated about the CSR activities of the concern. This is a serious issue that should be addressed by the companies. Companies should assign more importance to the reporting and promotion of the CSR activities undertaken by them. Then only they will be able to channelize the benefits of good brand image and positive perception among the stakeholders. When the assessment was made regarding the project, the respondents provided high and positive response regarding the working of the project. Conducting an impact study of the projects undertaken will be beneficial for the companies to identify the pitfalls and to take corrective actions.

CSR in the long run can be a best and sustainable practice for the development of the country. India being the first country to introduce mandatory CSR should make efforts to reap the benefits from this practice. The duty of the Government is not over by providing a framework for the implementation of CSR. They have a huge role to play by consciously monitoring the working of this system. There is no doubt that CSR practices have the potential to contribute for the inclusive growth and sustainable development of the nation, but to realise it proper implementation, monitoring and assessment is inevitable.

BIBLIOGRAPHY

BIBLIOGRAPHY

Books

- Agarwal, S. K. (2008). *Corporate Social Responsibility in India*. New Delhi: SAGE Publications.
- Altman, B. W. (1998). *Corporate Community Relations in the 1990s: A Study in Transformation: Business and Society*, 37 (2), 221–228.
- Banerjee, S. B. (2009). *Corporate Social Responsibility: The Good, the Bad and the Ugly*. Cheltenham: Edward Elgar publishing.
- Belal A. R. (2008). *Corporate Social Responsibility Reporting in Developing Countries*. Surrey: Ashgate Publishing, Ltd...
- Balachandran, V., & Chandrasekaran, V. (2009). *Corporate Governance and Social Responsibility*, New Delhi: Prentice-Hall of India Pvt. Ltd.
- C. V. Baxi & Ajit Prasad (2005), *Corporate Social Responsibility - Concepts & Cases: The Indian Experience*, Excel Books, New Delhi
- C. V. Baxi, Rupamanjari Sinha Ray. (2012). *Corporate Social Responsibility*. Vikas Publications, New Delhi
- C. B. Bhattacharya, Sanker Sen, Daniel Korschun (2010). *Leveraging Corporate Social Responsibility*, Cambridge University Press
- Carroll, A. B., Bucholtz & Ann, K. (2006) *Business and Society: Ethics and Stakeholder Management*. South-Western: Thomson.
- David Crowther & Renu Jatana (2005), *International Dimensions of CSR Vol. I*, The ICFAI University Press, Hyderabad
- David Crowther (2005), *International Dimensions of CSR Vol. II*, The ICFAI University Press, Hyderabad
- Frederick, & C, William. (2006). *Corporation Be Good! The Story of Corporate Social Responsibility*. New York: Dog Ear Publishing.

- Freeman, R. (1983). *Strategic Management: A Stakeholder Approach*. *Advances in Strategic Management*, I, pp. 31-60.
- Freeman, R. (1984). *Strategic Management: A Stakeholder Perspective*. Englewood Cliffs, NJ: Prentice Hall.
- Gopala, C. (1992). *Corporate Social Responsibility in India: A Study of Management Attitudes*. New Delhi: Mittal Publications
- Howard R. Bowen (1953), *Social Responsibility of Businessmen*, New York, USA
- Jagdish Gulati (2005). ‘*CSR Debate in India – From Philanthropy to Public Private Partnerships*’, in C.V. Baxi and Ajit Prasad (eds), *CSR: Concepts and Cases*, pp. 48-65. New Delhi: Excel Books
- Jayanth Bhattacharya (2007). *Corporate Social Responsibility: Ethical and Strategic Choice*. Asian Books Private Limited, New Delhi
- Keith Davis & Robert L. Blomstrom (1975), *Business & Society: Environment & Responsibility*, McGraw-Hill Kogakusha, Ltd, Tokyo
- Madhumitha Chatterji (2011), *Corporate Social Responsibility*, Oxford University Press
- Neil H. Jacoby (1973), *Corporate Power and Social Responsibility*, Macmillan Publishing Co. Inc., New York, USA.
- Pushpa Sunder (2012) *Business and Community*, Sage Publications, New Delhi
- B. Sujatha (2006), *Social Audit: Concepts and Practices*, The ICFAI University Press, Hyderabad

Journal Articles

- Anahita Naderian and Rohaizat Baharun (2015)“Corporate Social Responsibility and Consumer Behaviour”, *Asian J. Management* ISSN- 0976-495X6(4),pp. 249-255

