

CSR AND ITS SOCIAL IMPLICATION - EVIDENCE FROM A MAHARATNA COMPANY IN INDIA

Zakir H. Molla*, Sarbani Mitra**

Abstract *The aim of this paper is to review the status of corporate CSR practices in a large Maharatna company in India, by critically appraising the resource application in the spectrum of focus areas, Schedule VII of the CSR rules, and the consequent impacts. The study focuses on the geographic spread of social investments over a period of time. Finally, the study explores the extent of social implications due to CSR initiatives. For the purpose of the study, we selected IOCL, a major oil and gas company, and the largest corporate identity in India in terms of turnover. The findings showed that through its social development activities, besides major CSR projects, its CSR initiatives have touched millions of lives by providing various infrastructure and grassroots development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, and skill development institutes/industrial training institutes; and setting up sports facilities across the country were some of the projects undertaken by IOCL. Environment-related initiatives like providing LPG connection to the disadvantaged section of society, improving sanitation, health, and livelihood, and providing livelihood generation skills stand tall among various initiatives undertaken. However, the investments are concentrated in and around the operating area, as per policy, in synchronisation with the prevailing act, thereby creating spatial inequality.*

Keywords *Corporate Social Responsibility, Social Issues, Companies Act, Sustainable Development, CSR Initiatives, CSR Investment*

INTRODUCTION

It is a fact that industries play a major role in environmental degradation, as well as emission of carbon, leading to global warming and climate change. The popular perception regarding large-scale business ventures is that they are driven solely and unfailingly by profit. It is this mistrust about the corporates that led to the concept of business leaders making a continuing commitment. This commitment is to integrate ethical behaviour in all activities, leading to economic development to improve quality of life not only for the workforce and their families, but also for the host community and larger section of the society. Here comes the role of Corporate Social Responsibility (CSR).

The World Business Council for Sustainable Development (WBCSD, 2000) defines CSR as “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”. CSR may also be defined as the duty of the organisation to respect individuals’ rights and promote human welfare in its operations (Manakkalathil & Rudolf, 1995; Oppewal et al., 2006). Corporate social responsibility can bring more awareness among communities as well as business leaders to reduce stress on natural resources, bio-capacity, greenhouse

gases, global warming, and unethical practices, human rights, labour, and corruption, which are all major causes of concern for our planet and people. In view of this concept, MNCs are increasingly making community development (CD) investments to demonstrate their commitment to society (Idemudia, 2009).

Now, whether a firm visualises these issues as a trivial concern, a challenge (to cure social and environmental ills), or a business opportunity can be contested. Buldybayeva (2014) argues that CSR in the oil and gas industry poses certain questions of a delicate nature since this industry is synonymous with scandals that hide bad CSR solutions. Most important is the contention by Frynas (2012) that CSR is being adopted in the face of such disasters either forcefully, due to mandatory government regulations, or voluntarily, through initiatives under CSR. According to him, government regulations, rather than CSR, played a significant part in these improvements. Frynas (2009) observed that CSR is usually justified as either a risk management strategy to protect firms from external threats or through involvement with NGOs or other developmental agencies for developing new product services to benefit from external opportunities. Some of the oil and gas corporations have put out their priority areas for social investment or community development projects. Some others are doing it based on what the local governments

* Center for Environment and Development, Kolkata, West Bengal, India. Email: zakirmolla@gmail.com

** Professor, Department of Environment Management and Head, Department of Executive Management, Indian Institute of Social Welfare and Business Management, Kolkata, West Bengal, India. Email: sarbani_iiswbm@yahoo.co.in

require of them. Some work directly with the community to manage stakeholder concerns, while others work with the governments as a mediator between community and corporations. Such diversity in practices lacks a unified approach and it is observed that none of the companies have a specified budget for CSR.

Interestingly, another approach to the CSR debate was fuelled when India mandated a specific set of companies to spend at least 2% of the average net profit of the preceding three years towards activities that would qualify as CSR as per Schedule VII of the Companies Act 2013. With this enactment, the Union of India became the first country to mandate spending towards CSR activities and also specified activities that would qualify as CSR activities. In this paper, we have attempted to review the status of corporate CSR practices in a Maharatna company in India, by critically appraising the resource application in the spectrum of focus areas and Schedule VII of the CSR rules. The study focuses on the geographic spread of social investments over a period of time. Finally, the study explores the social implications due to such CSR initiatives.

LITERATURE REVIEW

It is observed that a good number of researches (Bowen, 1953; Votaw, 1972; Carroll, 1999; Van Marrewijk, 2003; Ite, 2004; Garriga & Mele, 2004; Fisher 2004; Godfrey & Hatch, 2007; Beurden & Gossling, 2008; Spector, 2008; Dahlsrud, 2008; Okoye, 2009; Carroll & Shabana, 2010; Rahman, 2011; Sheehy, 2015; Ghobadian et al., 2015; and Danilovic et al., 2015) have been undertaken on CSR practices in the economic and organisational contexts of Europe and the United States of America.

‘Social Responsibility of Businessmen’, a ground-breaking book by Bowen (1953), was widely acknowledged as a swing in the field of CSR. Carroll (1999) traced the history of the business community’s contribution towards society in history. Ghosh (2008) said, “Corporate sector is expected to contribute significantly not only to the developing economic scenario but also to the social development of the country with a profound commitment to the philosophy of sustainable development” (p. 219). It implied that corporates bear immense responsibility for social development. The theoretical discourse about the responsibilities of businesses towards society came way before the coinage of the concept of CSR (Danilovic et al., 2015). CSR is considered the panacea to solve any problem, including global poverty, social exclusion, degradation of environment, or other developmental issues (van Marrewijk, 2003). This led to the broadening of the scope of CSR, including the role of business in reducing poverty, especially in the developing

world, in addition to corporate conduct like social, environmental, and human rights issues (Prieto-Carrón et al., 2006). International and national development agencies are adding development as part of business corporations’ social responsibilities since the late 1990s through a concerted move (Sharp, 2006). CSR is a solution to the societal uncertainties and a phenomenon relating to the modern economies, which are related to business practices, as per Beurden and Gossling (2008). According to Jamali (2008), “socially required economic and legal responsibilities, socially expected ethical responsibilities, socially desirable philanthropy comprises a basic component of the total social responsibility of a business firm”.

The studies in the Indian context are very limited and those available (Singh & Ahuja, 1983; Maheswari, 1993; Batra, 1996; Hyde et al., 1997; Banerjee, 2001; Paul & Pal, 2001; and Pramanik et al., 2007) focused on a few aspects of the same. Only a few studies tried to look into the entirety of CSR, but limited themselves to a few industrial setups. There is lack of case study-based research, focusing on expenditure towards CSR activities and making year-wise comparative judgment of the same, and evaluating social implications in the context of the listed companies in India. The aim of this paper is to report the findings of our study that sought to assess how far any proactive company can upgrade its social structure, if it incurs expenditure towards various CSR activities and how the implication on social issues is getting strengthened year wise.

The paper is structured as follows. Section 2 provides details about the data and methodology adopted, followed by a discussion of the findings related to the CSR initiatives by corporates and its social impact in Section 3. Section 4 sums up and gives concluding remarks.

DATA, SAMPLE, AND METHODOLOGY

This section describes the research design of the study, including sample description and data collection.

Sample Study

As per the report compiled by the NGO Global Justice Now, 69 out of the top 100 economies (based on revenue) in the year 2015, were corporations (Global Justice Now, 2016). Of these 100 top economies, including the 69 corporations, there are 8 corporations from the oil and gas sector (World Bank, 2011). If we combine the wealth owned by these 69 companies to the upstream and downstream companies in the petroleum oil/gas sector, we get an amazingly vast amount

of resources controlled by these corporations. Accordingly, the oil sector has been identified for the purpose of this research study, as it has a significant impact on the world economy.

Secondly, the more practical reason is the fact that the oil and gas industry in the past has recorded conspicuous negative environmental effects such as oil-spills, rig explosions, refinery explosion, and environmental degradation. These have led to antagonism, public outcry, and activism by the civil society groups and local communities. This has led the oil and gas industry to do something more for the local communities and to mitigate the harmful effects they create, and to build a reputation to be perceived as a preferred corporate neighbour by the local community.

Now most of the companies in the oil sectors across the globe are engaged in various social issues, some of which may be common across geographical locations across the segment. The state-owned oil companies across the world have shown a different system of engaging in CSR activity, more in sync with government imperatives and programmes.

The Indian Oil Corporation Limited (IOCL) ranked first in terms of revenue in 2016 out of 10 of the largest companies in India. Secondly, in India, there are currently 13 oil and gas sector CPSEs under administrative control of the Ministry of Petroleum and Natural Gas. IOCL had the highest turnover, i.e., 37.71% (INR 4,76,627.4 Cr), out of a total turnover of INR 12,63,859.1 Cr from the 13 oil and gas CPSEs. Accordingly, the study here is concentrated on reviewing the status of corporate CSR practices of IOCL, by critically appraising the resource application in the spectrum of focus areas and Schedule VII of the CSR rules. The study focuses on the geographic spread of social investments over a period of time. Finally, the study explores the extent of social implications due to expenditure towards IOCL's CSR activities.

Data and Methodology for the Study

The data for this research is secondary in nature, and the research method used is content analysis. CSR-related items were handpicked from all previous researches on the topic, primarily those related to CSR of IOCL, Annual Reports of the sample company for the relevant years, specific reports on CSR, data submitted and published by various bodies pertaining to CSR of the sample company, data published by government bodies, and so on, after a thorough examination of the contents of the same. Literature survey was used for reviewing the related CSR activities over the years.

