

**CORPORATE SOCIAL RESPONSIBILITY OF CENTRAL PUBLIC SECTOR  
ENTERPRISES WITH SPECIAL REFERENCE TO NORTH EASTERN ELECTRIC  
POWER CORPORATION LIMITED & NATIONAL HYDROELECTRIC  
POWER CORPORATION LIMITED**

**KALYAN MUKHERJEE<sup>1</sup> & NABASMITA BORDOLOI<sup>2</sup>**

<sup>1</sup>Associate Professor, Department of Commerce, Hojai College, Assam, India

<sup>2</sup>Lecturer, Department of Accounts and Finance, Institute of Cooperative Management, Guwahati, Assam, India

**ABSTRACT**

After the independence from British, the economic policy of India emphasised that government corporations should take the lead role in the development of the nation. Government corporations, which are also known as Central Public Sector Enterprises (CPSEs) starts operating with certain social objectives along with other commercial objectives. With the passage of time, the need of regulatory provisions was felt so that these CPSEs can sincerely pursue their activities for the achievement of their social objectives. Accordingly, Department of Public Enterprise (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, started issuing guidelines regarding the Corporate Social Responsibility (CSR) spending. Through this study, the researchers have tried to focus light on such guidelines issued to CPSEs in respect of CSR. The researchers have also tried to study the CSR activities of two numbers of CPSEs viz., North Eastern Electric Power Corporation Limited (NEEPCO) and National Hydroelectric Power Corporation Limited (NHPC). NEEPCO and NHPC are entrusted with highest number of projects for constructing big dams in the North East India and their operational impact over the society and on the natural environment will be immeasurable.

**KEYWORDS:** DPE Guidelines, Social Objectives & Corporate Social Responsibility

**INTRODUCTION**

Corporate Social Responsibility (CSR) in general refers to the obligations of the business houses towards the society. CSR is one of the important elements of sustainable development. Different scholars have understood the meaning of CSR differently. The concept itself is neither new to the world nor to India. Only the meaning and scope has been broadening with the passage of decades. CSR has been in practices since time immemorial. Before industrial revolution, CSR practices constituted basically philanthropic activities of business man in the form of charity or donations to churches, orphanages, constructions of bridges, temples etc.

Many also contradicted such actions as Individual CSR and not as business CSR. Because those actions were solely motivated by the objective of self-satisfaction only and it also carried out by few individuals. After Industrial revolution, the concepts of CSR expanded and included the welfare and sustenance of work force. In the name of CSR, many business firms constructed houses, schools, medicals for the well-being of workers. With the passage of decades, legal compliances also regarded as CSR activities. Moreover, today the meaning of CSR has refined a lot.

Today CSR activities do not only include philanthropic activities, welfare and well-being of employees and legal compliances but also it is beyond all these practices. The CSR is about sustainable economic, social and environmental development too. CSR is conducting business responsibly. Corporate Social Responsibility is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements.

In present era, the importance of CSR is increasing day-by-day all over the world. Many corporate houses are involved in CSR practised for making prestige and creating value in the society. Most of corporate houses use CSR a competitive strategy to stay in the competitive market and to compete with their competitors. In India nearly all leading corporate houses like TATA, BIRLA etc are involving in different types of CSR related activities in different areas like education, health, livelihood creation, social development and empowerment of women and other weaker sections of the society. Various guidelines have suggested that the company should carry out their CSR activities in the peripheral area of their operation. More over the amount of impact of their operation over the society and environment should also require to be considered. When we talk about the impact of the operation of the companies over society and natural environment, many from different sectors come in forefront. One of the sectors is Hydropower. There are very few Hydropower companies in India but their scale of impact over the environment is very high. The companies like North Eastern Electric Power Corporation Limited (NEEPCO) and National Hydroelectric Power Corporation Limited (NHPC) are known for constructions of big dams and their impact of operation over the natural environment and society is immeasurable.

### **NEEPCO**

NEEPCO is a public sector hydropower unit and was set up on the 2<sup>nd</sup> April 1976 under the Ministry of Power. The objective behind the establishment of NEEPCO was to plan, investigate, design, construct, generate, operate and maintain power stations in the North Eastern Region of the country. The headquarter of this organisation is in Shillong, the capital of hilly state Meghalaya and its different projects are located in the various corners of North Eastern region. NEEPCO has an installed capacity of 1130 MW, which is 47% of the total installed capacity of the N.E Region. The authorised share capital of NEEPCO is Rs 5000 Crores at present and its net worth as on 31st March 2013 is Rs 5004.70 Crores.