- Anupam Sharma and Ravi Kiran (2013), “Corporate Social Responsibility Initiatives of Major Companies of India with Focus on Health, Education and Environment”, *African Journal of Basic & Applied Sciences*, ISSN 2079-2034, 4 (3): 95-105,
- Anupam Sharma and Ravi Kiran(2013), “Corporate Social Responsibility: Driving Forces and Challenges”, *International Journal of Business Research and Development*, ISSN 1929- 0977 | Vol. 2 No. 1, pp. 18- 27
- Amit Kumar Srivastava, Gayatri Negi, Vipul Mishra and Shraddha Pandey (2012), Corporate Social Responsibility: A Case Study of Tata Group”, *IOSR Journal of Business and Management* ISSN:2278-487X, Vol 3, Issue 5, pp. 17 – 27
- Dr. Artta Bandhu Jena (2014) “A Study on Corporate Social Responsibility (CSR) Activities of Balasore Alloys Limited”, *Academicia: An International Multidisciplinary Research Journal*, ISSN: 2249-7137 Vol. 4, Issue. 11, pp 33– 47.
- Bhawna Rajput and Shweta (2015), “Scenario of Corporate Social Responsibility in India”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 5, Issue. 10, pp 108 – 115
- Bert Scholtens, (2009), Corporate Social Responsibility in the International Banking Industry, *Journal of Business Ethics*, Vol 86, No.2, (May 2009),pp.159-175 204accessed through <http://www.jstor.org/stable/40294882>
- Carroll, A.B. (1999). Corporate Social Responsibility. *Business and Society*, Vol. 38, Issue. No. 3, pp.268–295.
- Carroll, A.B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders’, *Business Horizons*, Vol.34, Issue No. 4, pp. 39–48.
- C.B.Bhattacharya, Daniel Korschun and Sankar Sen, (2009), Strengthening Stakeholder – Company Relationships through Mutually Beneficial Corporate Social Responsibility Initiatives, *Journal of Business Ethics*, Vol 85, Supplement 2:CSR Implementation pp. 257-272 accessed through <http://www.jstor.org/stable/40294840>

- Duygu Turker, (2009) How Corporate Social Responsibility Influences Organisational Commitment, *Journal of Business Ethics*, Vol 89, No.2 (oct.,2009) pp. 189-204 accessed through <http://www.jstor.org/stable/40295049>
- Deepika Dhingra and Ram Mittal, CSR Practices in Indian Banking Sector, *Global Journal of Finance and Management*. Volume 6, Number 9 (2014), pp. 853-862, ISSN 0975-6477.
- Eliza Sharma and Dr. Mukta Mani, CSR: An analysis of Indian Commercial Banks, *AIMA Journal of Management and Research*, Volume 7, Issue ¼, February 2013, ISSN 0974-497
- Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *New York Times Magazine*, p 32-33, 122, 126
- Faize Nabi, Saif Azam and Azmat Ali Khan (2014), “CSR, Green Practices and Profitability of Corporate Sector in India: A Study based on Forbes ‘India’s Top 100 Units’”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281), Vol. 6, No. 1, pp. 9-16
- Faize Nabi and Parvaiz Talib, (2014), “Corporate Social Responsibility and Employee Engagement: An Objective Study”, *Al-Barkaat Journal of Finance & Management*, (ISSN: 0974-7281) Vol.7, No.1, January 2015, pp. 92-106
- Gautam, R & Singh, A. Corporate Social Responsibility Practices in India: A Study of Top 500 Companies. *Global Business and Management Research: An International Journal*. Vol.2. No 1. pp. 41-56
- Gopal, V. (2010). Corporate social responsibilities in India: yesterday and today. *Indian Social Research Journal*. Vol 2.No:4.pp.49-58
- Goswamy, M. (2009). Corporate Social Responsibility in India and its Corporate Reporting Practices. *Gdnet.org. journals*. pp.2-3
- Gurucharan Singh, Harleen Mahajan and Sheenu Gupta (2013) “Study on the impact of corporate social responsibility as a tool of brand promotion on brand performance”, *ZENITH International Journal of Multidisciplinary Research* Vol.3 (2) Issue 2.