The research approach used for this study is case study method, following Yin (2009), Tellis (1997), and Zainal

(2007), who mentioned that the case study method is recognised as a tool in many social science studies, and more prominent when the study deals with issues related to sociology (Grassel & Schirmer, 2006), education (Gulsecen & Kubat, 2006), and community-based problems (Johnson, 2006), such as poverty, unemployment, drug addiction, illiteracy, and so on.

Sample Description

To review the status of corporate CSR practices of IOCL by critically appraising the resource application in the spectrum of focus areas and Schedule VII of the CSR rules in a systematic manner, sample description was considered necessary. Indian Refineries Ltd. (Established 1958) and Indian Oil Company (Established 1959) were merged to incorporate the Indian Oil Corporation Limited (IOCL) on 01.09.1964, with the registered office in Mumbai, India. Thereafter, Assam Oil Company Ltd. was also merged with IOCL in 1981. IOCL, the oil and gas major, is the largest corporate identity in India in terms of turnover. IOCL has 68.57% shareholding of the Central Government. During 2013, IOCL ranked 96th in Global Fortune 500 list, the highest for any Indian corporate. As on 31.03.2014, it has 33,793 regular employees (Executives 15,407 and Non-Executives 18,386). IOCL, being a Maharatna company, has the highest turnover among all the companies in India. Its presence is there in all areas of hydrocarbon business – starting from exploration, storage, transportation, refining, and marketing of petroleum products. It is also present in the petrochemical segment. Since its foundation in 1964, it has been dutifully supporting various social welfare and community development initiatives, as claimed through various communication and annual reports placed in the public domain.

ANALYSIS AND FINDINGS

To critically assess item-wise details of CSR activities undertaken by IOCL and to quantify expenditure towards CSR activities, a detailed study on identification of thrust areas for CSR, allocation of budget, and activity-wise investment in CSR activities were considered necessary.

Identification of Focus/Thrust Areas for CSR

IOCL CSR policy (Indian Oil Corporation Limited, 2018) enshrines the following CSR thrust areas, presented in Table 1.

Table 1: Focus Areas for CSR Activities

Sr. No.	Focus Areas
1	Safe drinking water.
2	Healthcare and sanitation.
3	Empowering women, and socially and economically backward groups.
4	Education and employment-enhancing vocational skills.
5	Environment sustainability.
6	Protection of national heritage and promotion.

These were further detailed in the prevailing sustainability and CSR policy, with the addition of a focus area in the area of sustainability, such as:

- Enhancing efficiency in operations and process.
- Providing a safe and healthy environment in and around the work place.
- Promotion of responsible business practices (conduct business with transparent integrity and accountability).
- Offering tourist-friendly facilities at monuments of national importance.
- Environmental sustainability as reflected in the CSR policy that has been detailed, with focus on clean energy options, rainwater harvesting, limiting emission of greenhouse gases, and reducing, reusing, and recycling (reduce-reuse-recycle) of resources/wastes.

Allocation of CSR Budget

IOCL has committed to allocate 2% of the average net profit of the last three years towards the CSR budget that will be

non-lapsable as stated in its latest sustainability and CSR policy. Every year, IOCL provides INR 10 Cr of its CSR fund to the corpus of Indian Oil Foundation. The remaining CSR funds of the year, as well as the carry forward funds of earlier years, is utilised for undertaking various CSR activities through its local offices all over India, as well as the corporate office. As mentioned, between 1991 and 2009, it was allocating 0.5% of the net profit of the previous year for CSR, which was increased to 2% of the previous year’s retained profit thereafter. After implementation of Companies Act 2013 and Company (CSR Policy) Rules 2014, from 2014-15 it has been allocating 2% of the average net profit of the preceding three years towards various CSR activities.

Major CSR Activities during 2013-14

IOCL had allocated INR 64.88 Cr as CSR budget for the year 2013-14. There was a carry forward amount of INR 37.48 Cr from the previous year, making the total CSR budget of the year INR 102.36 Cr. Out of this amount, during the year IOCL invested INR 81.91 Cr in various activities within its focus area, as well as within Schedule VII. These activities were carried out through outside agencies, as well as through in-house efforts, of the IOCL (Table 2). The unspent CSR budget was INR 20.02 Cr, which is about 24% of CSR investment during the year, or about 31% of the budget of the year (Indian Oil Corporation Limited, 2017).

Table 2: IOCL – Major CSR Activities during FY 2013-14

IOCL Support to Government Initiatives - Recent	
LPG Scheme for BPL Families	LPG Scheme for BPL: This is a scheme launched at the guidance of MoPNG, where 20% of the CSR fund of six CPSE oil companies, namely ONGC/OIL/GAIL/IOCL/BPCL/HPCL, are utilised for providing cooking gas connection to people under BPL free of cost. Security deposit for basic equipment is provided from the common CSR fund. During 2013-14, IOCL contributed 20% of its CSR budget, amounting to INR 20.02 Cr, towards this. About 2.4 lakhs BPL connections were released.
Health Care Initiatives	<p>1. Indian Oil Sachal Swasthya Seva AP, Telangana, UP In January 2012, IOCL launched the scheme to operate 52 MMU; these are linked to the IOCL small retail fuel outlet, Kisan Seva Kendra. A four-member team comprising of MBBS doctors provides free health check-up and free medicines to inaccessible areas. These MMU are based at the strategic KSK to render service to the neediest. During 2013-14, about 14.76 lakhs patients were treated in 681 villages across 13 districts of three states. On a cumulative basis, more than 26 lakhs patients were treated.</p> <p>2. Indian Oil Assam Oil Division Hospital Digboi, Assam: IOCL operates a modernised 200-bed hospital at Digboi. This was set up in 1906 to take care of the local poor populace.</p> <p>3. Swarna Jayanti Samudayik Hospital Mathura UP: A 50-bed hospital is operated by IOCL at Mathura. It also operates two free mobile medical units there. It offers free treatment to the destitute and subsidised treatment to other sections of society. During 2013-14, about 49,514 have been treated at the hospital. This facility was commissioned around 2000, and since then about 7 lakhs patients have been treated.</p> <p>4. Sarve Santu Niramaya (SSN) Digboi, Assam:</p>

IOCL Support to Government Initiatives – Recent	
	<p>This CSR initiative was started by IOCL in 2012 to provide free medical treatment to the poor people living in and around Digboi, as well as the livestock they own. During the year, about 2,035 poor patients and 25,274 livestock were treated.</p> <p>5. To support the underprivileged section with cancer prevention diagnosis therapy rehabilitation and palliative support, Indian Oil has signed an MOU with Tata Medical Centre Trust & Tata Eastern Medical Trust to set up a 250-bed hospital in the premises of Tata Medical Centre Kolkata, to be known as Indian Oil Tata Care Centre.</p> <p>6. Indian Oil Muskaan: IOCL has initiated this programme to address the problem of people affected with cleft lips or palates.</p>
Skill Development Employment Generation Scheme	<p>1. Assam Oil School of Nursing / College of Nursing Digboi Assam: IOCL have been operating a nursing school free of cost at Digboi with an intake of 20 candidates since 1986. This is an all-expense-paid four-year training on general nursing and midwifery. In addition to boarding, lodging, and free education, the students are given a stipend during the period of studies. In 2013-14, a total of 20 students joined and 18 passed. Since inception, 334 students have completed the nursing and midwifery course with 100% placement records.</p> <p>2. Shikshak Dakshta Vikar Abhiyan, Digboi, Assam In coordination with the District Education department, this programme was started in 2012 to train teachers on various soft skills. During 2013-14, 121 teachers were trained. So far, more than 180 teachers have been trained, covering many villages in and around Digboi.</p>
Scholarships (Academics)	<p>Indian Oil Academic Scholarship Scheme IOCL provides scholarship to 10+ students who are in ITI/Engineering/MBBS/MBA courses. Around 49.5% of the scholarships are reserved for SC/ST/OBC. It also has reservations for women candidates and people who are differently abled. During the year, around 53,000 applications were received for a total of 2,600 scholarships.</p>
Scholarships (Sports)	<p>Indian Oil Sports Scholarship Scheme Started in 2006-07, IOCL provides sports scholarships to young sportspeople representing states/nation. About 150 scholarships are given every year in about 19 games to people between 14 and 19 years of age. The scholarship is given for three years, in addition to providing sports kits.</p>
Initiatives by the Indian Oil Foundation	<p>The Indian Oil Foundation: IOF, a non-profit trust, along with ASI and NCF, is undertaken to develop facilities for tourists at various national monuments of archaeological and historical importance, such as the Sun Temple in Konark, Odisha; Khajuraho in MP; Vaishali, Bihar; Kanheri Caves, Maharashtra; and Bhoga Nandeeshwara Temple, Karnataka. Various tourist-friendly facilities are being set up at Konark and Khajuraho.</p>
Provision of Drinking Water Facilities	<p>Drinking Water Facility at Guwahati: IOCL has provided 20 standalone community drinking water around Guwahati for 1,211 subscribing households.</p>
Donation to Chief Minister's Relief Fund	<p>During the year, IOCL contributed INR 2 Cr to the Uttarakhand Chief Minister's fund and 1 Cr to Odisha Chief Minister's Relief fund for people affected by cyclones.</p>

Source: IOCL (2013-14).

Besides the above major activities, the organisation has been supporting other government-driven initiatives through its CSR budget over the years. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes including ICDS, and so on.

