

# CONTEMPORARY DIRECTIVES FOR CORPORATE SOCIAL RESPONSIBILITY AND STAKEHOLDER COMMUNICATIONS IN THE INDIAN PUBLIC SECTOR

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## ABSTRACT

*India is the first country in the world to make Corporate Social Responsibility (CSR) mandatory, following an amendment to the Company Act, 2013, thus moving from doing good voluntarily to meeting legally mandated CSR. This paper encompasses theoretical concepts of CSR, historical perspective of CSR legislature, contemporary directives and their implications for the Indian public sector. Further, the paper examines CSR reporting of major public sector companies in energy sector for brand building and mandatory disclosure. The response to Covid-19 pandemic through contemporary directives has established CSR's increasingly significant role in mitigating similar challenges that may arise in near future.*

**Keywords:** Central Public Sector Enterprises, Companies Amendment Acts of 2019 & 2020, Corporate Social Responsibility, CSR communications, CSR theoretical concepts, Energy Sector, Indian Companies Act 2013, Stakeholder Communications.

## INTRODUCTION

India is the first country in the world to make Corporate Social Responsibility (CSR) mandatory, following an amendment to The Company Act, 2013 brought into force with effect from the 1<sup>st</sup> April 2014. Businesses can invest their profits in areas such as education, health, poverty mitigation, gender equality, sustainability and many such other areas, thus moving from the traditional spirit of volunteerism to legally mandated CSR.

CSR is not a recent western concept emerging from western models of management but is embedded in the ancient Indian culture, ethos and literature. Ancient Indian literature has cited

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instances of ‘good deeds’ like helping the poor and disadvantaged. Mahatma Gandhi proposed a “trusteeship” model, wherein the wealthy must act as custodians of wealth for the benefit of society, and not as owners of wealth. The idea of “trusteeship” also inspired the philanthropy of the TATA group, encapsulated by Jamsetji Nusserwanji Tata, founder of Tata Group that “in a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence.”

The modern identity of CSR was born during 1970s, however it was conceptualized in 1990s. In 1990s, the concept was well recognized, accepted and appreciated by a larger section of society. This can be corroborated by the fact that while in 1977, less than half of the Fortune 500 firms even mentioned CSR in their annual reports, by the end of 1990, approximately 90 percent Fortune 500 firms embraced CSR as an essential element in their organisational goals, and actively promoted their CSR activities in annual reports (Boli and Hartsuiker, 2001).

In countries such as India, where economic integration and social inclusion are imperative forces that drive the masses towards growth and development, CSR has become an integral and impactful part of corporate landscape (<http://www.investindia.gov.in>).

CSR has a key role in attainment of Sustainable Development Goals (SDGs) as many companies are aligning their CSR focus areas according to SDGs to meet their CSR mandate. Also, the unprecedented crisis of Covid-19 pandemic, a disruption and a humanitarian challenge unseen by this generation has brought to fore the critical role that CSR plays to mitigate the socio-economic disruption and enabling access to Covid care and relief in a country like India that has high unequal distribution and inaccessibility of resources for a huge part of the population that lives on the fringes of the society.

## **OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY**

The World Business Council for Sustainable Development in its publication ‘*Making Good Business Sense*’ by Lord Holme and Richard Watts used the following definition:

“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.”

(Holmes L Watts R., 2000)

Corporate Social Responsibility (CSR) is all about stakeholder accountability, transparency in all dealings and sustainability. All this creates a ‘responsible’ halo around the business and helps companies build trust. It provides a platform of moral uprightness and establishes a company’s reputation in the minds of customers and employees. And this is absolutely crucial for brands as it helps to attract and engage with customers on a continuous basis. There are many such companies all over the world whose experiences show that integrating branding and CSR can build a corporate culture around responsibility leading to business sustainability.

Corporate Social Responsibility is a concept of 21<sup>st</sup> century where the role and objective of the corporate is not just to earn the profits but also, giving back to the society in one way or the other. CSR is a company’s commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders.

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

## CSR THEORETICAL CONCEPTS

The “Shareholder Theory,” by economist Milton Friedman and the ‘Stakeholder Theory’ by Dr. F. Edward Freeman puts forth that business is an instrument for the sole purpose of making money for stakeholders and anything contrary to that constitutes an illegal tax on business and stakeholders. Friedman quoted that *‘The Business of Business is to do Business’*

John Elkington, one of the founders of the global sustainability movement, whose book *‘Cannibals with Forks’* in 1997 popularized his ‘Triple Bottom Line’ (TBL) concept (People, Planet, Profit) and laid the foundations for sustainable business strategy.