- Gagandeep Josan (2015), “Corporate Social Responsibility or Irresponsibility”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 5, Issue. 5, pp 270 – 282.
- Henna Sikka and Shika Singh (2014) “Corporate social responsibility a comparative analysis” *ZENITH International Journal of Multidisciplinary Research*, Volume : 4, Issue : 6 pp. 174 -182
- Hojatollah Vahdati ,Najmedin Mousavi and Zohre Mokhtari Tajik, “ The study of consumer perception on corporate social responsibility towards consumers attitude and purchase behaviour, *Asian Economic and Financial Review* ISSN(e): 2222-6737 /ISSN(p): 2305-2147,pp. 831-845
- Irshad Ahmed & Dr. U. Surya Rao, (2013) “Corporate Social Responsibility of Indian Insurance Industry - A Benchmark”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137 Vol. 3, Issue. 6, pp 191 – 200.
- Lokendhar Vikram Singh, Archana Singh and Dr R S Waghela (2011), “Ethically and Socially Responsible Marketing in Indian Business: A Conceptual Outline, *IJMT*, Vol. 1, Issue 5, pp. 72-89
- Linda O’Riordan and Jenny Fairbrass, (2013), CSR Models and Theories in Stakeholder Dialogue, , *Journal of Business Ethics*, Vol 83, No.4 (2008), pp. 745- 758 accessed though <http://www.jstor.org/stable/25482410>
- Dr. Latha Krishnadas Mazumder and Dr. David Jayaseelan, (2016) “ The role of business ethics and social responsibility in achieving competitive advantage and ensuring sustainable business (An Empirical Study on Companies in UAE)”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137, Vol. 6, Issue. 1, pp 27– 47
- Mansour Abdullah Naji (2010), “Corporate Social Responsibility of Arabian Companies: A Comparative Study of YCGSI and YCIC in Yemen”, *Asian Journal of Development Matters*, Vol 4 (1), pp. 112-115.

- Mohammed Ismail Mohideen Bawa (2013) “Corporate Social Responsibility in selected Local Commercial Banks of Srilanka, *ZENITH International Journal of Multidisciplinary Research*. 3. 2231-5780.
- Dr. Mohammad Khalil Ahmed (2013), “The role of human resource management in corporate social responsibility”, *Maratha Mandir’s Babasaheb Gawde Institute of Management Studies*
- Md. Zafar Mahfooz Nomani and Mohammad Nasir (2014), “Corporate Social Responsibility & Companies Act: Strategising a New Paradigm for Inclusive Growth”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281)Vol.6, No. 1,p p. 41-51
- Mohd. Imran Siddiquei, (2014) “Corporate Social Responsibility and Inclusive Growth of Deprived Section in India”, *Al-Barkaat Journal of Finance & Management* (ISSN: 0974-7281) Vol. 6, No. 1, pp. 58-63
- CH.R.S.CH.Murthy and S. Sreekanth (2013), “Corporate Social Responsibility at Singareni Calories Company Ltd.”, *Asian Journal of Research in Business Economics and Management*, Volume 3, Issue 4.
- Nien –he-Hsieh (2009) Corporate Social Responsibility and the priority of Shareholders, *Journal of Business Ethics*, Vol 88, pp.553-560 accessed through <http://www.jstor.org/stable/2779730>
- Nabil El-Hilali, and Nidam Nasery (2014), “An Assessment of Customer Perception of Corporate Social Responsibility (CSR) Through Cause Related Marketing (CRM) Initiatives” *International Conference on Business, Law and Corporate Social Responsibility* (ICBLCSR'14) Oct 1-2, 2014 Phuket (Thailand), pp. 141-152
- Nahid Shah (2013), “Consumer Attitude towards Corporate Social Responsibility Practices in Bangladesh: A Study on Grameenphone Ltd.”, *European Journal of Business and Management*, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)Vol.5, No.29, pp. 227-238

- Namrata Singh, Rajlaxmi Srivastava & Rajni Rastogi, CSR practices and CSR reporting in Indian Banking Sector, *International Journal of Scientific Research and Publications*, Volume 3, Issue 12, December 2013
- Dr. Namita Rajput, Parul Chopra and Akanksha Khanna, (2013), “Gender Composition and Director Diversity affect Corporate Social Responsibility and Profitability: An Econometric Study”, *ACADEMICIA*, ISSN 2249-7137, Volume 3, Issue 1 pp. 222-232
- Nitin Kumar (2014), “ Corporate Social Responsibility: An Analysis of Impact and Challenges in India”, *Abhinav International Monthly Refereed Journal of Research in Management & Technology*, Volume 3, Issue 5, pp.97-104
- Omwenga B Tabitha (2013), Management Perception of the Corporate Social Responsibility at Kenya Power and Lighting Company, <http://erepository.uonbi.ac.ke/bitstream/handle/11295/61303/Full%20Text.pdf?sequence=3>
- Poulipoulos Leonidas, Geitona Mary, Poulipoulos Theofilos & Triantafillidou Amalia, Manager’s Perceptions and Opinions towards Corporate Social Responsibility in Greece, *Procedia Economics and Finance*, www.elsevier.com/locate/procedia accessed through <https://www.sciencedirect.com/science/article/pii/S2212567112000366?via%3Dihub>
- PHAM Duc Hieu (2011), “Corporate social responsibility: A study on awareness of managers and consumers in Vietnam”, *Journal of Accounting and Taxation*, December 2011 ISSN 2141-6664, Vol. 3(8), pp. 162-170.
- Patrick Amfo Anim, Agbemabiese George Cudjoe, “The Influence of CSR Awareness on Consumer Purchase Decision of a Telecommunication Network in Ghana (A Case of La Nkwantanag Madina Municipality)”, *International Journal of Scientific & Technology Research*, ISSN 2277-8616 Volume 4, Issue 02, pp. 8-16.
- Pooja Jain (2014), “Social Responsibility and Corporate: A Study of Selected Companies”, *Journal Academic Discourse*, Vol. 3, No. 2, pp. 94-101.