It is also observed that some of the long-term major projects mentioned above have been ongoing for quite some time, and a few have been over for a very long time as well.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2013-14), IOCL has undertaken about 617 activities by investing INR 81.91 Cr during the year 2013-14.

Out of these activities, 4 were undertaken on an all-India basis. These are free LPG scheme for BPL families at INR 20.02 Cr, Indian Oil Academic Scholarship Scheme at INR 11.19 Cr, Indian Oil Sports Scholarship INR 0.64 Cr, and investments in preservation of art and culture, contributing towards organising classical music and dance programmes in various school (INR 0.10 Cr).

Out of these, free LPG connection was driven by government initiatives, which constitutes about 24.44% of the total CSR spent in the year.

A critical review of the activities and expenditure shows that the following five states achieved highest CSR investment: West Bengal (70 activities INR 11.17 Cr), Uttar Pradesh (37 activities INR 6.16 Cr), Andhra Pradesh (24 activities INR

5.99 Cr), Assam (146 activities INR 4.98 Cr), and Odisha (33 activities INR 4.53 Cr) (Table 3). The following states and union territories got the least investment: Puducherry (1 activity INR 0.9 Lakhs), Meghalaya (1 activity INR 0.94 Lakhs), Manipur (1 activity INR 0.99 Lakhs), Arunachal Pradesh (3 activities INR 3.24 Lakhs), and Himachal Pradesh (3 activities INR 4.42 Lakhs).

Table 3: IOCL CSR Investment – Top/Bottom Five States FY 2013-14

(INR Cr)

Top Five States	2013-14	% of Total	Bottom Five States	2013-14	% of Total
West Bengal	11.17	13.63	Himachal Pradesh	0.04	0.05
Uttar Pradesh	6.16	7.52	Arunachal Pradesh	0.03	0.04
Andhra Pradesh	5.99	7.31	Manipur	0.01	0.01
Assam	4.98	6.09	Meghalaya	0.01	0.01
Odisha	4.53	5.53	Puducherry	0.01	0.01
Total	81.91	100.00	Total	81.91	100.00

The following 12 states and union territories did not receive any CSR investment during the year: Andaman and Nicobar Islands, Chandigarh, Chhattisgarh, Dadra & Nagar Haveli, Daman & Diu, Goa, Jammu & Kashmir, Lakshadweep, Mizoram, Nagaland, Sikkim, and Tripura.

In terms of Schedule VII alignment, it is observed that out of 617 activities amounting to INR 81.91 Cr, a total of 243 activities valued at INR 30.40 Cr were undertaken in item no. (i) of Schedule VII of the Companies Act 2013, which is to "...eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water" (Table 4). The second-largest investment was in the area of item (iv), that is "...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation

of natural resources and maintaining quality of soil, air and water", undertaking 14 activities at INR 23.47 Cr. Substantial investment was made in the other two areas, such as items (ii) "...promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects", and item no. (x) "...rural development activities". There has not been any expenditure on item nos. (vi), (viii), and (ix).

A detailed analysis of item no. (i) shows that out of 243 activities undertaken at an approximate cost of INR 30.40 Cr, about 146 activities valued at INR 7.65 Cr was undertaken in the area of "...promoting sanitation and making available safe drinking water in schools, villages and communities". The remaining, about 97 activities (INR 22.75 Cr), were undertaken purely in the area of "...promoting health care including preventive health care".

A detailed analysis of item no. (iv) of Schedule VII of Companies Act 2013 shows that out of 14 activities undertaken at an approximate cost of INR 23.47 Cr, an amount of INR 20.02 Cr was spent on providing free LPG connection to people below the poverty line as per the government initiatives.

In item no. (ii) Schedule VII of Companies Act 2013, an amount of INR 22.06 Cr was invested through 222 activities. With the exclusive purpose of promoting education by providing scholarships, school infrastructure such as construction of classrooms, library, amphitheatre, and supply of school furniture, equipment, computers, and laboratory equipment, a total of 175 activities were undertaken, amounting to INR 20.95 Cr. The amount for the remaining 47 activities (INR 1.10 Cr) was spent towards job-oriented skill development and vocational training.

Overall, out of 617 activities valued at INR 81.91 Cr, IOCL has undertaken 289 activities valued at INR 34.73 Cr. The amount for the remaining 328 activities (INR 47.18 Cr) was invested through outside agencies like non-profit organisations, foundation cooperatives, trust, and so on. This amounts to about 57.6% of the total investment, showing high dependence on external agencies.

Table 4: Schedule VII Item-Wise CSR Spent by IOCL – FY 2013-14

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
Eradicating hunger, poverty, and malnutrition; promoting health care, including preventive health care; and sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	(i)	243	39.38	3039.71	37.11
Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, elderly, and the differently abled, and livelihood-enhancement projects.	(ii)	222	35.98	2205.72	26.93

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens; and measures for reducing inequalities faced by socially and economically backward groups.	(iii)	19	3.08	50.33	0.61
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air, and water, including the contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.	(iv)	14	2.27	2347.19	28.66
Protection of national heritage, art, and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	(v)	6	0.97	33.24	0.41
Training to promote rural sports, nationally recognised sports, and Olympic sports.	(vii)	5	0.81	77.95	0.95
Rural development projects.	(x)	41	6.65	300.81	3.67
Slum area development.	(xi)	1	0.16	15.00	0.18
Administrative overheads.	-	66	10.70	121.25	1.48
Grand Total.		617	100.00	8191.2	100.00

Major CSR Activities during 2014-15

IOCL had allocated 2% of its average net profit, valued at INR 112.95 Cr. There was a carry forward amount of INR 20.45 Cr from the previous year, making the total CSR budget of the year INR 133.40 Cr. Out of this amount, during the year IOCL has invested INR 113.79 Cr in various activities within its focus area, as well as

within Schedule VII of the Companies Act 2013. These activities were carried out in partnership with outside agencies, as well as through in-house efforts of IOCL.

Some of the major CSR activities undertaken during the year, as reported in the 56th Annual Report of the Company (Indian Oil Corporation Limited, 2017), are detailed in Table 5.

Table 5: IOCL – Major CSR Activities during FY 2014-15

CSR Budget	During the year, an amount of INR 12.95 Cr (2.0% of the average net profit of the last three years INR 5647.50 Cr) was allocated. Unspent CSR budget of the earlier year, amounting to INR 20.45 Cr, was added to current year's allocation, taking the total CSR budget allocation for the year to INR 133.40 Cr. During the year, INR 113.79 Cr was spent, leaving a balance of INR 19.61 Cr. Thus, about 85.3% of the allocated budget was spent during the year.
IOCL Support to Government Initiatives - Recent	
LPG Scheme for BPL Families	LPG Scheme for BPL: This is a scheme launched at the guidance of MoPNG, where 20% of CSR funds of six CPSE oil companies, namely ONGC/OIL/GAIL/IOCL/BPCL/HPCL, are utilised for providing cooking gas connection to people under BPL free of cost. Security deposit for basic equipment is provided from the common CSR fund. During 2014-15, IOCL contributed INR 28.08 Cr towards this from its CSR budget.
Swachh Bharat Abhiyan/Swachh Vidyalaya	Swachh Bharat Abhiyan/Swachh Vidyalaya: Under this state-driven initiative, IOCL had participated and involved their stakeholders in sensitising people about the cause. Under Swachh Vidyalaya scheme, it has proposed to construct about 2,700 toilets in 16 states, which was in progress.
Health Care Initiatives	<p>1. Indian Oil Sachal Swasthya Seva AP, Telangana, UP: In January 2012, IOCL launched the scheme to operate 52 MMU; these are linked to the IOCL small-retail fuel outlet Kisan Seva Kendra. A four-member team comprising of MBBS doctors provides free health check-up and free medicines to inaccessible areas. During 2014-15, about 14.44 lakh patients were treated. In the last three years, about 40 lakhs patients were treated. The project has completed its tenure and the mobile medical units are being handed over to the state governments.</p> <p>2. Indian Oil Assam Oil Division Hospital Digboi, Assam: IOCL operates a modernised 200-bed hospital at Digboi. This was set up in 1906 to take care of the local poor populace.</p> <p>3. Swarna Jayanti Samudayik Hospital Mathura, UP: A 50-bed hospital is operated by IOCL at Mathura. It also operates free mobile medical units there. The treatment is free for the destitute, and subsidised for others.</p>