### **NHPC**

NHPC is a central Government hydropower unit was incorporated in the year 1975 with an authorised capital of Rs. 2000 million. The basic objective to set up this institute is to plan, promote and organise an integrated and efficient development of hydroelectric power in all aspects. Later on NHPC expanded its objects to include development of power in all its aspects through conventional and non-conventional sources in India and abroad. Initially, on incorporation, NHPC took over the execution of Salal Stage-I, Bairasiul and Loktak Hydro-electric Projects from Central Hydroelectric Project Construction and Control Board.

Since then, it has executed 17 projects with an installed capacity of 5702 MW on ownership basis including projects taken up in joint venture. NHPC has also executed 5 projects with an installed capacity of 89.35 MW on turnkey basis. Out of these projects, two projects have been commissioned in neighbouring countries i.e. Nepal and Bhutan. At present, NHPC is a Mini Ratna Category-I Enterprise of the Govt. of India with an authorised share capital of Rs. 1,50,000 Million. It is also one of the top ten companies in the country in the terms of investment.

## REVIEW OF LITERATURE

- Chacharkar D Y, Shukla A V on their research paper entitled “A study of Corporate Social Responsiveness” published in “Management and Labour Studies” (2004) has highlighted the CSR initiatives and policies of the company Hindustan Unilever Limited. Researchers also tried to highlight theoretically the benefit of CSR through “iceberg effect” diagram. According to researchers, the major results of the CSR initiatives for the company are less visible. Only visible is the recognition and appreciation of their CSR initiatives. Like iceberg, the larger part of the CSR results are invisible in the form of publicity, image building, expansion of customer base and profit.
- Kumar Harish, on his research article entitled “Corporate Social Responsibility Revisited” published in the “Indian Journal of Training and Development” (2012), has thrown lights on four different approaches of companies towards CSR viz., Good Governance, Ruinous CSR, Discretionary CSR, and Illusional CSR. Through this paper, he also tried to highlight argument against the CSR as well as the CSR driver. According to researcher there are eight factors that drives the CSR initiatives viz., Philanthropic Attitude, Governmental Actions, Environmental Concern, Ethical Consumerism, Crises and Calamities, Globalisation and Market force, Social Awareness & Education, and Social Expectation.
- Maiti Prasenjit, on his research paper entitled “It is Politics or Profits or even Compassion? Unravelling the Motivations for Corporate Citizenship” published in “Indian Journal of Training and Development” (2011) has theoretically analysed the motives of corporate before their CSR initiatives. Through this paper, researcher has also highlighted that CSR is situation specific. CSR is related to profits, power plays, politico-legal equation, situation of market flux, responsible images, humane concerns and other ethical dynamics.

## SIGNIFICANCE OF THE STUDY

The CSR is a buzzword throughout the corporate as well as academic world. Even the general masses are becoming aware about it. The CSR is very pertinent for those companies, whose operation has heavy impact over the society and natural environment. The Northeast India is regarded as the powerhouse of India. The Northeast has largest number of perennial rivers in India. Accordingly, Government of India is trying to build many large dams over the rivers of Northeast. Moreover, many such projects have been handed over to the NEEPCO and NHPC.

The positive side of such project is that India will become exporter of hydro electricity but the other side is very grime. The impact of such bigger dams over the nature, ecology and over the society is very high. Therefore, it is very necessary to overview the CSR practices of these organisations as their impact of operation over the society as a whole is very huge. Moreover, the subjected corporations are Central Public Sector Enterprises (CPSEs) and the expectation is always higher from the government undertakings. Therefore, through this study researchers have tried focus lights on the CSR activities of NEEPCO as well as NHPC.

## OBJECTIVES OF THE STUDY

The study is carried out with the followings objectives:

- To study the Regulatory framework for Central Public Sector Enterprises regarding the CSR activities.
- To know the CSR practices of North-East Power Corporation and National Hydropower Corporation.

## RESEARCH METHODOLOGY

The study is both analytical, descriptive and observatory in nature. The study covers only Hydropower public units that are operating India. Only two hydropower public unit i.e. North-East Power Corporation and National Hydro Power Corporation are considered the sample of the study. Data that are required for the study is collected from secondary sources only pertaining to the four financial years i.e. 2009 – 2013.

