



“A Comparative Study Of Spending Money By Public Sector Units (Psus) On Corporate Social Responsibility Projects: With Special Reference to Iocl & Bpcl at the Time of Covid”

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Abstract: -

Corporate Social Responsibility has now emerged as a key component in achieving sustainable development. Companies have begun to assume the burden of social development. As commercial prospects expand, it becomes the obligation of enterprises to build society. Firms' social responsibility has evolved significantly; presently, companies must ensure that they engage in activities that benefit society in some way. The Indian government has shifted its stance on the social duty of the government, corporations, local governments, and state governments. The Government of India made Corporate Social Responsibility essential for certain kinds of firms with the adoption of the Companies Act, 2013. The Companies Act of 2013 becomes legally obligatory for Corporates are encouraged to invest in CSR programs identified by the Government of India. This research study investigates how corporations manage their funds and how they spend the money on social wellness programs. In this research paper, I will discuss the social activities on which corporations can spend money in the name of CSR activity, the minimum amount to spend on CSR activity, who must spend money? the legal requirements of CSR activities, the Government of India's view on CSR, and the Government of India's role in CSR activities.

Keywords: - (Corporate Social Responsibility, Legal Requirements, Public Sector Units (PSUs), Sustainable Development, IOCL & BPCL)

Introduction: -

A business concept called corporate social responsibility (CSR) helps an organization become socially accountable to its stakeholders, society, and itself. Companies may be cognizant of the impact they have on the social, economic, and environmental facets of society. Depending on the organization and sector, corporate social responsibility can take on a broad variety of forms. Through CSR efforts, charitable giving, and volunteer work, businesses may strengthen their brands while also advancing society. CSR evolved from a choice to a necessity.

The goal of corporate social responsibility is to evaluate and accept accountability for the company's effects on the environment and the welfare of society. It may be thought of as the duty of corporations to take the required steps to lessen the adverse externalities and increase the favorable externalities related to their line of work. Thus, businesses may

safeguard and advance the interests of their stakeholders and society at large.

Corporate philanthropic actions, such as charitable giving and contributions, are the roots of corporate social responsibility. The idea of corporate social responsibility has developed over time, and it now encompasses, among other things, a triple bottom line approach, which entails striking a balance between social, environmental, and economic imperatives, corporate sustainability, and improving and developing skills for sustainability.

Corporate social responsibility is the method through which a company considers and develops its connections with stakeholders for the benefit of everyone, and it shows this commitment by implementing the proper business practices and strategies. So, CSR is not just giving to charity or making donations. Corporate social responsibility is a method of doing business that enables corporate organizations to directly benefit society.

Companies that practice social responsibility don't just use resources for initiatives that boost their bottom line. Economic, environmental, and social goals are incorporated with business operations and expansion through the application of corporate social responsibility.

Objectives: -

- To understand Corporate Social Responsibility.
- To understand the activities available for social development.
- To understand the IOCLs and BPCLs initiatives on Corporate Social Responsibility.
- To Find parallels of spending by Indian Oil Corporation Limited and Bharat Petroleum Corporation Limited in Corporate Social Responsibility activity.
- To Know about the financing of IOCL and BPCL in CSR Activities.

Definitions: -

- According to International Labor Organization, "CSR is a way in which enterprises give consideration to their operations on society and affirm their principles and values both in their internal styles and processes and in their dealings with other actors." (Investopedia, 2022)
- According to the European Union, "The voluntary integration of companies' social and *ecological concerns into their business activities and their relationships with their stakeholders. Being socially responsible means not only fully satisfying the applicable legal obligations but also going beyond and investing 'more' in human capital, the environment, and stakeholder relations.*" (europa.eu, 2022)
- According to the Brundtland Report (1987), "sustainable development is a way of organizing society so that it can exist in the long term. This means taking into account both the imperatives present and those of the future, such as the preservation of the environment and natural resources or social and economic equity. (iisd, 2022)

Methodology: -

This study is an effort at the exploratory research. The information for this study includes secondary data that has been gathered from a variety of places, including corporate websites, the ministry's

department of corporate affairs, newspaper and journal articles, research papers, media stories, and magazine articles. To see how our nation has changed its Corporate Social Responsibility policy over time and what are the results of these policies to achieve sustainable growth.

Companies Who Mandate To Do Csr Activities: -

All businesses, including Limited Companies and Private Limited Companies, must practice corporate social responsibility. The following businesses are required to establish a CSR committee;

- Businesses having a net value of at least RS. 500 crores, OR
- Businesses having an RS. 1000 crore or above in revenue, OR
- Businesses Having a Profit of at Least RS. 5 Crores.

If any of the aforementioned requirements are met, the firm must form a CSR Committee made up of its directors to engage in corporate social responsibility activities. (ICAI, 2021)

Necessary Things For Csr Activities: -

- The company's CSR efforts will be carried out as projects, programs, or activities, by its declared CSR Policy.
- A company may work hand in hand with other businesses to carry out CSR initiatives.
- The CSR activity must take place only in India.
- Funds of any kind, whether direct or indirect, to political parties are not regarded as CSR activities.