	<p>4. Sarve Santu Niramaya (SSN) Digboi, Assam: This was initiated by IOCL in 2012 to provide free medical treatment to the poor people living in and around Digboi, as well as the livestock they own. During the year, about 1,500 people and 16,000 livestock were treated. Since inception, 2,900 patients and 45,000 livestock benefitted from the project.</p> <p>5. Indian Oil Muskaan: IOCL has initiated this programme to address the problem of people affected with cleft lips or palates.</p>
Skill Development Employment Genera- tion Skills	<p>1. Assam Oil School of Nursing / College of Nursing Digboi, Assam: IOCL have been operating a nursing school free of cost at Digboi, with an intake of 20 candidates for a very long time. This is an all-expense paid training, where boarding, lodging, and education are free, and the students are given a stipend during the period of studies. In Nov. 2014, the College of Nursing was started with an intake of 30 students for B SC. (Nursing). Since inception, more than 350 students have completed the nursing and midwifery courses, with 100% placement records.</p> <p>2. Indian Oil Multi Skill Development Institute Digboi, Assam The institute became operational in 2014. This provided job-oriented skill development programmes. The first batch, of more than 80 students, joined the course in August 2014.</p> <p>3. Indian Oil Industrial Training Centre, Digboi, Assam This programme started in 1975 under the aegis of NCVT. It provides a three-year industrial trade course, with a capacity of 68 intakes under eight disciplines. Since 1975, about 1,200 people have benefitted.</p> <p>4. Shikshak Dakshta Vikar Abhiyan, Digboi, Assam In coordination with the District Education department, this programme was started in 2012 to train teachers on various soft skills. So far, 248 teachers have been trained, covering many villages in and around Digboi.</p>
Scholarships (Education)	<p>Indian Oil Academic Scholarship Scheme IOCL provides scholarship to 10+ students who are in ITI/Engineering/MBBS/MBA courses. Around 49.5% of the scholarships are reserved for SC/ST/OBC. It also has reservations for women candidates and people who are differently abled. During the year, 53,000 applications were received for 2,600 scholarships.</p>
Initiatives by Indian Oil Foundation	<p>The Indian Oil Foundation (IOF): IOF, a non-profit trust, along with ASI and NCF, is undertaken to improve and facilitate tourist-friendly amenities at various national monuments of archaeological and historical importance, such as the Sun Temple in Konark, Odisha; Khajuraho in MP; Vaishali, Bihar; Kanheri Caves, Maharashtra; and Bhoga Nandeeshwara Temple, Karnataka. During 2014-15, it undertook new projects at Hampi, Karnataka; Golconda Fort, Telangana; Rani-ki-Vav, Gujarat; Chittorgarh Fort, Rajasthan, and Brihadeeswara Temple, Tamil Nadu.</p>

Source: IOCL (2014-15).

Besides the above major activities, the organisation has been supporting other government-driven initiatives through its CSR budget over the years. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes, including ICDS, and so on.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2014-15), IOCL has undertaken about 217 activities by investing INR 113.79 Cr during the year. Out of these activities, four activities were undertaken on an all-India basis. These are free LPG scheme for BPL families at INR 29.48 Cr, construction/repair of toilets in schools under Swachh Vidyalaya Abhiyan at INR 7.66 Cr, Indian Oil Academic Scholarship Scheme at INR. 10.78 Cr, and Indian Oil Sports Scholarship at INR 0.49 Cr.

Total amount invested towards government-driven initiatives was INR 40.97 Cr, which is about 36% of the total investment of INR 113.79 Cr.

A critical review of the activities and expenditure shows that the following 5 states achieved the highest CSR investment

– West Bengal (7 activities INR 21.60 Cr), Odisha (21 activities INR 12.26 Cr), Assam (49 activities INR 8.83 Cr), Uttar Pradesh (19 activities INR 6.86 Cr), and Bihar (3 activities INR 3.23 Cr) (Table 6). The five states that got less CSR investment are Punjab (2 activities INR 0.65 lakhs), Chandigarh (2 activities INR 2.2 Lakhs), Arunachal Pradesh (1 activity INR 6.6 lakhs), Himachal Pradesh (3 activities INR 8.08 Cr), and Andhra Pradesh (3 activities INR 8 lakhs).

**Table 6: IOCL CSR Investment – Top/Bottom 5 States
FY 2014-15
(INR Cr)**

Top 5 States	2014-15	% of Total	Bottom Five States	2014-15	% of Total
West Bengal	21.60	18.98	Andhra Pradesh	0.08	0.07
Odisha	12.26	10.77	Himachal Pradesh	0.08	0.07
Assam	8.83	7.76	Arunachal Pradesh	0.07	0.06
Uttar Pradesh	6.86	6.03	Chandigarh	0.02	0.02
Bihar	3.23	2.84	Punjab	0.01	0.01
Total	113.79	100.00	Total	113.79	100.00

A total of 15 states and union territories did not receive any CSR investment during the year: Andaman & Nicobar Islands, Chhattisgarh, Dadra & Nagar Haveli, Daman & Diu, Goa, Jammu & Kashmir, Jharkhand, Lakshadweep, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, and Tripura.

In terms of Schedule VII alignment, it is observed that out of 217 activities amounting to INR 113.79 100, activities valued at INR 55.84 Cr were undertaken in item no. (i) of Schedule VII of the Companies Act 2013, "...eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water" (Table 7). The second-largest investment was in the area of item (iv), i.e. "...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water", undertaking ten activities at INR 30.00 Cr. Substantial investment was made in the other two areas, such as items (ii) "...promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects", and item no. (v) "...protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts". There has not been any expenditure on item nos. (vi), (viii), and (ix).

A detailed analysis of item no. (i) shows that out of 100 activities undertaken at an approximate cost of INR

55.84 Cr, about 54 activities valued at INR 11.50 Cr was undertaken in the area of promotion of sanitation and making available safe drinking water in schools, villages, and communities. The remaining 46 activities (INR 44.34 Cr) undertaken were purely in the area of promotion of healthcare, including preventive health care.

A detailed analysis of item no. (iv) shows that out of ten activities undertaken at an approximate cost of INR 30.00 Cr, an amount of INR 29.48 Cr was spent on providing free LPG connection to people below the poverty line, as per government initiatives.

In item no. (ii) Schedule VII of Companies Act 2013, an amount of INR 24.40 Cr was invested through 68 activities. With the exclusive purpose of promoting education by providing scholarships, school infrastructure such as construction of classrooms, library, amphitheatre, and supply of school furniture, equipment, computers, and laboratory equipment, a total of 56 activities were undertaken at an amount of INR 22.92 Cr. The remaining 12 activities, amounting to about INR 1.48 Cr, was spent towards job-oriented skill development and vocational training.

Overall, out of these 217 activities valued at INR 113.79 Cr, IOCL has undertaken 128 activities valued at INR 50.18 Cr. The amount for the remaining 89 activities (INR 63.61 Cr) was invested through outside agencies like non-profit organisations, foundation cooperatives, trust, and so on. This amounts to about 56% of the total investment, showing high dependence on external agencies.

Table 7: Schedule VII Item-Wise CSR Spent by IOCL – FY 2014-15

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	(i)	100	46.08	5584.38	49.08
Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly, and the differently abled, and livelihood enhancement projects.	(ii)	68	31.34	2439.72	21.44
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old-age homes, day care centres, and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.	(iii)	5	2.30	16.55	0.15
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.	(iv)	10	4.61	3004.56	26.40
Protection of national heritage, art, and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	(v)	3	1.38	206.37	1.81
Training to promote rural sports, nationally recognised sports, and Olympic sports.	(vii)	5	2.30	62.54	0.55
Rural development projects.	(x)	8	3.69	49.21	0.43
Slum area development.	(xi)	1	0.46	0.99	0.01
Administrative overheads.	-	17	7.83	14.81	0.13
Grand Total.		217	100.00	11379.13	100.00

Major CSR Activities during 2015-16

Driven by its policy, during the financial year IOCL had allocated 2% of its average net profit of previous 3 years, amounting to INR 141.50 Cr, as CSR budget. There was a carry forward amount of INR 19.61 Cr from the previous year, making the total CSR budget of the year INR 161.11 Cr. Out of this, during the year IOCL has invested INR 156.67 Cr in various activities within its focus areas, as well

as within Schedule VII of the Companies Act 2013. These activities were carried out through outside agencies, as well as through in-house efforts of IOCL. A small amount of INR 4.43 Cr was unspent during the year, which was carried forwarded.

Some of the major CSR activities undertaken during the financial year as recorded in the annual report (Indian Oil Corporation Limited, 2017), website, flyers, and coffee table book available in the public domain are listed in Table 8.