- Dr.N.Rajendhiran and C. Silambarasan, (2013), “Changing Role of Human Resource managers for Promoting Corporate Social Responsibility” 3rd International Conference on Management, Economics and Social Sciences (ICMESS'2013) January 8-9, 2013 Kuala Lumpur (Malaysia), pp.166-178
- Rama Murthy, (2014), Manager Perception on corporate social responsibility in selected companies in Hyderabad, *Research Inventy, International Journal of Engineering and Science*, p 9-14.
- R S Ramesh and Puneeta Goel (2012), “Study and Measurement of Corporate Social Responsibility – An Indian Perspective”, *ZENITH International Journal of Multidisciplinary Research*, Vol 2, Issue 6, pp. 208-218.
- Rajesh Shankar Sharma (2012), “Corporate Social Responsibility and Business Ethics”, *ZENITH International Journal of Multidisciplinary Research Vol.2 Issue 8*, pp. 137-148
- Ron Cacioppe, Nick Forster and Michael Fox, (Oct.2008), A Survey of Managers Perceptions of Corporate Ethics and Social Responsibility and Actions that may affect Companies’ Success, *Journal of Business Ethics*, Vol 82, No.3 pp.681-700 accessed through <http://www.jstor.org/stable/25482320>
- Dr Simeon S Simon, DrJanakiraman and Dr Clement Sudhahar (2011), “ A feasibility case study on implementing CSR from employee perspective with special reference to MARG Properties, Chennai”, *IJRSS ISSN:2249-2496*, Vol 1, Issue 1, pp. 7-20
- Shahbaz Khan, Nida Baig Aon Waqas Awan, (2014) “Do Corporate Social Responsibility Initiatives Favourable for Banks? Customer’s Perceptions”, *Business and Economic Research*, Vol. 4, No. 1, pp.230-247
- Saad Bin Azhar and Parvaiz Talib, (2014) ,“Towards Corporate Social Responsibility: Green Practices in Automobile Sector in India”, *Al-Barkaat Journal of Finance & Management (ISSN: 0974-7281)*,Vol 6, No.1, pp. 52-57
- Sophana Srichampa (2010), “Corporate Social Responsibility of the Indian Businesses in Thailand”, *Voice of Intellectual Man*, Vol 1, No.1, pp. 33-48

- Sapna Katara and Lokesh Arora (2014), “Emerging Trends in CSR in Indian Banks” *International Journal of Multidisciplinary Consortium* ISSN 2349-073X Volume – 1 Issue – 3 , pp.136 – 142
- Shirley Yeung (2011), “The Role of Banks in Corporate Social Responsibility”, *Journal of Applied Economics and Business Research*, Vol 1, Issue 2, pp. 103-115.
- Sai Rekha and Gayathri (2013), “ Human Resource management and Corporate Social Responsibility”, *International Journal of Applied Research and Studies* ISSN 2278-9480, Vol II, Issue 3, pp. 1- 7
- Sarita Moharana (2013), “Corporate Social Responsibility: A study of selected public sector banks in India”, *IOSR Journal of Business and Management* ISSN: 2278-487X, Vol 15, Issue 4, pp. 1 – 9.
- Singh,S. (2010). Philanthropy to Corporate Social Responsibility: An Indian Perspective. *Review of International Comparative Management*. Vol11, Issue 5.pp.991-993
- Sreenivasn.V. (2009). CSR and ethics in MSMEs in India. *AJOBE journals*.Vol4.No.2.pp.1-6
- Sean Valentine and Gary Fleischman (Jan 2008), Ethics Programs, Perceived CSR and Job Satisfaction, *Journal of Business Ethics*, vol 77, No.2 pp.159-172 accessed through <http://www.jstor.org/stable/25075551>
- Seema G. Sharma , (2009), Corporate Social Responsibility In India: An Overview, *The International Lawyer*, Vol 43, No.4 (Winter 2009), pp. 1515-1533 accessed through <http://www.jstor.org/stable/40708084>
- Shohreh Saboji and Rouhollah Zahedirad (2011), “The role of environment responsibility to reach sustainable development: A case study of Indian firms, *Asian Journal of Development Matters*, Special Vol 5 (1), pp. 285- 290
- Sandeep Bhawnani and D.R. Bhawnani (2014), “Corporate Social Responsibility of Bhilai Steel Plant”, *Asian J. Management* ISSN- 0976-495X5(2), pp.166-169