The “People” approach is to ensure fair and beneficial practices toward labour and community and region in which the company conducts its business. “Planet” entails sustainable environmental practices. A company that follows the TBL approach endeavors to maintain and sustain the natural environment and strives to do mitigate environmental impact of their operations. The “Profit” pertains to the economic value created by the organization after deducting the cost of all inputs, including the cost of capital tied up.

As per the TBL concept, the company’s responsibility is towards stakeholders i.e. all those who are influenced, either directly or indirectly, by the actions of the company, rather than shareholders.

In January 2002, C.K. Prahalad and Stuart Hart, Professors at the University of Michigan and North Carolina, respectively, urged leaders to imagine the world’s 4 billion poorest people as potential consumers — and described precisely how they could engage them profitably.

Prahalad proposed that businesses, governments and donor agencies stop thinking of the poor as victims and instead start seeing them as resilient and creative entrepreneurs as well as value-demanding consumers. After all, the poor of today are the middle class of tomorrow. There are also poverty-reducing benefits if multi-nationals work with civil society organizations and local governments to create new local business models.

Michael E. Porter, leading expert on competitiveness strategy introduced the concept of ‘Creating Shared Value (CSV) in his Harvard Business Review article, *‘Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility’*. The central premise behind creating shared value is that competitiveness of a company and health of communities around it are mutually dependent.

While philanthropy and CSR efforts focus on “giving back” or minimizing the harm caused by businesses on the environment or society at large, the shared value concept focuses on maximizing the competitive value of solving social problems in new customers and markets,

cost savings, talent retention, etc. CSV involves corporate policies and practices that enhance the competitive advantage and profitability of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates.

### PROVISION FOR CSR IN INDIAN COMPANIES ACT 2013

The Companies Act, 2013 incorporates a provision of CSR under Section 135 which states that every company having net worth Rs. 500 crore or more, or a turnover of Rs. 1000 crore or more or a net profit of rupees five crore or more during any financial year, shall constitute a CSR Committee of the Board consisting of three or more Directors, including at least one Independent Director, to recommend activities for discharging corporate social responsibilities in such a manner that the company would spend at least 2 per cent of its average net profits of the previous three years on specified CSR activities. (mca.gov.in)

According to Tarun Khanna, Jorge Paulo Lemann Professor at Harvard Business School and Director of Harvard University's South Asia Institute, Indian state-run companies are much better placed to implement meaningful programmes of corporate social responsibility (CSR) than their private sector counterparts, owing to the large scale on which they operate and their accessibility to the government. (Datta, 2014)

Enactment of Companies Act, 2013 by the Ministry of Corporate Affairs (MCA), Government of India was one of the world's largest experiments of introducing the CSR as a mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities. This has made India the only country which has regulated and mandated CSR for some select categories of companies registered under the Act. This CSR initiative will push the nation towards achievement of sustainable development goals and public-private partnership in transforming India (www.csr.gov.in/).

The CSR concept in India is governed by Section 135 of the Companies Act, 2013 and Rules made thereunder wherein the criteria has been provided for assessing the CSR eligibility of a company, implementation and reporting of their CSR Policies.

The National CSR Data Portal states that India having the most elaborated CSR mechanism and implementation strategy has started its journey to set a benchmark in attaining sustainability goals and stakeholder activism in nation-building. The CSR ambit is getting bigger and for upcoming years it would turn as a unique knowledge base for analyzing and achieving sustainability goals as India has mandated CSR through its legislative action.

### HISTORICAL PERSPECTIVE OF THE CSR LEGISLATION



[Source: <https://www.csr.gov.in/>]

After Corporate Social Responsibility was introduced as a statutory obligation for companies by way of Companies Act 2013 under Section 135, the Companies (Corporate Social Responsibility Policy) Rules were notified on 27<sup>th</sup> February 2014 (“CSR Policy Rules, 2014”) to lay down the specifications and procedure to be followed by the companies while discharging their CSR obligations.