Table 8: IOCL – Major CSR Activities during FY 2015-16

CSR Budget	During the year, an amount of INR 141.50 Cr (2.0% of the average net profit of the last three years INR 7075.00 Cr) was allocated. The unspent CSR budget of the earlier year, amounting to INR 19.61 Cr, was added to the current year's allocation, taking the total CSR budget allocation for the year to Rs 161.11 Cr. During the year, INR 156.67 Cr was spent, leaving a balance of INR 4.43 Cr. Thus, about 97% of the allocated budget was spent during the year.
IOCL Support to Government Initiatives	
LPG Scheme for BPL Families	This scheme has been launched at the guidance of MoPNG (w.e.f. Jan. 2010), where 20% of the CSR fund (2% of profit) of six CPSE oil companies, namely ONGC/OIL/GAIL/IOCL/BPCL/HPCL are utilised for providing free-of-cost Liquefied Petroleum Gas (LPG or cooking gas) connection to people below the poverty line (BPL). Security deposit for basic equipment is provided from the common CSR fund. During 2015-16, IOCL had provided INR 28.3 Cr for providing 22.8 lakhs free connection. Since inception, 32.4 lakhs connections have been released by IOCL to BPL beneficiaries.
Swachh Bharat Abhiyan/Swachh Vidyalaya	The Government of India initiated Swachh Vidyalaya Abhiyan (SVA) under Swachh Bharat Abhiyan (SBA) (since 2014), the largest cleanliness drive ever taken. SVA aims to provide separate toilets for girls and boys in each of the government schools in the country. IOCL had joined SVA/SBA, involving all stakeholders, including employees, to sensitise people about the cause; they have undertaken more than 3,600 activities. Under the Swachh Vidyalaya Abhiyan scheme, it has constructed about 2,855 toilets in 16 states, at a cost of INR44.87 Cr, in partnership with state governments.
Health Care Initiatives	Indian Oil Assam Oil Division Hospital Digboi, Assam: IOCL operates a modernised 200-bed hospital at Digboi. This was set up in 1906 to take care of the needs of the local poor populace. During 2015-16, about 16,423 people were provided treatment in this hospital. Swarna Jayanti Samudayik Hospital Mathura, UP: A 50-bed hospital is operated by IOCL at Mathura. It also operates free mobile medical units there. The treatment is free for the destitute and subsidised for others. During the year, 52,660 people (other than employees) were treated. More than 8 lakhs people have benefitted since inception. Sarve Santu Niramaya (SSN) Digboi, Assam: This developmental initiative was initiated by IOCL in the year 2012 to provide free medical treatment to the poor people living in and around Digboi, as well as the livestock they own. During the year, about 2,500 people and 12,200 livestock were treated (since inception 5,400 patients and 57,000 livestock have benefitted from the project). Indian Oil Muskaan: IOCL has initiated this programme to address the problem of people affected with cleft lips or palates. During 2015-16, corrective surgeries were carried out on 204 people (90 girls) from 26 districts of Assam.
Skill Development Livelihood Generation	Assam Oil School of Nursing/College of Nursing Digboi, Assam: IOCL have been operating a nursing school free of cost at Digboi, with an intake of 20 candidates for a very long time. This is an all-expense paid training, where boarding, lodging, and education are free, and the students are given a stipend during the period of studies. In 2014, the College of Nursing was started with an intake of 30 students. During 2015-16, 16 students completed general nursing and midwifery programmes. Around 391 students have completed the course with 100% placement records since it started in 1986. Indian Oil Multi Skill Development Institute Digboi, Assam: The institute was started in 2014. This provided job-oriented skill development programmes. Around 271 beneficiaries received the skills training during the year on various courses, such as welding, hospitality, fitting, retailing, auto repairing, and so on. Since inception, 388 have benefitted from the scheme. Indian Oil Industrial Training Centre, Digboi, Assam: This programme started in 1975 under the aegis of NCVT. It provides a three-year industrial trade course, with a capacity of 68 intakes. During the year, 61 candidates were trained (since 1975, about 1,238 people have benefitted). Shikshak Dakshta Vikar Abhiyan, Digboi, Assam: In coordination with the District Education department, this programme was started in 2012 to train teachers on various soft skills. During the year, 81 teachers were trained. The total since inception is 355, covering 42 villages in and around Digboi.

Scholarships (Educational)	Indian Oil Academic Scholarship Scheme: IOCL provides scholarship to 10+ students who are in ITI/Engineering/MBBS/MBA courses. Around 49.5% of the scholarships are reserved for SC/ST/OBC. It also has reservations for women candidates and people who are differently abled. During the year, 3,137 students availed these benefits. Since inception more than 15,000 students have availed this facility.
Scholarships (Sports)	Indian Oil Sports Scholarship Scheme Started in 2006-07, IOCL provide sorts scholarship to young sportspeople representing states/nation. About 150 scholarships are given every year in about 20 games to the people between 14 and 19 years of age. The scholarship is given for three years, in addition to providing sports kits.

Source: IOCL (2015-16).

Apart from the above major CSR initiatives undertaken, numerous CSR activities have been undertaken based on the needs of the local community, to enhance quality of life by supporting health care, education, livelihood generation skill development, and also in the area of cleanliness, environmental sustainability, and clean water. IOCL has collaborated with the government, local administration, and various independent agencies at numerous places to support worthwhile activities within its focus areas. These include, but are not limited to, providing infrastructure support to government hospitals and dispensaries, government schools and colleges, supplementing government schemes, including ICDS, and so on.

It is also observed that some of the long-term major projects mentioned above have been ongoing for quite some time, and a few have been over for a very long time as well.

Based on the data available in the public domain (Indian Oil Corporation Limited, 2015-16), IOCL has undertaken about 472 activities in the financial year. A critical review of these activities shows that four of these activities, namely Indian Oil Education Scholarship (INR 4.13 Cr), Indian Oil Sports Scholarship (INR 1.05 Cr), and free LPG connection to BPL candidates (INR 30.11 Cr) were undertaken on an all-India basis. Toilets in government schools were constructed in 16 states (INR 42.74 Cr). The latter 2 activities, valued at INR 72.85 Cr, were driven by government initiatives, which is about 46.5% of the total spent. Adding other government initiatives, such as setting up skill development institutes at an initial investment of INR 4.5 Cr of the total investment and Swachh Bharat Abhiyan-related initiatives, the CSR investments during the year for government-driven projects was INR 91.02 Cr, out of a total investment of INR 156.67 Cr, which works out to 58.1%.

Review of state-wise expenditure shows that Odisha (37 activities INR 20.47 Cr), Assam (97 activities INR 15.28 Cr), Uttar Pradesh (45 activities INR 12.20 Cr), Haryana (57 activities INR 2.67 Cr), and Bihar (11 Activities INR 2.67 Cr) topped the list (Table 9), whereas the smallest fund flow was in the states of Jammu & Kashmir (2 activities INR 2.3 lakhs), Chandigarh (5 activities INR 9.23 lakhs), Himachal Pradesh (5 activities INR 11.20 lakhs), Tripura (1 activity INR 11.66 lakhs), and Chhattisgarh (1 activity INR 11.80 lakhs).

Table 9: IOCL CSR Investment – Top/Bottom 5 States FY 2015-16

(INR Cr)

Top 5 States	2015-16	% of Total	Bottom 5 States	2015-16	% of Total
Odisha	20.47	13.07	Chhattisgarh	0.12	0.08
Assam	15.28	9.75	Tripura	0.12	0.07
Uttar Pradesh	12.20	7.79	Himachal Pradesh	0.11	0.07
Haryana	2.67	1.71	Chandigarh	0.09	0.06
Bihar	2.67	1.70	J & K	0.02	0.01
Total	156.67	100.00	Total	156.67	100.00

8 states and union territory, namely Dadra & Nagar Haveli, Daman & Diu, Goa, Lakshadweep, Manipur, Meghalaya, Nagaland, and Sikkim, did not receive any CSR investment during the year.

Table 10 presents Schedule VII item-wise CSR spent by IOCL during the financial year 2015-16. In terms of Schedule VII alignment, it is observed that out of 472 activities 281 activities valued at INR 75.50 Cr were undertaken in item (i) of Schedule VII of the Companies Act 2013, that is "...to eradicate hunger, poverty and malnutrition, promote preventive health care and sanitation and making available safe drinking water". The second-largest investment was in the area of item (iv) of Schedule VII of the Companies Act 2013, that is "...to ensuring environmental sustainability". About 17 activities amounting to INR 40.21 Cr were undertaken towards these initiatives.

Substantial investment was made towards item (ii) of promoting education. No investment has been made towards item nos. (vi), (viii), (ix), and (xi), that is, in the area of "...benefit of armed forces veterans, contribution to the Prime Minister's National Relief fund, contributions to technology incubation projects and slum area development project".

A detailed analysis of item no. (i) of Schedule VII of Companies Act 2013 shows that out of 281 activities undertaken at an approximate cost of INR 75.50 Cr, about 200 activities valued at INR 56.4 Cr were undertaken under item (i) "...promoting sanitation & making available safe

drinking water” in schools, villages, and communities. The remaining 81 activities (INR 19.10 Cr) were undertaken purely in “...promoting health care including preventive health care”.

A detailed analysis of item no. (ii) of Schedule VII shows that out of 124 activities undertaken at an approximate cost of INR 28.80 Cr, about 110 activities, for an amount of INR 21.22 Cr, was exclusively invested in promotion of education by providing scholarships, school infrastructure such as construction of classrooms, library, amphitheatre, and supply of school furniture, equipment, computers, and laboratory equipment. The amount for the remaining

14 activities, amounting to about INR 7.60 Cr, was spent towards job-oriented skill development and vocational training, out of which INR 4.5 Cr was exclusively for setting up skill development institutes, as directed by the Government of India.

Out of the 472 activities valued at INR 156.68 Cr, IOCL has undertaken 276 activities valued at INR 136.5 Cr. The remaining amount for 196 activities (INR 20.25 Cr) were invested through outside agencies like non-profit organisations, foundation cooperatives, trust, and so on. This amounts to only about 13% of the total investment, showing greater control on CSR invested. This has increased over the years, to about 47% in 2013-14.

Table 10: Schedule VII Item-Wise CSR spent by IOCL – FY 2015-16

Item Under Schedule VII of Companies Act 2013	Item	No. of Activities	%	INR Lakhs	%
Eradicating hunger, poverty, and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	(i)	281	59.53	7552.53	48.20
Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects.	(ii)	124	26.27	2883.17	18.40
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old-age homes, day care centres, and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.	(iii)	16	3.39	74.00	0.47
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.	(iv)	17	3.60	4020.78	25.66
Protection of national heritage, art, and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	(v)	2	0.42	53.59	0.34
Training to promote rural sports, nationally recognised sports, and Olympic sports.	(vii)	6	1.27	145.88	0.93
Rural development projects.	(x)	24	5.08	190.44	1.22
Administrative overheads.	-	2	0.42	747.28	4.77
Grand Total.		472	100.00	15667.67	100.00

Comparison and Review of IOCL CSR Activities

It is observed that IOCL has allocated 2% of PAT/Avg. net profit of preceding three years as CSR budget. However, in all the three years there have been unspent CSR budget, which has been carried forward to the next year. There seems to have been a concerted effort that has led to a progressive decrease in the unspent amount, in terms of percentage of total CSR investment during the year. In 2013-14, the same was 31.52%, which has reduced to 17% and 3% in subsequent years, showing greater focus and action in place to spend the CSR budget during the year (Fig. 1).