- Sushanta Kumar Nandi and Ranjan Kumar Bal (2016), “Corporate Sustainability Performance and Financial Performance of Indian Companies: A Relational Study”, *Asian J. Management* ISSN- 0976- 495X, 7(1), pp. 56-64
- Truptha Shankar and Dr. H. Rajashekar (2013), “Impact of the proposed Corporate Social Responsibility mandate in the new Companies Bill 2012 of India”, *Asian J. Management* 4(4), pp. 317-324
- V L Govindarajan and S Amilan (2013), “ An Influence of CSR initiatives with financial performance: Evidence from Petro Gas Products Industry in India”, *South Asian Academic Research Journals*, Vol 3, Issue 8, pp.1-27
- Vikas Katia (2014), “The CSR - Overview of Provisions and Social Concerns”, *Asian Journal of Research in Business Economics and Management* Vol. 4, No. 3, March 2014, pp. 66-73.
- Vipin Kumar Aggarwal (2014) “Corporate Social Responsibility issues relating to Indian banking sector”, *Academicia: An International Multidisciplinary Research Journal* ISSN: 2249-7137 Vol. 4, Issue. 11, pp 165 – 170.
- Vikas Choudhary and Suman Tandon (2013), “Corporate Social Responsibilities of Public Sector Banks in India”, *Galaxy International Interdisciplinary Research Journal*. ISSN 2347-6915, vol.1 (1).
- Vijay P and Divya N, Impact of CSR initiatives of Initiatives of Indian Banking Sector, *IRJBM*, Volume No VII, Issue 12, December 2014, ISSN 2322 – 083X.
- Winnie Kwan and Emily Tuuk (2012), “Corporate Social Responsibility: Implications for Human Resources and Talent Engagement”, *Centre for Advanced Human Resource Studies*.

Doctoral Dissertations

- Azam Malik, (2016), *Corporate Social Responsibility in Indian Insurance Sector* (Doctoral Dissertation), Department of Commerce, Aligarh Muslim University

- Akkala Surendra Babu, (2016), *Analysis of impact of corporate social responsibility initiatives of Indian Coal Mining Industry- with special reference to Korbra Coalfields of Chhattisgarh (India)* (Doctoral Dissertation),Faculty of Management
- Clayton Michael Fonceca,(2015), *Corporate Social Responsibility An Empirical Study* (Doctoral Dissertation), Department of Social Work, Bharathidasan University
- Dean Roy N, (May 2017), *Evaluation of Corporate Social Responsibility of Central PSUs in Kerala* (Doctoral Dissertation), Department of Commerce, Mahatma Gandhi University.
- Irfan Ahmed Ajmeri, (2014), *Study of approach towards corporate social responsibility and its impact on overall growth of companies with reference to selected IT companies in Mumbai Region*, (Doctoral Dissertation), Tilak Maharashtra Vidyapeeth.
- Jothi M., (2008), *Corporate Social Responsibility: Managerial Perceptions and Practices(A Comparative study of Public and Private Undertakings in Tamilnadu)* (Doctoral Dissertation), Department of Commerce, Alagappa University
- Kalyani C. Srinivas, (2008), *Study on Corporate Social Responsibility of Major Industries in Pune Content Implementation Strategies and Impact* (Doctoral Dissertation), Department of Commerce, Savitribai Phule Pune University
- Nagalatha S.,(2018), *Perception of managers on corporate social responsibility*,(Doctoral Dissertation), University of Madras.
- Neelam Dhingra (2017), *Corporate Social Responsibility in Select Central Public Sector Enterprises in Kerala* (Doctoral Dissertation), Faculty of Management Studies, Manav Rachna International University

- Palkar Apoorva, (2013), *A study of Corporate Social responsibility and its influence on employee commitment in organisations*, (Doctoral Dissertation), Savitribai Phule Pune University.
- Priyanka Saha,(2018), *Corporate Social Responsibility practices of select Indian Multinational Companies: A study on emerging trends* (Doctoral Dissertation), Department of Commerce, University of Calcutta
- Suchitra Rathi, (2014), *Study of Corporate Social Responsibility Practices in Selected Steel Manufacturing Organisations in Chhattisgarh*, (Doctoral Dissertation), Faculty of Management Studies, Pt. Ravishankar Shukla University
- Vivek Rajapadmanabhan (2016), *Impact of Corporate Social Responsibility on Rural Development – A case study in Tumkur District, Karnataka*, (Doctoral Dissertation), Centre for Rural Development, Annamalai University