The Aspirational Districts Programme, launched by the Prime Minister in January 2018 and anchored by NITI Aayog, is a persuasive case study to show how the synergy of these three stakeholders – the district administration, companies and NGOs – can foster more equitable channelization of CSR funds in under-developed pockets which have been historically deprived of them. It also serves as good evidence of the fact that when CSR is discharged with co-actions, its impact is amplified. In December 2018, the Department of Public Enterprise (DPE) issued guidelines for CPSEs to use their CSR funds in a focused manner towards national priorities. It further advised them to spend up to 60% of their CSR funds in school education and healthcare while giving preference to Aspirational Districts ([www.niti.gov.in](http://www.niti.gov.in))

The government expanded the scope of CSR with a view to spur the Research & Development (R&D) and innovation ecosystem in the country. The Schedule VII of the Companies Act now recognizes any contribution to incubators funded by Central or State Government or any agency or Public Sector Undertaking of Central or State Government, and, making contributions to public funded Universities, IITs, National Laboratories and Autonomous Bodies engaged in conducting research in science, technology, engineering and medicine aimed at promoting SDGs as falling within the ambit of CSR, as per the notification of the MCA deemed to have come in force since 24<sup>th</sup> August, 2020.

In March 2020, the Government of India declared the novel Coronavirus outbreak in the country a “notified disaster” and following the notification, the Ministry of Corporate Affairs (MCA) clarified that spending of funds for COVID-19 relief would be a permissible activity under CSR. The notification stated that Companies will be able to spend CSR funds through items listed under schedule VII related to promotion health care, preventive health care, sanitation, and disaster management including funds such as the Prime Minister’s National Relief Fund and Swacchh Bharat Kosh and that “items in schedule VII are broad-based and may be interpreted liberally for this purpose”.

The government has also set up the ‘Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund’ (PM CARES) to respond to the COVID-19 crisis and provide relief to those affected. Further, Schedule VII was amended to include contributions to PM CARES as CSR along with the existing Prime Minister’s National Relief Fund ([pmindia.gov.in](http://pmindia.gov.in))

In August 2020, the Government amended the CSR norms to include research and development (R&D) spending on new vaccines, drugs, medical devices related to COVID-19 which is expected to greatly increase the flow of funds towards the COVID-19 vaccine and drug development.

The Companies Amendment Acts of 2019 and 2020 resulted in some major changes in the CSR provision under Section 135 of the Companies Act. To provide for the notified

changes, the Ministry of Corporate Affairs had released the Draft Companies (Corporate Social Responsibility Policy) Amendment Rules in March 2020 (“Draft Rules”) inviting public comments. On 22<sup>nd</sup> January 2021, the MCA finally issued the Companies (Corporate Social Responsibility Policy) Amendment Rules (“New Rules”) giving effect to the changes introduced in CSR by the Companies Amendment Acts of 2019 and 2020. ([www.mca.gov.in/](http://www.mca.gov.in/))

Major highlights of The Companies (CSR Policy) Amendment Rules, 2021 includes allowing corporate to undertake multi-year projects and making registration compulsory for agencies implementing CSR activities on behalf of companies. Further, while international organizations cannot act as implementing agencies, they can be hired to design, monitor and evaluate CSR projects, which would bring in global best practices. Non-compliance with these rules has been decriminalized, with the punishment shifted to a penalty. Other key amendment highlights include: changes in the definition clause of CSR; responsibility of Board and Chief Financial Officer (CFO); assistance from international organizations; Administrative overheads; annual action plan; treatment of surplus funds; creation or acquisition of a capital asset; CSR reporting; transfer of unspent CSR amount among others.

The amendment also includes website disclosure wherein the Board of Directors of the Company shall mandatorily disclose composition of CSR committee, CSR policy and projects approved by the Board on their website.

The Companies (CSR Policy) Amendment Rules, 2021 will require companies to closely plan review and monitor their CSR initiatives in order to comply with the directives which will play a major role in meeting the nation’s goals towards meeting the SDGs.

### **CSR IN CENTRAL PUBLIC SECTOR ENTERPRISES**

A state-owned enterprise in India is called a Public Sector Undertaking (PSU) or a Public Sector Enterprise. These companies are owned by the union government of India, or one of the many state or territorial governments, or both. To be a PSU, the company stock needs to be majority-owned by the government. PSUs may be classified as Central Public Sector Enterprises (CPSEs), Public Sector Banks (PSBs) or State Level Public Enterprises (SLPEs).

CPSEs are companies in which the direct holding of the Central government or other CPSEs is 51% or more. They are administered by the Ministry of Heavy Industries and Public Enterprises. The Department of Public Enterprises (DPE) is the nodal department for all the CPSEs and formulates policy pertaining to them. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs.