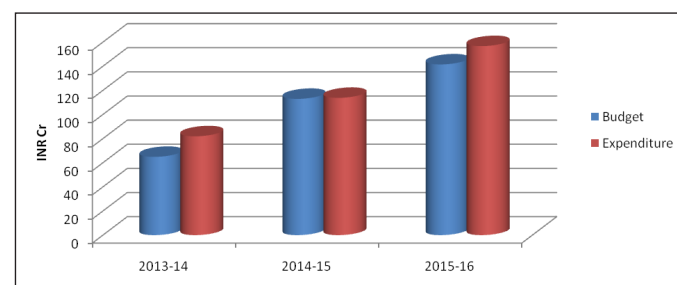


Fig. 1: Budget and Expenditure due to CSR Activities of IOCL

Government Initiatives-Driven CSR

The investment in the areas driven by government initiatives, such as Prime Minister’s Ujjwala Yojana, Swachh Vidyalaya Abhiyan, Swachh Bharat Abhiyan, Skill Development initiatives, and so on have steadily increased over time, as shown in Table 11.

Table 11: IOCL – Expenditure towards Government Initiatives Driven CSR

(INR Cr)

Particulars	2013-14	2014-15	2015-16
CSR investment under government initiatives like Swachh Bharat Abhiyan, PMUY/LPG Connection for BPL Families, Skill Development Institutes, and Swachh Vidyalaya Abhiyan	20.02	40.97	91.02
Total CSR Investment	81.91	113.79	156.67
% of Total CSR Investment	24.44	36.00	58.10

IOCL Schedule VII Item-Wise Investment in 3 Years

Sector-wise investments made by IOCL in the last three years shows a concentration of activities and investments in

item no. (i) and item (ii) of Schedule VII of Companies Act 2013. The other areas that received sizeable investment are skill development, environmental sustainability, and rural development projects.

Fig. 2 reveals that the expenditure towards item no. (i) in 2015-16 is not in sync with the other 2 years, as there was a major investment towards building school toilets. Similarly, the investment towards item (iv) in 2015-16 was higher than the earlier years, as the 2 years’ contribution towards providing LPG connection to BPL family was accounted in this year. Fig. 3 shows that throughout the 3 years, maximum focus was given towards item no. (i), eradicating hunger (in 2013-14, 37.11%; in 2014-15, 49.08%; in 2015-16, 48.20%), followed by item no. (iv), ensuring environmental sustainability (in 2013-14, 28.66%; in 2014-15, 26.40%; in 2015-16, 25.66%), and item no. (ii), promoting education (in 2013-14, 26.93%; in 2014-15, 21.44%; in 2015-16, 18.40%). The cumulative picture reveals that from 2013-14 to 2015-16, least priority has been given to item no. (xi), slum area development (0.05%) and item no. (iii), promoting gender equality (0.40%).

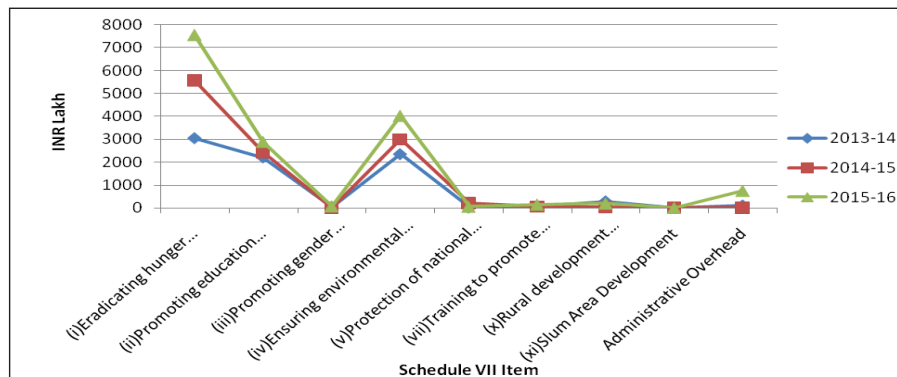


Fig. 2: Schedule VII Item Wise Expenditure towards CSR by IOCL

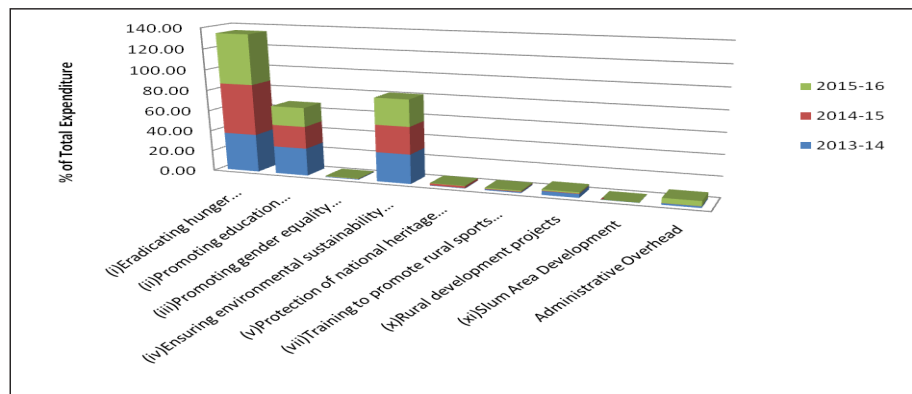


Fig. 3: Year Wise Percentage Distribution of Expenditure towards CSR of Each Item Under Schedule VII by IOCL

Dependence on External Implementing Agencies

IOCL has been undertaking its CSR activities directly through its locations across the country. It is also undertaking

various activities through external agencies (Fig. 4). It is observed that over the years the dependence on external agencies has reduced, and as such, more activities are undertaken directly by IOCL. As a result, the amount spent for external agencies has been reduced from INR 328 Cr in 2013-14 to INR 196 Cr in 2015-16.

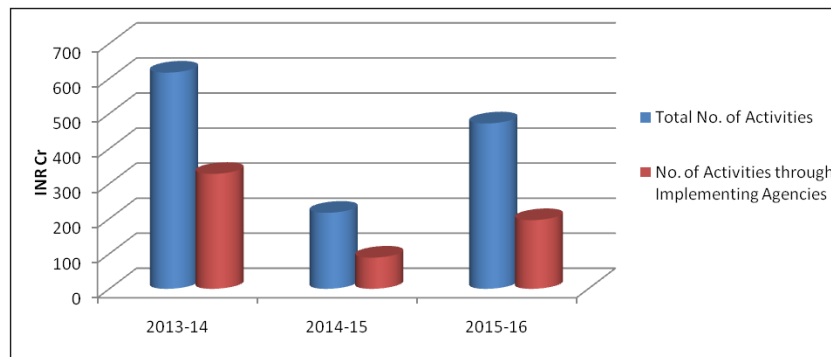


Fig. 4: IOCL Activities Through Implementing Agencies

Spatial Inequality

Being an oil marketing company, IOCL has undertaken activities in wide areas. However, 12/15/8 states did not receive any CSR investments during 2013-14,

2014-15, and 2015-16, respectively (Fig. 5). The 5 states that received the highest amount of investments and the least amount of investments, excluding the states where no investments are made, are shown in Tables 12 and 13.

Table 12: IOCL CSR Investment – Top 5 States

(INR Cr)

Top 5 States	2013-14	% of Total	Top 5 States	2014-15	% of Total	Top 5 States	2015-16	% of Total
West Bengal	11.17	13.63	West Bengal	21.60	18.98	Odisha	20.47	13.07
Uttar Pradesh	6.16	7.52	Odisha	12.26	10.77	Assam	15.28	9.75
Andhra Pradesh	5.99	7.31	Assam	8.83	7.76	Uttar Pradesh	12.20	7.79
Assam	4.98	6.09	Uttar Pradesh	6.86	6.03	Haryana	2.67	1.71
Odisha	4.53	5.53	Bihar	3.23	2.84	Bihar	2.67	1.70
Total	81.91	100.00	Total	113.79	100.00	Total	156.67	100.00

Table 13: IOCL CSR Investment – Bottom 5 States

(INR Cr)

Bottom 5 States	2013-14	% of Total	Bottom 5 States	2014-15	% of Total	Bottom 5 States	2015-16	% of Total
Himachal Pradesh	0.04	0.05	Andhra Pradesh	0.08	0.07	Chhattisgarh	0.12	0.08
Arunachal Pradesh	0.03	0.04	Himachal Pradesh	0.08	0.07	Tripura	0.12	0.07
Manipur	0.01	0.01	Arunachal Pradesh	0.07	0.06	Himachal Pradesh	0.11	0.07
Meghalaya	0.01	0.01	Chandigarh	0.02	0.02	Chandigarh	0.09	0.06
Puducherry	0.01	0.01	Punjab	0.01	0.01	J & K	0.02	0.01
Total	81.91	100.00	Total	113.79	100.00	Total	156.67	100.00