These secondary data are collected from website of department of public enterprise, and annual report of North-Eastern Power Corporation (NEPCO) and National Hydro Power Corporation (NHPC), publications and articles that are published in different national and international journal etc. These collected data are analysed with the help of simple calculation and interpretation is done based on analysis.

## LIMITATION OF THE STUDY

- The study is based on the secondary data.
- The periodicity of the study is only of four years. So, the four years data may not be enough to reveal the total picture of CSR activities of the select CPSEs.

## ANALYSIS AND FINDINGS

### CPSEs and the CSR Obligations

Central Public Sector Enterprises (CPSEs) plays a very important role in the industrialisation and as well as development of our country. These organisations were pioneer in many different sectors in India. CSR practices of CPSEs are time to time guided by the guidelines issued by Department of Public Enterprise (DPE), Ministry of Heavy Industries & Public Enterprises, and Government of India. Some of the important guidelines are as follows:

- **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (Dated 29<sup>th</sup> Nov'1994)**

The requirement of CSR of the CPSEs first comes to light on recommendation made by Committee on Public Undertakings (1993-94) in its 24th Report on 'Social Responsibilities and Public Accountability of Public Undertakings' Accordingly, a guideline was issued on 29<sup>th</sup> Nov'1994. The guidelines stresses on CSR practices in accordance with the provision of Memorandum of Association (MOA) of respective CPSEs. The MOA of the CPSEs constitutes the aspects like social objective along with the commercial objective for which they are incorporated. Responsibility was put on individual CPSEs to identify and implement social responsibility keeping in view their financial capability, operating environment and provision in its MOA. Moreover, provision was also made in guidelines that CPSEs can be entrusted with social responsibilities through issuance of Presidential Directives or by guidelines of concerned ministries/departments. Implementation of Presidential Directives was mandatory.

- **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (Dated 9<sup>th</sup> April'2010)**

Another important guideline was issued by DPE in 9<sup>th</sup> April'2010, superseding all earlier guidelines issued to CPSEs regarding the CSR practices. This guideline can be considered as turning point in CSR practices by CPSEs. The guidelines envisage on the drastic shift in the CSR approach of the CPSEs. This guideline has put thrust on acceptance

of CSR as long term sustainable approach. It was suggested to prepare a long term planning for the identification and implementation of CSR. The long-term Corporate Social Responsibility Plan should match with the long term Business Plan. This should be broken down into medium term and short term plans.

According to this guideline the CPSEs have to made CSR investment as project based. Mere donations to the charity houses would not be considered as CSR. The CSR project must be time-framed and must generate community goodwill, create social impact and visibility. Project activities identified under CSR are to be implemented by **Specialized Agencies** and generally not by staff of the CPSE concerned. Specialized Agencies could be made to work singly or in tandem with other agencies.

Such specialized agencies would include Community based organizations whether formal or informal/Elected local bodies such as Panchayats/Voluntary Agencies (NGOs)/Institutes and Academic Organizations/Trusts, Missions/Self-help Groups/Government, Semi-Government and autonomous Organizations/Standing Conference of Public Enterprises (SCOPE)/Mahila Mandals, Samitis and the like/Contracted agencies for civil works/Professional Consultancy Organizations, etc.

The guideline also proposes for setting up of a National CSR Hub which will act as think tank. The National CSR Hub will carry out Nation-wide compilation, documentation, and creation of database; Advocacy; Research; Preparation of Panels of Implementing organisations/ monitoring and valuation Agencies; Promotional activities, including production of short films, printing of brochures, pamphlets etc.; Conferences, Seminars, Workshops - both national and international; Any other matter as entrusted to it from time to time by the Department of Public Enterprises (DPE).

The guideline also made it compulsory to create CSR budget for every financial year. This funding will not lapse. It will be transferred to a **CSR Fund**, which will accumulate - as in the case of **non-Lapsable pool**- for the North East. The budget would allocated through board resolution as a percentage of Net Profit in following manner:

- For the CPSEs having net profit less than Rs 100 Corer, have to invest 3% - 5% of net profit for CSR in a financial Year.
- The CPSEs having net profit between Rs 100 core to Rs 500 Corer, have to invest 2% -3% of net profit for CSR in a financial year but subject to minimum Rs 3 core.
- And the CPSEs with net profit more than 500 cores have to invest 0.5% to 2% of net profit in a financial year.
- Loss making company are not mandated to earmark specific funding for CSR activities.