Website Sources

- Annual Reports of all the companies accessed through their Official websites
- (<https://www.livemint.com/Money/0k6mJNHvCEZLvXSo7vg5TK/India-6th-wealthiest-country-in-the-world-with-total-wealth.html>, Jan 1 2018)
- <https://www.globalreporting.org/Pages/default.aspx>
- <https://www.unglobalcompact.org/>
- <http://www.mca.gov.in/>
- <https://www.managementstudyguide.com/corporate-social-responsibility.htm>
- Corporate Social Responsibility Voluntary Guidelines 2009, available at http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf accessed on 15.06.2015
- National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business, 2011 available at http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf accessed on 19.06.2015

- SEBI and Business Responsibility Report available at https://www.sebi.gov.in/legal/circulars/nov-2015/format-for-business-responsibility-report-brr-_30954.html
- Hand book on Corporate Social Responsibility available at <https://www.pwc.in/assets/.../handbook-on-corporate-social-responsibility-in-india.pdf>. accessed on 18-02-2016
- Companies Act, 2013 available at www.mca.gov.in/Ministry/pdf/CompaniesAct2013.pdf accessed on 13-07-2015
- Companies (Corporate Social Responsibility Policy) Rules 2014 available at www.mca.gov.in/Ministry/pdf/CompaniesActNotification2_2014.pdf accessed on 19-02-2016
- Amendments in CSR Rules accessed through www.companiesact.in/Companies-Act-2013/News-Details/20719/Amendment%20in%20CSR%20Rules
- CSR Amendments 2018 accessed through http://www.mca.gov.in/Ministry/pdf/CompaniesCSRPolicyAmendRules2018_19092018.pdf
- http://karmayog.org/csr500companies/csr500companies_8649.html
- <https://home.kpmg/in/en/home/insights/2018/01/csr-companies-act-2013-corporate-affairs-sebi.html>
- <https://economictimes.indiatimes.com/small-biz/startups/kerala-based-startup-sets-sight-on-business-potential-in-csr/articleshow/39999993.cms?from=mdr>
- <https://indiacsr.in/tag/csr-in-kerala/>
- <https://csrbox.org/CSR-projects-in-Kerala>

DATA SHEET USED FOR COLLECTING DETAILS OF KERALA BASED LISTED COMPANIES

| SI No | Variable | 14-15 | 15-16 | 16-17 | 17-18 |
|-------|---|-------|-------|-------|-------|
| 1 | Existence of CSR committee | | | | |
| 2 | Disclosure of CSR committee composition in Annual Report | | | | |
| 3 | Standalone committee | | | | |
| 4 | Number of members in the committee | | | | |
| 5 | Existence of Independent Directors in the committee | | | | |
| 6 | Number of independent directors | | | | |
| 7 | Existence of woman director | | | | |
| 8 | Number of women directors in the committee | | | | |
| 9 | Disclosure of the role of CSR Committee | | | | |
| 10 | Number of CSR committee meetings held | | | | |
| 11 | Availability of CSR policy in public domain | | | | |
| 12 | CSR policy link availability in annual report | | | | |
| 13 | Disclosure of area of intervention in CSR policy | | | | |
| 14 | Disclosure of CSR vision/mission in CSR policy | | | | |
| 15 | Disclosure of CSR governance structure in CSR policy | | | | |
| 16 | Disclosure of mode of implementation in CSR policy | | | | |
| 17 | Disclosure about monitoring framework in CSR policy | | | | |
| 18 | Disclosure about treatment of surplus in CSR policy | | | | |
| 19 | Treatment of surplus specified in CSR policy | | | | |
| 20 | Disclosure about the composition of CSR committee in CSR policy | | | | |
| 21 | Disclosure of CSR in the annual report | | | | |
| 22 | Disclosure of CSR in the format as prescribed by the act | | | | |
| 23 | Disclosure of the outline of CSR policy | | | | |
| 24 | Disclosure of the projects and programmes undertaken | | | | |
| 25 | Disclosure of the average net profit | | | | |
| 26 | Disclosure of the prescribed CSR expenditure | | | | |
| 27 | Disclosure of the amount spent | | | | |
| 28 | Disclosure of the unspent amount | | | | |
| 29 | Disclosure of the reason for unspent amount | | | | |
| 30 | Disclosure of sector of CSR spend | | | | |