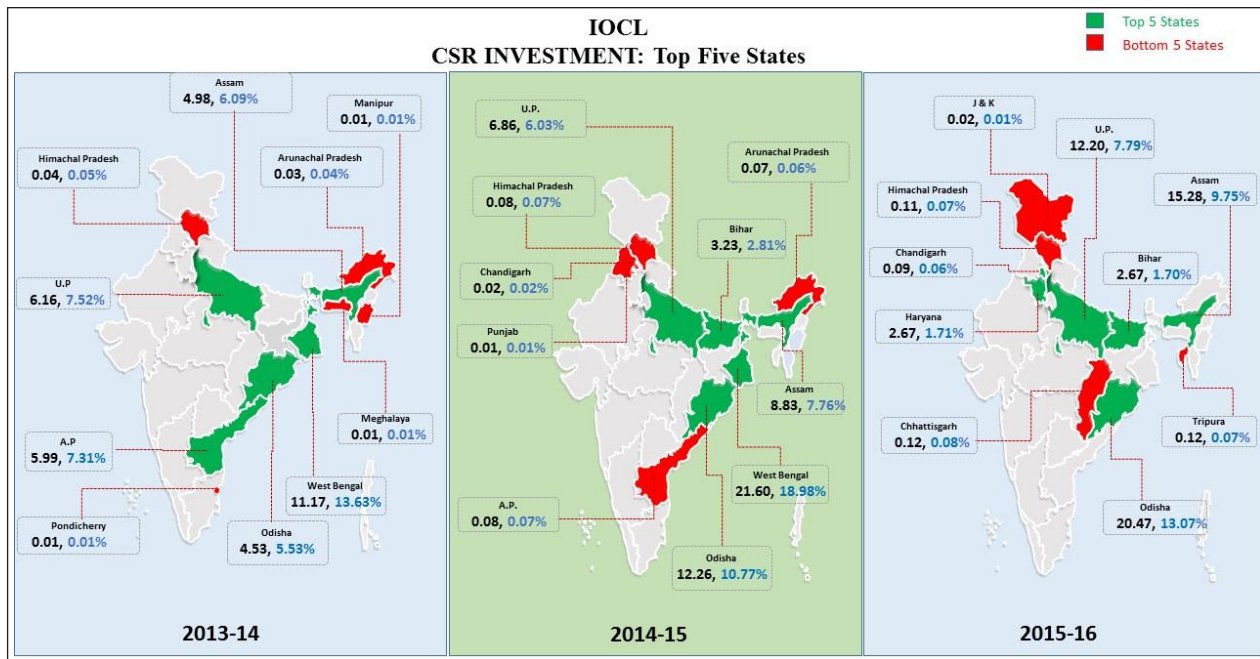


Fig. 5: IOCL – Status of CSR Investment by Top/Bottom 5 States

Social Implication

Table 14 shows the number of beneficiaries who have been identified against the above major CSR projects undertaken by IOCL. In addition to the above, IOCL CSR initiatives have touched millions of lives by providing various infrastructure and grassroots development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, and skill development institutes/industrial training institutes; and setting up sports facilities across the country are some examples. Environment-related initiatives, like providing LPG connection to the disadvantaged section of society, improving sanitation, health, and livelihood, and providing livelihood generation skills stand tall among various initiatives undertaken. Some of the activities spanning out over decades are serving the basic health care and livelihood needs of the community at large. To bring awareness and camaraderie, aiming towards societal good, IOCL has promoted music and cultural programmes among college students. The company, through a robust process, has been reaching out to the disadvantaged section of the society even before the Companies Act 2013. However, the reporting and disclosure in the public domain has transformed post Companies Act.

The impact of CSR activities of IOCL can be understood from the fact that it has invested its CSR budget in activities that are more permanent, adding to the national developmental efforts. IOCL has established several hospitals and skill development institutes/industrial training

institutes that are catering to society. Numerous health care initiatives of IOCL has helped in strengthening the health care infrastructure in the country and provided primary, secondary, as well as tertiary health care facilities to the people in various parts of the country. These specific initiatives have provided a permanent support to the health care system in India, particularly to the marginalised sections of the society. Initiatives like Indian Oil Assam Oil Division Hospital Digboi, Assam; Swarna Jayanti Samudayik Hospital Mathura, UP; Sarve Santu Niramaya (SSN) Digboi, Assam; and Assam Oil School of Nursing/ College of Nursing Digboi, Assam are a few examples that have provided immense support to the community.

Similarly, in the field of skill development, IOCL has established Indian Oil Multi Skill Development Institute Digboi, Assam; Indian Oil Industrial Training Centre, Digboi, Assam; and has launched Shikshak Dakshta Vikash Abhiyan, Digboi, Assam and Indian Oil Academic Scholarship Scheme that has skilled thousands of youth every year and will provide meaningful scope for development of the country. IOCL has not limited itself to investment in prominent sectors like education, health care, and skill development, but has promoted sports through various scholarship schemes.

However, from the data available it can be observed that IOCL has not taken on any project in an organised manner and on a long-term basis for protection of the environment, other than providing LPG connection to people below the poverty line. Further, there are fewer details on infrastructure development activities by IOCL under CSR in this area. This may be because of the fact that environment-

related initiatives might have been taken separately under sustainability development, which is not accounted from the CSR budget, and dealt is with separately.

Table 14 presents some of the major CSR initiatives of IOCL and their inception period, and the socio-economic impact of these initiatives.

Table 14: IOCL – Socio-Economic Impact of CSR Activities

Description	Since
Indian Oil Assam Oil Division Hospital Digboi, Assam: Around its refinery in Digboi. IOCL operates a 200-bed hospital. This was set up in 1906 with the aim of providing free-of-cost health care services to the marginalised and economically weaker section of the local populace. It provides medical services to a population of around 2 lakhs people in its catchment and neighbouring states.	1906 Caters to over two lakhs population
Swarna Jayanti Samudayik Hospital Mathura, UP: This 50-bed hospital was setup in 1999 and is operated by IOCL in Mathura, UP. It also operates free mobile medical units there. The treatment is free for economically weaker sections and the destitute, and totally subsidised for others.	1999 Benefitted more than 8 lakhs people
Sarve Santu Niramaya (SSN) Digboi, Assam: This unique initiative was taken up in the year 2012; IOCL aims to provide free medical treatment to the economically weaker sections of the local community around the Digboi refinery, as well as the livestock that the community members own.	2012 Benefitted more than 5,400 patients and 57,000 livestock
Indian Oil Sachal Swasthya Seva: In January 2012, IOCL launched a primary mobile healthcare scheme for running 52 mobile medical units (MMU) in Andhra Pradesh, Telangana, and Uttar Pradesh. The MMUs travel to the villages with a four-member team led by an MBBS doctor to provide free primary healthcare facilities and free medicines. This facility ended in the year 2014-15 and no reference is made in the 2015-16 annual report.	2012 Has impacted more than four million patients
To support the underprivileged section with cancer prevention diagnosis therapy, rehabilitation, and palliative support, which is otherwise inaccessible due to high cost of treatment, Indian Oil has signed an MOU with Tata Medical Centre Trust (TMCT) and Tata Eastern Medical Trust (TEMT) to set up a 250-bed hospital.	2013-14
Indian Oil Muskaan: IOCL has initiated this unique programme to address the problem of the often neglected people affected with cleft lips or palates. During the year 2015-16, corrective surgeries were carried out on 204 persons (including 90 girls) from 26 districts of Assam.	2013-14
IOCL's Ongoing Education and Skill Development Related CSR Projects	Since
Indian Oil Industrial Training Centre, Digboi, Assam: This old initiative of IOCL started in 1975 under the aegis of NCVT. It provides a three-year industrial trade course with a capacity of 68 intakes under eight disciplines.	1975 A total of 1,238 youth have been trained
Indian Oil Scholarship Schemes: Since 1984-85, IOCL has been operating a scholarship scheme for the poor and deserving students. Indian Oil awarded around 2,600 scholarships on merit-cum-means basis to students pursuing full-time courses in 10+2/ITI, engineering, medical, and business administration, to nurture and support talent among students belonging to families with less than INR 1 lakh gross joint annual income. Around 50% scholarships are reserved for students from backward communities, 25% for girl students, and 10% for persons who are differently abled.	1984-85 More than 15,000 students benefitted
College of Nursing Digboi, Assam: IOCL has been operating a nursing school free of cost at Digboi with an intake of 20 candidates since 1986. This is an all-expense paid four-year training on general nursing and midwifery. In addition to boarding, lodging, and free education, the students are given a stipend during the period of studies. In 2013-14, a total of 20 students joined and 18 passed. Till 2015-16, more than 350 students have completed the nursing course and midwifery course with 100% placement records.	1986 More than 350 beneficiaries
Indian Oil Sports Scholarship Scheme: Started in 2006-07, IOCL provides sports scholarships to young sportspeople representing states/nation. About 150 scholarships are given every year in about 19 games to the people between 14 and 19 years of age. The scholarship is given for three years, in addition to providing sports kits.	2006-07 More than 1,600 beneficiaries
Shikshak Dakshta Vikash Abhiyan, Digboi, Assam: To address the burning issue of competencies of teachers, particularly in the area of soft skills, IOCL, in coordination with the District Education department started this programme in 2012 to train teachers. So far (2014-15), 248 teachers have been trained, covering many villages in and around Digboi.	2012 Benefitted about 250 teachers
Indian Oil Multi Skill Development Institute Digboi, Assam: Keeping in view the increasing flow of working age population and poor employability, IOCL started a multi skill development institute in Digboi during 2014 for making the marginalised youth self-dependent. This provided job-oriented skill development programmes. The first batch of more than 80 trainees joined the course in August 2014.	2014

Source: IOCL (2015-16).

SUMMARY AND CONCLUSION

Overall, it is suggested that a huge gap exists in the academic discourses on CSR. There are limited studies on CSR globally and even the existing studies are focused on few regions of the world. CSR is a diverse issue and studies available do not touch upon CSR of different geographies and societies. The studies in the Indian context are again very limited. Only a few studies tried to look into the entirety of CSR, but limited themselves to a few industrial setups. A further deeper analysis suggests that globally there are a lot of discussions on CSR of the oil and gas sector companies due to their resourcefulness, as well as nature of their business. However, the same is not available in the Indian context, despite the fact that oil and gas sector companies of India are among the largest companies in the world, with significant impact on the economic health of the nation, as well as the long list of stakeholders.