DPE Guidelines on CSR and sustainability issued on 21<sup>th</sup> October, 2014 specifically states that, ‘It is mandatory for all profit making CPSEs to undertake CSR activities as per the provisions of the Act and the CSR Rules. Even the CPSEs which are not covered under the eligibility criteria based on threshold limits of net-worth, turnover, or net profit as specified by Section 135 (1) of the Act, but which made profit in the preceding year, would also be required to take up CSR activities as specified in the Act and the CSR Rules, and such CPSEs would be expected to spend at least 2% of the profit made in the preceding year on CSR activities.’

These guidelines which applied to CPSEs came into effect from April 1, 2014. These guidelines represent an important step in India's foray into CSR in an unparalleled manner. Long before the concept of CSR came into picture, PSUs have been at the forefront in solving socio-economic issues, may it be national emergencies, power and energy supply issues, education, public health issues and community development activities.

The CPSEs had been carrying out CSR activities under the DPE guidelines since 2010. Under these guidelines, each profit making CPSE was mandated to spend certain percentage of Profit after Tax (PAT) on CSR. However, after legislation of the Companies Act, 2013, all companies (including PSUs) above a certain threshold as defined in Section 135 (1) of the Companies Act, 2013 are required to formulate their CSR policies and spend at least 2% of their average net profit in preceding three financial years on CSR.

The Guidelines are applicable to all CPSEs and are subject to a higher standard of social responsibility than companies in the private sector. The CPSEs or the Public Sector encapsulates a larger element of public interest compared to other companies run on largely commercial lines with profit-making being the principal motive.

The Guidelines state that it would be "mandatory for all CPSEs which meet the criteria as laid down in Section 135(1) of the Act, to spend at least 2% of the average net profits of the three immediately preceding financial years in pursuance of their CSR activities as stipulated in the Act and the CSR Rules." They also add that "in case of CPSEs mere reporting and explaining the reasons for not spending this amount in a particular year would not suffice and the unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilization for the purpose for which it was allocated." CPSEs are thus held to a much higher standard of CSR spending than companies in the private sector. (Umakanth Varottil, 2014)

## **STAKEHOLDER COMMUNICATIONS**

While some would argue that CSR shouldn't be looked at in terms of PR and marketing, the reality is that every business embarks on CSR initiatives with the goal of improving brand image. CSR is becoming an important factor for influencing a company's image, reputation and stakeholder relations; however, the interactivity levels of online CSR communication are typically low. (Etter, 2013)

When it comes to communication, the most innovative companies are able to transform language from spoken/written to graphics and illustrations. For example, communication of the key points of the sustainability report through a graphic on social media may be able to boost engagement with and sharing of the content. Intelligent use of specific hashtags is a valuable tool when it comes to publicizing a company's CSR activities, promoting events and initiatives and positioning internal stakeholders as expert influencers on social media.

Communicating about CSR can play an important role in organization-stakeholder relations. An understanding of the organization's CSR philosophies, policies, and activities can allow stakeholder audiences to become more engaged in the issues affecting them and more willing to collaborate with organizations in reaching socially responsible solutions to

problems. CSR communication may also be used to maintain legitimacy for the organization. Such communication, even about unfavorable actions, allows the organization to explain and justify its actions and increases transparency about the social and environmental impact of the organization and its governance structure; thus, maintaining legitimacy (Tata & Prasad, 2014).

### **CSR COMMUNICATIONS BY PUBLIC SECTOR COMPANIES**

A very important aspect of CSR is the reporting practices that corporates adhere to inform their key internal and external stakeholders of social responsibility practices. ([www.in.kpmg.com](http://www.in.kpmg.com)).

CSR is becoming as an important factor for influencing a company's image, reputation and stakeholder relations (Etter, 2013). Stakeholder expectations are constantly in change and a company's CSR communication must be evaluated on a frequent basis (Morsing & Schultz, 2006). Social media has now changed conversations from being face to face to now talking with people through Facebook, twitter, messages and other media thus transcending the requirement of being connected in a physical real way.

In the past, companies had little interest in interacting with stakeholders in CSR issues (Moreno & Capriotti, 2009). Therefore, it becomes necessary to analyse whether today companies are addressing CSR communication through online social networks or not and, if so, whether they are doing it correctly using an interactive approach, that is "a two-way communication between source and receiver" (McMillan, 2006).

The large profit making CPSEs having pan-India presence and huge CSR budget communicate their CSR philosophy, activities, projects and benefits for building a favorable corporate image as well as under mandatory disclosure guidelines.