Activities That Are Considered As Csr Activities: -

The following actions are examples of those that fall under the category of corporate social responsibility:

- Extinction of Extreme Hunger and Poverty.
- Education Promotion.
- Supporting Gender Equality and Women's Empowerment.
- Lower Child Mortality.
- Making Maternal Health Better.
- Combating Malaria, the Acquired Immune Deficiency Syndrome, the Human Immunodeficiency Virus, and Other Diseases.
- Promoting Sustainability for the Environment.

- Project for Social Business and Employment Enhancing Vocational Skills.
- Contribution to any other fund established by the Central Government or the State Governments for socio-economic development, including the Prime Minister's National Relief Fund.
- Assistance and financing for the benefit of the Scheduled Castes, Scheduled Tribes, other underprivileged groups, minorities, and women, as well as other things that may be deemed necessary. (ICAI, 2021)

Comparison Of Csr Activities Between Indian Oil Corporation Limited Vs. Bharat Petroleum Corporation Limited (Fy 2020-2021): -

- Major project on CSR by Indian Oil Corporation Limited.

PROJECTS	STATE	AMOUNT (IN LAKHS)
A donation to the PM-CARES Fund	ALL INDIA LEVEL	22500.00
Fund towards Institute of Chemical Technology- IOC campus, Bhubaneswar.	ODISHA	2100.00
Assistance to Skill Development Institute, Bhubaneswar: CAPEX.	ODISHA	1711.00
Work of 100 TPD cattle dung-based biogas plant, Jaipur.	RAJASTHAN	1688.52
Financing to IOF: Developing tourist-friendly cities at Archaeological Survey of India sites of iconic importance	ALL INDIA LEVEL	1144.00
Total expenditure on CSR (FY 2020-21)	-	46036.93

(IOCL, 2022)

- Major projects on CSR by Bharat Petroleum Corporation Limited.

PROJECTS	STATE	AMOUNT (IN LAKHS)
Financing for the PM's Citizen Assistance and Relief in COVID-19	ALL INDIA LEVEL	2500.00
Fund for establishing a new Government ITI.	TAMILNADU	948.01
For Cancer care and cure	ALL INDIA LEVEL	449.24
Fund for integrated development of communities	MAHARASTRA	405.37
Swachhta Abhiyan.	ALL INDIA LEVEL	386.93
Total expenditure on CSR (FY 2020-21)	-	14489.84

(BPCL, 2022)

Comparison Between Iocl & Bpcl

From the above comparison, we can see that both the companies have spent money on the Corporate Social Responsibility activity.

- The Indian Oil Corporation Limited has spent around 46036.93 RS. Total to the Corporate Social Responsibility Activity, whereas the Bharat Petroleum Corporation Limited has 14489.84 RS. Total Spending on CSR activity.
- The Major Project on which the Indian Oil Corporation Limited has Spent money includes "A Donation to PM CARE fund" which is about to RS. 22500.00 RS. In FY 2020-21.
- The Major Project on which the Bharat Petroleum Corporation Limited Spent money includes "Financing to PM's Covid relief" which is about 2500.00 RS. In FY 2020-21.
- The Indian Oil Corporation Limited also spent on other projects like Fund towards Institute of Chemical Technology- IOC campus, Assistance to Skill Development Institute, Work of 100 TPD cattle dung-based biogas plant, Financing to IOF: Developing tourist-friendly cities at Archaeological Survey of India sites of iconic importance, and around 580 other

CSR projects are also there in the CSR Expenditure Report of FY 2020-21.

- The Bharat Petroleum Corporation Limited has spent money on the projects like Fund for the establishment of ITI, the Cancer and Cure fund, Fund for IDCs, Swachhta Abhiyan, and there other 580 Projects on CSR activities in BPCL Report.

Conclusion: -

According to the findings of the study, the IOCL and BPCL spent a total of RS. 60526.77 on CSR initiatives in FY 2020-21. The government created CSR to encourage firms to be more accountable to their stockholders and the general public. Corporations are social entities, and they must care for all stockholders. They must cost-effectively assume this obligation, ensuring that all members of the corporation are satisfied. Many multinational organizations are increasingly taking initiatives to improve their environmental performance through the use of volunteer activities, to improve their environmental and social performance ultimate goal of business is to serve society while minimizing the impact on our environment and community life support systems by offering safe, high-quality products and services that enhance our well-being. So, let's get to business should refocus and define their company goals. Corporations are becoming more aware of their responsibilities to society In India, businesses have been wise in embracing CSR initiatives and incorporating them into their operations. They should include them in their business processes. There are still certain obstacles to overcome when it comes to CSR implementation. This is mostly because local populations have little or no understanding of CSR owing to a lack of genuine efforts to raise awareness about CSR. Another issue that requires attention is a lack of openness. Concentrated but effective cooperation between corporations, non-governmental organizations, and the government will be established. India's social development is progressing quicker than expected to meet the country's long-term development goals nations.

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