Further, this paper has tried to review the status of corporate CSR practices in a large Maharatna company in India by critically appraising the resource application in the spectrum of focus areas and Schedule VII of the CSR rules. The study focuses on the geographic spread of the social investments over a period of time. Finally, the study explores the extent of social implication due to such CSR initiatives.

Besides major CSR projects undertaken by IOCL, its CSR initiatives have touched millions of lives by providing various infrastructure and grassroots development activities in the focus areas identified in the CSR policy of the company. Provision of water facilities; infrastructure at hospitals, schools, colleges, and skill development institutes/industrial training institutes; setting up sports facilities across the country; launching environment-related initiatives like providing LPG connection to the disadvantaged section of society; improving sanitation, health, and livelihood; and providing livelihood generation skills stand tall among various initiatives undertaken. Some of the activities spanning out over decades are serving the basic health care and livelihood needs of the community at large.

As with all empirical work in this area, our results are subject to certain limitations. First, our sample study covers only one enterprise and the results we document may not adequately capture the historical trend of socio-economic gains due to the expenditure towards CSR initiatives. Second, we do not take primary data for the analysis through discussion into consideration. Despite these potential shortcomings, we believe that our findings contribute evidence on the recent trend of oil and gas sector CPSEs.

There is need for continuing more exploratory and empirical research on different aspects of corporate social responsibility. Instead of focusing only on one oil and gas

sector CPSE, comparison could be made among all 13 oil and gas sector CPSEs on the issue. Apart from comparing only year-wise extent of CSR investment and evaluating the extent of social upgradation, future research may analyse brand value, investor pressure, litigation, regulation/legislation, innovation and quality control, productivity and cost savings, research and development, expenditure on social overheads, industrial safety, quality assurance and consumer protection, employees' participation in management, corporate governance parameters, and so on. Future research may even be conducted to identify the driving forces for taking CSR initiatives in the Indian context in a more detailed way. A comparative study may also be undertaken on CSR initiatives in developing countries. It is generally assumed that identification of CSR thrust areas in a more systematic manner, along with logical investment towards CSR initiatives, would promote socially responsible behaviour.

REFERENCES

- Banerjee, B. (2001). Corporate financial reporting practices in India. *Indian Journal of Accounting*, 33, 1-17.
- Batra, G. S. (1996). Dynamics of social auditing in corporate enterprises: A study of the Indian corporate sector. *Managerial Auditing Journal*, 11(2), 36-45.
- Beurden, P., & Gossling, T. (2008). The worth of values: A literature review on the relation between corporate social and financial performance. *Journal of Business Ethics*, 82(407).
- Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York, Harper and Row.
- Buldybayeva, G. (2014). Both sides of CSR practice: A case from oil and gas industry in Kazakhstan. *Acta Polytechnica Hungarica*, 11(2), 229-248.
- Carroll, A. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business and Society*, 38(3), 268-295.
- Carroll, A., & Shabana, K. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, 12(1), 85-105.
- Dahlsrud. (2008). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1-13.
- Danilovic, M., Hensbergen, M., Hoveskog, M., & Zadayannaya, L. (2015). Exploring diffusion and dynamics of corporate social responsibility. *Corporate Social Responsibility and Environmental Management*, 22(3), 129-141.

- Fisher, J. (2004). Social responsibility and ethics: Clarifying the concepts. *Journal of Business Ethics*, 52(4), 391-400.
- Frynas, J. G. (2009). Corporate social responsibility in oil & gas sector. *The Journal of World Energy Law and Business*.
- Frynas, J. (2012). Corporate social responsibility or government regulation? Evidence on oil spill prevention. *Ecology and Society*, 17(4).
- Garriga, E., & Mele, D. (2004). Corporate social responsibility theories: Mapping the territories. *Journal of Business Ethics*, 53(1-2), 51-71.
- Ghobadian, A., Money, K., & Hillenbrand, C. (2015). Corporate responsibility research: Past-present-future. *Group & Organization Management*, 40(3), 271-294.
- Ghosh, A. K. (2008). Sustainability and corporate governance. *Environmental Conservation Challenges & Actions* (pp. 214-225). New Delhi: A.P.H. Publishing Corporation.
- Global Justice Now. (2016). 10 Biggest Corporations Make More Money Than Most Countries in the World Combined, Retrieved from globaljustice.org.uk: http://www.globaljustice.org.uk/sites/default/files/files/resources/corporations_vs_governments_final.pdf
- Godfrey, P. C., & Hatch, N. W. (2007). Regarding corporate social responsibility: An agenda for the 21st Century. *Journal of Business Ethics*, 70(1), 87-98.
- Grassel, E., & Schirmer, B. (2006). The use of volunteers to support family caregivers of dementia patients: Results of prospective longitudinal study investigating exceptions towards and experience with training and professional support. *Zeitschrift Fur Gerontologie Und Geriatrie*, 39(3), 217-226.
- Gulsecen, A., & Kubat, A. (2006). Teaching ICT to teach candidates using PBL: A qualitative and quantitative evaluation. *Education, Technology and Society*, 9(2), 96-106.
- Hyde, K. A. L., Ocitti, J. P., Bua, V. E., & Abagi, O. (1997). Complementary opportunity for primary education programme interim review: Final Report. UNICEF/Kampala and Ministry of Education, Kampala.
- Idemudia, U. (2009). Oil extraction and poverty reduction in the Niger Delta: A critical examination of partnership initiatives. *Journal of Business Ethics*, 90(1), 91-116.
- Indian Oil Corporation Limited. (2018). Corporate social responsibility. Retrieved from https://www.iocl.com/AboutUs/IOC_S&CSR_Policy.pdf
- Indian Oil Corporation Limited. (2017). Financial performance. Retrieved from <https://www.iocl.com/AboutUs/AnnualReports/AnnualReport201516.pdf>
- Indian Oil Corporation Limited. (2015-16). CSR project wise details. Retrieved from <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202015-16.pdf>
- Indian Oil Corporation Limited. (2014-15). CSR project wise details. Retrieved from <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202014-15.pdf>
- Indian Oil Corporation Limited. (2013-14). CSR Project Wise Details. Retrieved from <https://www.iocl.com/download/Projectwise%20CSR%20expenditure%20FY%202013-14.pdf>
- Ite, U. E. (2004). Multinational and corporate social responsibility in developing countries: A case study of Nigeria. *Corporate Social Responsibility and Environment Management*, 11(1), 1-11.
- Jamali, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of Business Ethics*, 82(1), 213-231.
- Johnson, M. P. (2006). Decision models for the location of community correction centers. *Environment and Planning*, 33(3).
- Maheshwari, G. C. (1993). Corporate characteristics & social responsibility reporting. *Asian Review of Accounting*, 1(1), 31-42.
- Manakkalathil, J., & Rudolf, E. (1995). Corporate social responsibility in a globalizing market. *SAM Advanced Management Journal*, 47, 29-32.
- Okoye, A. (2009). Theorising corporate social responsibility as an essentially contested concept: Is a definition necessary? *Journal of Business Ethics*, 89(4), 613-627.
- Oppewal, H., Alexander, A., & Sullivan, P. (2006). Consumer perceptions of corporate social responsibility in town shopping centres and their influence on shopping evaluations. *Journal of Retailing and Consumer Services*, 13, 261-274.
- Paul, K. C., & Pal, B. (2001). Corporate environmental reporting in India. *Indian Accounting Review*, 27-45.
- Pramanik, A. K., Shil, N. C., & Das, B. (2007). Environmental accounting and reporting with special reference to India. *Munich Personal RePEc Archive*, 7712, 1-26.
- Prieto-Carrón M., Lund-Thomsen, P., Chan, A., & Bhushan, C. (2006). Critical perspectives on CSR and development: What to know, what we don't know and what we need to know. *International Affairs*, 82(5), 977-987.
- Rahman, S. (2011). Evaluation of definitions: Ten dimensions of corporate social responsibility. *World Review of Business Research*, 1(1), 166-176.

- Sharp, J. (2006). Corporate social responsibility and development: An anthropological perspective. *Developmental Southern Africa*, 23(2), 213-222.
- Sheehy, B. (2015). Defining CSR: Problems and solutions. *Journal of Business Ethics*, 131(3), 625-648.
- Singh, D. R., & Ahuja, J. M. (1983). Corporate social reporting in India. *International Journal of Accounting*, 18(2), 151-170.
- Spector, B. (2008). Business responsibilities in a divided world, the cold war roots of the corporate social responsibility movement. *Enterprise and Society*, 9(2), 314-336.
- Tellis, W. (1997). Introduction to case study. *The Qualitative Report*, 3(2), 1-14.
- Van Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communion. *Journal of Business Ethics*, 44(2-3), 95-105.
- Votaw, D. (1972). Genius became rare: A comment on the doctrine of social responsibility. *California Management Review*, 15(2), 25-31.
- World Bank. (2011). *The changing wealth of nations: Measuring sustainable development in the new millennium*. Washington, DC: World Bank.
- World Business Council for Sustainable Development (WBCSD). (2000). *Corporate social responsibility: Making good business sense*. Retrieved from www.wbcsd.org:www.wbcsd.org
- Yin, R. K. (2009). *Case study research: Design and methods*. Thousand Oaks CA: Sage.
- Zainal, Z. (2007). Case study as a research method. *Jurnal Kemanusiaan*, 9, 1-6.