The Oil & Gas sector forms the backbone of the Indian economy and has all Indians as their customers and their products and operations have a tremendous impact on the lives of the customers and stakeholders. The study of CSR communications of the CSPE Maharatna becomes even more pertinent in light of the DPE Guidelines on CSR and Sustainability issued on Oct 21, 2014 and the amendment of January 2021.

Communication on CSR issues has only become a key part of corporate communications for large companies in relatively recently years (Arvidsson, 2010). CSR communication has been described as being associated with positive corporate values and an appropriate concern for stakeholders (Morsing & Schultz, 2006). Therefore, CSR communications are considered fundamental for company-stakeholder relationship building (Nielsen & Thomsen, 2007). It can take very different forms, from featuring on corporate website, annual report and such other media. Besides, online and social media CSR communications allows companies to communicate immediately, economically along with the benefits of two-way communications, which overcomes the limitation of one-way communications through print media.

### **THE CSR COMMUNICATIONS IN THE ENERGY SECTOR**

The three Maharatna PSUs in the Energy Sector – Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Oil and Natural Gas Corporation Limited (ONGC) feature in the Global Fortune 500 listing of the world's largest companies are also

among the top ET 500 listing, the Forbes 2000 list and are leading on various performance parameters including CSR budget and projects. These companies communicate about their CSR through various media including the corporate website, annual report, brochure, advertisements and Social Media.

The corporate website of all the three companies communicates in detail about their CSR. On the IOCL website, the CSR communication can be accessed from 'About Us' section under 'Indian Oil for Community (CSR)' which mentions Indian Oil's key Corporate Social Responsibility (CSR) thrust areas which include 'Safe drinking water and protection of water resources', 'Healthcare and sanitation', 'Education and employment-enhancing vocational skills', 'Empowerment of women and socially/economically backward groups', among others.

The CSR introduction enumerates the various focus areas under CSR projects - improving the quality of life in various communities, which invariably include marginalized / underprivileged sections of the society, viz. scheduled caste, scheduled tribe, other backward caste, physically handicapped. With the pan-India presence, Indian Oil undertakes CSR activities across the country, from Leh in Ladakh in the north, to the North Eastern States, to Gujarat in the West and Tamil Nadu/Kerala in the South and to the aspirational/ backward districts/ naxal affected areas of the country.

Regarding the CSR spending, it informs that for the year 2018-19, entire CSR budget allocation of Rs. 490.60 crore was spent, thereby achieving 100% budget utilization while there is no mention of spending in 2019-20. The key CSR initiatives of Indian Oil are also showcased here.

The website also gives data on the CSR expenditure for the FYs 2013-14 to FY 2019-20, and about the Indian Oil Foundation (a non-profit trust to protect, preserve and promote the National Heritage in collaboration with ASI and NCF of the Government of India).

Indian Oil's CSR for SCs/ STs & weaker section of society, Indian Oil's Sustainability & CSR Policy and Sustainability Report 2018-19 are available on the corporate website. A pdf Brochure, '*CSR Agenda Enriching the Tapestry of Life*' showcasing the CSR overview and the company's CSR projects is also available on the website.

The Integrated Annual Report 2019-20, Annexure-III provides information about the CSR budget, CSR expenditure and CSR budget utilization, the key CSR initiatives during 2019-20, the composition of the CSR & Sustainable Development Committee, Indian Oil's Sustainability & CSR (S&CSR) policy, continuing Flagship/Special Projects alongwith details of amount spent on them.

On the BPCL Corporate Website, CSR is easily accessed from the main heads and the CSR pages conveys the five core areas of its CSR – education, water conservation, health & hygiene, skill development, and community development and projects undertaken in these areas are showcased on the website.

The page has a document for registration of vendors for CSR to be empanelled for specific works such as Needs Assessment or Outcome/Impact Assessment, Project conceptualization or design/ Proposal Assessment and Project Monitoring.

The corporation publishes the details of its CSR activities in the annual report as per the format prescribed. Project-wise details including project name, state where implemented, implementation agency as well as budget are available for the FYs 2016-17 to 2019-20. BPCL's efforts towards Swachh Bharat Abhiyaan are also featured on the website, besides news and events pertaining to CSR are also accessible on the website. Queries, suggestions or feedback are solicited on the CSR page, which provides a channel for a two-way communication and stakeholder engagement in their CSR.

The Annual Report on the website contains information on the company's CSR as part of the mandatory Annexure B to the Director's Report which briefly outlines 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 / programs.