Moreover, this guideline also specifies that activities and expenditure related to staff benefits will not count as CSR. In addition, grants to organizations/ institutions that are not specifically implementing CSR projects specified by the CPSE would not count as CSR. This guideline also requires that CPSEs before investing in CSR projects have to document its impact quantitatively.

So, here CPSEs has to mandatorily conduct the base line surveys. It is also necessary for CPSEs to report their CSR policies, approaches, expenditures etc in public domain and the National CSR Hub. This guideline has also provided some indicative area for CSR practices which is to be modify by the Companies Act'2013.

- **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (Dated 4<sup>th</sup> Feb'2011)**

Another guideline was issued by the DPE in 4<sup>th</sup> Feb'2011 as an amendment/clarification to earlier guidelines issued in the year 2010. In this guideline, CPSEs can invest in non-project based CSR activities only if such area activities are mentioned in 2010 guidelines but such expenditure should not exceed 5% of total CSR budget of that year. The contribution in the National CSR Hub located within the Tata Institute of Social Science (TISS) would be considered within the ambit of CSR expenditure.

- **Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (Dated 12<sup>th</sup> April'2013)**

CPSEs were served by another guidelines by DPE in 12<sup>th</sup> April 2013 superseding all earlier guidelines/circulars/instructions etc. on the subject, that have been issued by Department of Public Enterprises (DPE) on any prior date. Some of the important features of the 2013 guidelines are as follows.

- The earlier guidelines focussed mainly on CSR activities for external stakeholders. Whereas, in the revised guidelines, CSR and Sustainability agenda is perceived to be equally applicable to internal stakeholders (particularly, the employees of a company), and a company's corporate social responsibility is expected to cover even its routine business operations and activities.
- In line with the international practice, in the revised guidelines CSR and Sustainable Development have been clubbed together in one set of guidelines for CSR and Sustainability.
- The thrust of CSR and Sustainability is clearly on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalised and under-privileged sections of the society.
- CPSEs have to take up at least one major project for development of a backward district.
- The revised guidelines emphatically underscore the need for the top management of the public enterprises to be passionately involved in carrying forward the agenda of corporate social responsibility and sustainability.
- Baseline survey before taking up a CSR and Sustainability project is not mandatory in every case. The CPSEs can opt for other methods, but has to should submit credible evidence of having made a fairly accurate assessment of the needs of the stakeholders likely to be benefitted from their CSR and Sustainability activity.
- As in the previous guidelines, there is provision in the revised guidelines that the unutilised budget for CSR activities planned for a year will not lapse and will, instead, be carried forward to the next year and CPSEs will have to disclose the reasons for not fully utilising the budget allocated for CSR and Sustainability activities planned for each year. Besides, the unspent amount of the budget allocated for CSR and Sustainability activities for a year will have to be spent within the next two financial years, failing which, it would be transferred to a Sustainability Fund to be created separately for CSR and Sustainability activities.

- In the revised guidelines, emphasis is placed on the scalability of the projects, in terms of their size and impact, rather than on their numbers. Therefore, in the revised guidelines, CPSEs are required to submit details of only 2 projects for scrutiny for the purpose of annual Mo U evaluation. Only the Maharatna companies which have larger resources for CSR & Sustainability activities will have to submit details of one additional project for evaluation.
- CPSEs can also join hands with other public sector companies for planning, implementing & monitoring mega projects for optimal use of resources and synergy of expertise and capabilities for maximum socio-economic or environmental impact.
- The revised guidelines allow the employees of CPSEs to avail the infrastructure facilities created by their company from its CSR and Sustainability budget, provided the facilities are originally created essentially for the external stakeholders, and the use of these facilities by the company's employees (internal stakeholders) is only incidental and confined to less than 25% of the total number of beneficiaries.
- The slab of budgetary expenditure on CSR and Sustainability activities for the CPSEs having profit after tax over Rs. 500 crore in the previous year, would now be from 1% - 2%. In the earlier guidelines, there was a provision of a minimum expenditure of Rs. 3 crores on CSR activities for CPSEs having a net profit of Rs. 100 - 500 crores. The requirement of a minimum expenditure of Rs.3 crore has been removed in the revised guidelines.
- *However, these CSR guidelines and especially the suggested slabs of budgetary allocation for CSR and Sustainability activities would stand modified as and when the new Company Law brings in provisions in this regard, which would need to be followed by all companies including the CPSEs.*
- **Provisions on Corporate Social Responsibility in the Companies Act 2013 (to be Effective from 1<sup>st</sup> April'2014)**

Some of the important provisions in the Companies Act 2013 regarding CSR are as follows:

- Sec. 134(3)(o) says that board of director has to submit CSR report regarding CSR policies and implementation in general meeting in a year.
- Sec. 135. provides the provision for formation CSR committee in the company. Every company having **net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more** during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The committee shall be responsible for formulation of CSR policies, budget, its implementation.
- Sec 135 (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. If company fail to invest the same than board should specify the reasons for not spending the amount.