| 31 | Disclosure of the location of spending | | | | |
|-------|---|---------|---------|---------|---------|
| 32 | Disclosure of mode of implementation | | | | |
| 33 | Disclosure of CSR direct and overhead expenses | | | | |
| 34 | Disclosure of CSR administrative expenses | | | | |
| 35 | Disclosure of responsibility statement | | | | |
| Sl No | Variables | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | Average net profit based on net profit for last 3 financial years | | | | |
| 2 | Prescribed CSR expenditure based on the average net profit | | | | |
| 3 | Total amount spent | | | | |
| 4 | Direct and overhead expenses | | | | |
| 5 | Administrative expenses | | | | |
| 6 | Amount unspent, if any | | | | |
| 7 | Reason for not spending | | | | |
| 8 | Mode of implementation | | | | |
| 9 | Location of spending | | | | |
| 10 | Area of Spending | | | | |
| | Education and Skill Development | | | | |
| | Rural Development | | | | |
| | Health care and Sanitation | | | | |
| | Environmental Sustainability | | | | |
| | Poverty Alleviation | | | | |
| | National Heritage Arts and Culture | | | | |
| | Sports and Rural Sports | | | | |
| | Women Empowerment | | | | |
| | Armed force Veterans and War widows | | | | |
| | PM Relief Funds and other Similar Funds | | | | |
| | Administrative expenses | | | | |
| | Corpus Funds | | | | |
| | Others | | | | |

Reason for not spending: Specify/Not Mentioned

Location: Regional/ State/Multi State/Not Mentioned

Implementation Mode: Implementing agency/Direct Implementation/CSR Foundation / Not Mentioned

QUESTIONNAIRE

Respected sir/madam

I am Suchitra A., Research Scholar, Department of Commerce & Management Studies and Centre for Research, PSMO College, Tirurangadi under University of Calicut. This survey is for my research work about Drinking Water Scheme at Ambadimala Colony, Chottanikkara Panchayat, Ernakulam which is a CSR initiative of Cochin Shipyard Limited. Information collected through this survey will be used for research purpose only. The data you give are very important to this study and they will be kept strictly confidential.

The following are the questions about the Drinking Water Scheme at Ambadimala Colony, Chottanikkara Panchayat, Ernakulam which is a CSR initiative of Cochin Shipyard Limited.

Kindly answer the following questions on a scale of 1 to 10 showing your opinion

| 1 | 10 |
|--|----------------|
| Strongly Disagree | Strongly Agree |
| 1. Individual Pipeline connections are provided from the project to the residents of Ambadimala in an affordable tariff. | |
| 2. The quality of the water is ensured through a three tier purification process, | |
| 3. This project has received wide acceptance among the residents of Ambadimala | |
| 4. Water availability is ensured to all kinds of people residing in that locality. | |
| 5. The participation of local residents is ensured in the proper functioning and maintenance of the project | |
| 6. The residents and the local authority held themselves accountable for the monitoring and evaluation of this project. | |
| 7. This project resulted in safe drinking water availability to even the economically backward residents of Ambadimala | |
| 8. The continuous supply of water is ensured. | |
| 9. The water is made available in accurate time as promised. | |
| 10. Water became easily accessible to us after the introduction of the project | |
| 11. Sufficient quantity of water is made available through this project | |
| 12. A system functions in local level to address the complaints of the beneficiaries regarding the water supply system | |
| 13. The complaints of the beneficiaries regarding water supply breakdown is promptly addressed | |
| 14. The repairs and maintenance of the water supply system is done in regular basis | |

15. The infrastructure of the water supply system is of good quality
16. The infrastructure of the water supply system is well maintained
17. The physical appearance of the water is good
18. The water provided in this system is particle free
19. The water is taste free
20. The water is odourless
21. Adequate and constant pressure of water is maintained all the times
22. The breakdown of the water supply system is redressed promptly
23. The water is provided after it undergoes purification
24. Water-borne diseases are never reported in our locality
25. The safety of the water is always ensured
26. There are sufficient responsible persons to redress the breakdown and repairs
27. The amount charged for the water supply is affordable
28. The authorities promptly respond to the needs and complaints of the beneficiaries
29. Constant information is provided to the beneficiaries regarding the implementation of the project
30. Water management is done by the local authority
31. The company has its representation in the water supply management committee.
32. The technical, administrative and financial records of the project is accurately maintained by the committee
33. A committee including the beneficiaries is formed to ensure the proper functioning of the project.
34. The committee disseminate all important information regarding the functioning of the project to the beneficiaries.
35. There is no political interference in the management of the project
36. The committee convenes meeting to discuss the functioning of the project in regular basis.
37. Ambadimala drinking water project is the CSR initiative of Cochin Shipyard limited
38. Drinking water is made available in sufficient quantity through the drinking water scheme of CSL
39. The infrastructure facility for the drinking water project is fully funded by CSL
40. Different projects are initiated by Cochin Shipyard Limited as a part of their CSR initiative.