ONCC states its CSR vision & mission as well as CSR and Sustainability Policy on its homepage under CSR. It informs that as per the Government's mandate, 33% of the CSR budget is spent on Swachh Bharat project. Further, 65.90% of the projects in the last three years were implemented in the priority focus area of education and health care.

As per directives of the Niti Aayog, ONGC has identified 20 aspirational districts and is committed to raise the social and economic condition of these districts by implementing strategic CSR projects. The website shares that projects worth more than Rs 31 crore has been successfully implemented till FY 2018-19 and in the year 2018-19 ONGC has implemented more than 4000 projects covering the country. CSR expenditure year wise is provided for FYs 2013-14 to 2018-19 and for FY 2019-20, and project-wise expenditure is given on the website. Various CSR projects and activities done across the country, projects undertaken in Gujarat and the aspirational districts are also showcased on the website.

A section on CSR films, sports initiatives as well as an indicative List of projects/programs covered under focus sectors as per Schedule VII enumerating the various CSR initiatives under various sectors such as promoting healthcare & poverty eradication, promoting gender equality and socio-economic empowerment, ensuring environmental sustainability, preservation and protection of national heritage, art and culture, welfare of armed forces veterans and dependents, promotion of sports, contribution to Central Government Relief and Welfare Funds, contribution to technology, rural development projects and slum area development are published on the website.

The Annual Report has a report on CSR and details of activities enclosed at Annexure-B. It also mentions that the CSR efforts of the Company has been recognized at various fora including the prestigious international recognition of S&P Platts Global Energy Awards, 2019 – the only Indian company to receive this award for CSR.

All the three companies have social media presence and convey about their CSR activities on Facebook, Twitter and YouTube in a bid for CSR branding building and to engage with the stakeholders on their CSR activities and projects.

## **CONCLUSION**

Considering the tremendous impact of digital media on CSR branding and forming of

perceptions, the energy majors are showcasing their CSR vision / mission, activities and projects on their website in details including location of projects and expenditure incurred project-wise and year-wise, as part of mandatory disclosure in their Annual Reports. These companies also showcase their CSR through PDF brochures, films, photographs, etc., to create a positive image in the minds of the stakeholders, with one company even seeking queries, suggestions or feedback are providing a channel for a two-way communication and stakeholder engagement in their CSR.

As per the changes in Rule 8- CSR Reporting have added Rule 8(3) as per which companies having average CSR obligation of ten crore rupees or more in three immediately preceding financial years are required to undertake impact assessment through an independent agency of their CSR projects. The impact assessment reports are required to be placed before the Board and annexed to the annual report on CSR.

The changes in Rule 9 - Display of CSR Activities on website require the Board to disclose the composition of the CSR Committee, CSR policy and projects on their website for public access. This provision is similar to the earlier Rule 9 under CSR Policy Rules 2014. Making the companies disclose their CSR Activities and contributions to society is important to help the public make informed decisions. The investors these days are becoming socially aware and want to engage with companies that take positive steps for the development of the society.

The energy majors have been already communicating their CSR on the corporate website, annual report, publications and social media as per mandatory guidelines as well as for CSR branding. With the amendment to CSR Act and the increasing public and media scrutiny on the business operations, stringent environmental norms and stakeholder activism amongst others, will require these companies as well other business organizations to take their CSR communications to the next level. They need to go beyond the mandatory communications to truly engaging with them through two-way communications on their websites or by harnessing the social media that has enormous potential to engage with the stakeholders to do meaningful CSR and also build a good corporate image through responsible and effective CSR communications. social media communications for CSR branding is an area that can be examined to understand how these companies are engaging with their audience.

The contemporary directives for CSR with a mandatory schedule have raised the stakes for large corporations and Indian companies have never been more answerable for their social responsibility as they are now.

The COVID-19 pandemic has brought Corporate Social Responsibility to the forefront. Corporates, both large and small, headquartered in India or abroad, have risen to the challenge and augmented the government's efforts by re-orienting their CSR strategies. It is hoped that the same zeal and mission-mode orientation carries over to activities beyond the pandemic. The response to Covid-19 disruption, through contemporary CSR directives, by the Government and the response of corporate sector have established that CSR will continue to play an increasingly important role in how companies approach business and engage communities. CSR assumes even more significance in the context of warnings by global watchdogs of bigger disruptions including climate change, resource scarcity, zoonotic pandemics among others

in the near future which will require interventions like CSR to mitigate the challenges in achieving human development and sustainability goals.

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