- **Schedule VII**

Activities which may be included by companies in their Corporate Social Responsibility Policies



Activities relating to:—

- Eradicating extreme hunger and poverty;
- Promotion of education;
- Promoting gender equality and empowering women;
- Reducing child mortality and improving maternal health;
- Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability;
- Employment enhancing vocational skills;
- Social business projects;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- Such other matters as may be prescribed.

### CSR PRACTICES BY NHPC

NHPC's commitment to Corporate Social Responsibility (CSR) finds echoes in its Corporate Mission Statement: *'to execute and operate projects in a cost effective, environment friendly and socio-economically responsive manner.'* In line with DPE guidelines on CSR, NHPC Ltd has formulated a policy on CSR and has undertaken a number of CSR initiatives in different areas.

**Table 1: The CSR Spending of NHPC**

Year	Net Profit after Tax (Rs in Crore)	Spend for CSR	% of CSR Spending of Net Profit	DPE Provision for Amount of Funding in CSR
2008-09	1178.34	NA	NA	NA
2009-10	2090.50	1.72	0.15	NA
2010-11	2166.67	10.45	0.50	DPE provision 0.5% - 2% of Net Profit
2011-12	2771.17	14.39	0.66	
2012-13	2348.22	15.73	0.57	

The areas of CSR spending by the NHPC are:

- **Education and Vocational Training:** NHPC provided Scholarship to meritorious student, SC/ST girl student. They have also provided bicycles to girl students and Supported many schools and ITIs by providing funds for the procurement of books, furniture, equipment, tools, portable water, erecting buildings, Training to students, trainee & instructor. They also conducted literacy awareness programme, entrepreneurship development programme etc.
- **Health Care:** In this area of activities, NHPC has conducted many health camps, distributed medicines, ambulances, developed health centres and many others.
- **Social & Physical Structure:** NHPC is also developing and erecting physical structures for the society like community hall, Roads, Ring Wells, Water tanks, Rest rooms etc.



- **Community Development and Livelihood:** In this area of activities, NHPC are conducting various livelihood trainings for the youth, contributing the cements to administrations, land development and protection works, etc.

In the year 2012-13, a significant activity has been visible as CSR activities by NHPC. The very action is the adoption of ITI's in rural backward areas. NHPC has provided scholarships to meritorious students, providing tools and equipment, spare parts, civil work maintenance, training to instructor and students, books, furniture etc. The select ITIs are as follows:

**Table 2: Adopted ITIs of NHPC**

Name of ITI	State	Amount (in INR)
ITI Leh	Jammu and Kashmir	1000000
ITI Kargil	Jammu and Kashmir	700000
ITI Reasi	Jammu and Kashmir	504000
ITI Ramban	Jammu and Kashmir	800400
ITI Uri	Jammu and Kashmir	1000000
ITI Tabarijo	Arunachal Pradesh	1028000
ITI Roing	Arunachal Pradesh	1000000
ITI Tanakpur	Uttarakhand	1200000
ITI Pokhra	Uttarakhand	1000000
ITI Rudraprayag	Uttarakhand	1000000
<b>Total</b>		<b>9232400</b>

## CSR PRACTICES BY NEEPCO

Commitment of NEEPCO in CSR activities are great visible in their annual reports. It has been their policy statement that priority should be always given to all round development of the people residing in and around its operational areas. In respect CSR, they have mainly engaged themselves in the area of education, health, sports, infrastructure development and other community needs. The Corporation has well equipped hospitals/dispensaries at its various project sites manned by qualified medical and Para-medical personnel. As a social welfare measure, these hospitals/dispensaries provide free treatment to the people of the neighbouring villages. The company has donated ambulances to the general people. With an objective capacity building, the NEEPCO has adopted few ITIs like ITI Halflong, ITI Dirang and ITI Yupia. The corporation is also sponsoring 4 numbers Vivekananda Vidyalaya (VKV) viz., VKV Urmangso, VKV Bokuloni, VKV Doyang and VKV Yazali. CSR spending of the NEEPCO for the four years are as follows.