The following are the questions to access your general perception about CSR

Kindly answer the following questions on a scale of 1 to 10

| 2 | 10 |
|---|----------------|
| Strongly Disagree | Strongly Agree |
| 1. I am aware about the social responsibility initiatives of the companies | |
| 2. Many companies in Kerala engaged in different projects as a part of their CSR initiatives. | |
| 3. I am aware about different companies having CSR initiatives | |
| 4. It is the responsibility of business to behave in an ethical manner. | |
| 5. It is the responsibility of the business to obey the existing rules and regulations related to business. | |
| 6. It is the obligation of the business to address the social and environmental issues in the society as it is a part of it. | |
| 7. CSR will help in enhancing the goodwill and reputation of a company | |
| 8. A company should maintain profitability and it is the way for it to survive and benefit the society | |
| 9. CSR of a company is driven by the desire for long term existence | |
| 10. Conducting business operations in a way that minimizes harm to the environment and local community can be treated as CSR. | |
| 11. Overall effectiveness of a business is determined by the CSR activities of the business. | |
| 12. Business makes use of CSR in order to cover up the negative impacts it created on the society and environment. | |
| 1. Which of the following sources of drinking water are available in your locality? | |
| a) Bore well/Hand pump | |
| b) Rain water | |
| c) Public tap facility under the project | |
| d) Public tap facility other than the project | |
| e) Community well | |
| f) Individual well | |
| g) piped water supply under the project | |
| h) piped water supply other than the project | |
| i) Surface water | |

2. Have you availed the pipe connection from the drinking water project of CSL?
 - a) Yes b) No
3. If No, What is the reason for not taking the connection?
 - a) Payment should be made
 - b) No connection is given in the locality
 - c) Non cooperation from the authorities
 - d) No scarcity of water
 - e) Other reasons
4. Do you use the drinking water provided through this project?
 - a) Yes b) No
5. What are the purposes for which the water supplied through the project is used?
 - a) Drinking purpose
 - b) Cooking
 - c) All house hold purpose
 - d) Others
6. How often do you receive water from this project?
 - a) Every day
 - b) Twice in a week
 - c) Once in a week
 - d) Others
7. Does the water supply break down during the past years?
 - a) Yes b) No
8. How long does it normally take to repair the facility in case of breakdown
 - a) Less than 3 days
 - b) 3 days
 - c) Less than a day
 - d) Never broken down
 - e) Don't Know
9. In case of breakdown, what is the main cause
 - a) Mechanical
 - b) Geology
 - c) Seasonal
 - d) Don't Know

10. What is the average quantity of water used in a day?
11. Do you use any additional purification system to ensure the safety of the water?
 - a) Yes b) No
12. Do you pay for water from the facility?
 - a) Yes b) No
13. How do you pay for water?
 - a) Pay as I fetch
 - b) Monthly Contribution
 - c) Annual Contribution
 - d) Others
14. Is there any committee to supervise the working of this project?
 - a) Yes b) No
15. What type of committee is formed to monitor the project?
 - a) Government based
 - b) Controlled by local authority
 - c) Committee formed by residents
 - d) Mixed
16. How can the committee meet the expectations of the beneficiaries
 - a) Consult with the beneficiaries regarding the WS management
 - b) Ensure the installation of more public accessible water points
 - c) The breakdowns must be addressed in more effective manner
 - d) Others
17. Please give your suggestions about the drinking water scheme?

Demographic Details

1. Gender of the respondent
 - a) Male
 - b) Female
2. Age of the respondent
 - a) Young adults
 - b) Middle aged adults
 - c) Old aged adults
3. Education status of the head of the household
 - a) Up to Primary
 - b) Secondary
 - c) Higher Secondary
 - d) Graduation
 - e) Post Graduation and above
4. Occupation of the household head
 - a) Salaried Class
 - b) Self employment
 - c) Labourers
 - d) Jobless
 - e) Others (specify).....
5. Number of members in the household.....
6. How many members in the household are employed?.....
7. Average monthly income of the household
 - a) Below 5000 b) 5000 – 10000 c) 10000 – 15000 d) 15000 – 20000
 - e) 20,000 – 25000 f) Above 25000
8. Marital Status
 - a) Single b) Married