**Table 3: The CSR Spending of NEEPCO**

Year	Net Profit after Tax (Rs in Crore)	Spend for CSR	% of CSR Spending of Net Profit	DPE Provision for Amount of Funding in CSR
2008-09	296.97	NA	NA	NA
2009-10	289.38	0.21	0.07	NA
2010-11	236.56	2.15	0.74	DPE provision 2% - 3% of Net Profit (subject to minimum 3 crores)
2011-12	219.12	3.08	1.30	
2012-13	242.30	4.35	1.99	

In the year 2012-13, they have touched highest level of CSR spending. The CSR spending of the very year according the different areas of CSR are as follows.

**Table 4: Expenditure in Rupees for Various Programmes Covered under CSR-CD 2012-13**

Education		Medical & Health		Infrastructure Assistance		Support to Old Age Home	Entrepreneurship Development Programme	Financial Assistance *	Consultancy Fees to OKDISCD, Guwahati	Total
Upgradation of School	Scholarship	Support to Cancer	Health Awareness Camp	Water Supply	Electrification					
8029375	4788000	5602722	763078	6625709	3674910	4226006	1047092	7213617	1800000	43770509

\*CSR activities other than MOU Heads # adjusted amount after deduction of advance

## FINDINGS

- In the 2013 guidelines of DPE, it is clearly state that the Companies Act 2013 would bring modification in case of slabs of budgetary allocation and the area of CSR activities. In case of budgetary allocation of CSR, the Companies Act 2013 provides provision for only those companies whose either net worth is Rs. 500 crore or more, or turnover is Rs. 1000 crore or more, or net profit is Rs. 5 crore or more. Such companies have to spend minimum of 2% of their average profit made during the three immediately preceding years. Therefore, those companies, whose profit or net worth or turnover is less than figure mention above, have to follow the DPE guidelines.
- In case of indicative area of CSR activities, DPE guideline has specified the area very specifically while the Companies Act 2013 has listed very broad areas for CSR activities. These broad areas would give more flexibility for the corporate houses in choosing CSR activities.
- The provision regarding CSR is not elaborately provided in the Companies Act 2013. So, for many other provisions, the corporate have to depend on the DPE guidelines. Corporations have to keep their eyes on both the Act and guidelines.
- The Companies Act 2013 has the provision for CSR for the companies having either net worth is Rs. 500 crore or more, or turnover is Rs. 1000 crore or more, or net profit is Rs. 5 crore or more. Therefore, the private sector players not falling under the above slab are not mandatory to practice CSR.
- There is a tendency on the part of CPSEs to spend for CSR on the lowest side of the regulated slab for CSR spending.
- CPSEs are even not spending total amount allocated for CSR budget in a financial year.
- In case of NEEPCO, the corporation is even not able to touch the regulatory slab of 2% - 3% regarding CSR spending.
- Both the CPSEs are exclusively expertise in dam construction and giving highest importance to the people in and around of operational area. They are completely ignoring the downstream people and their well-being in their CSR activities.
- The CPSEs are concentrating their CSR practices more on capacity building of the youth at the area of operation.
- The CPSEs are not giving much significance to disaster management programme.

## CONCLUSIONS

The CSR is a very noble concept, which helps the business as well as society at large. Many legal regulatory provisions were made and many corporations have accepted the concept that is largely visible in their vision and mission statement. The CPSEs are incorporated with an objective to bring goodness for the society. So, it is imperative for them to imbibe the social responsibility in every corporate planning and actions. But, the actual practice of CSR is mainly depend on the intentions of the corporate. The CSR rules are there, but their true implementation lies on the part of CPSEs actions. In this study, it has been found that the CPSEs tend to implement the CSR regulations but also tend to spend only

minimum regulated amount. This is highly not acceptable as per regulatory provisions. The corporations should show their sincerity towards the society through actions. Merely having policies will not bring changes. There are some important area which also requires attentions like disaster preparedness and downstream people. The activities of these corporation and their geographical locations are highly prone to natural disaster. There always exists threat for the people in and around the operating area. These corporations have to regularly conduct disaster management programme for the employees as well as for the local people. There is also need to make proper planning for the down-stream people. These people also have to bear the burn of their activities. Therefore actions on the part of the CPSEs and the government are required to make some mandatory guidelines to include these people under the fold of CSR.

It is high time for the corporations to behave responsibly and play lead role in the sustainable economic, social and environmental development. True commitment on the part of the corporate has every possibility to usher the backward area with development.

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