



# A STUDY OF CSR ACTIVITIES CONDUCTED BY PUBLIC SECTOR INSURANCE COMPANIES IN INDIA

<sup>1</sup> Dr. Arvind P. Rayalwar, <sup>2</sup> Darshan S. Gaonkar

<sup>1</sup> Assistant Professor in Commerce, <sup>2</sup> Assistant Professor in Commerce

<sup>1</sup>Department of Commerce,

<sup>1</sup> Swa. Sawarkar College, Beed, Maharashtra, India

**Abstract:** In the present era Corporate Social Responsibility (CSR) is playing an vital role in the upliftment and development of the society. The corporates are conducting various activities under the banner of CSR. The present research paper focuses on the CSR activities conducted by the public sector insurance companies. The companies are spending the majority of the amount as per the budget allocated. Most of the companies have contributed towards PM CARES fund during the financial year 2020-21. The companies are also contributing towards betterment of the educational facilities in the country.

**Keywords:** CSR, Insurance Companies

## Introduction

Corporate Social Responsibility (CSR) means the responsibility of the corporates towards the betterment of the society. The companies are using the resources of the society for attaining their goals. In turn, it is the responsibility of the company to give back in return to the society. The corporates have a responsibility towards all the stakeholders i.e., employees, shareholders, public, suppliers, customers, government and society at large. All these stakeholders, directly or indirectly contributes towards the attainment of the goals of the organisation. The corporates can reach out to the society easily and conducts its CSR activities as it may not be possible for government to do in every locality. After the introduction of Companies Act 2013, it has made the corporate fulfilling the conditions to compulsorily spend 2% of its average net profit towards CSR. These will help the reduce the burden of the government and it will also help in the development of the society. The insurance companies are also conducting the CSR activities across the country. The public sector insurance companies have contributed largely towards the welfare of the society. They have contributed towards providing better educational facilities, poverty elevation program, sanitation, etc. Conduct of such activities helps the public sector insurance companies to create a brand image in the society.

## Literature review

Ramesh and Mendes (2015) found that the banks are engaged in conducting CSR activities mostly in the area of Education, Community Welfare, Rural Development, Women and Child development, public health projects etc. According to the Companies Act 2013, companies have to mandatorily spend 2% of average net profits as CSR. The analysis shows that, banks are making efforts for the implementation of CSR, but are not spending their 2% share of profits on CSR.

Mishra and Suar, 2010 studied whether corporate social responsibility (CSR) towards primary stakeholders have an effect on the financial and the non-financial performance (NFP) of Indian firms. With the help of questionnaire survey the data on CSR and NFP was collected from 150 senior-level Indian managers. Controlling confounding effects of ownership, stock-listing and firm size, a favourable perception of managers towards CSR is found to be associated with increase in FP and NFP of firms. The findings suggest that responsible business practices towards primary stakeholders can be beneficial and profitable to Indian firms.

Kumar (2013) examined the CSR activities carried out by Indian private (RIL) and public sector companies (ONGC) and the Indian government policies and programmes of CSR. The study revealed that though the Indian public and private firms are making efforts in the CSR areas but still there is a requirement of more emphasis to be given for CSR.

Singh and Singh (2015) studied the corporate social responsibility (CSR) activities carried out by public and private sector banks in India. The analysis showed that the work of CSR done by the Indian banking industry is a good initiative but there is a still there is scope for development in this area. Some banks are lagging in the regulatory norms of CSR. To fulfil their social responsibility banks are focusing more on the social issues and financial issues but environmental issues are given less importance. Moreover, the public sector banks have overall higher spending than the private sector banks.

Das, S. C. (2013) study found that the non-life insurance companies disclosed significantly less social information than life insurance companies. The study also reveals that public life insurers disclosed significantly more social information than the other life insurance companies. On the other hand, a paired difference *t*-test shows private general insurance companies disclose more social information as the difference significant.

**Scope of the study**

The Companies Act 2013 has made the companies fulfilling the criteria are compulsorily required to spend the 2% of its profits as a CSR activity. The study has considered the various CSR activities conducted by the public sector insurance companies. The study also covers the various projects undertaken by the public sector insurance companies under the banner of CSR.

**Objectives of the study**

- To study the CSR activities conducted by the public sector insurance companies.
- To study the various projects undertaken by the public sector insurance companies.

**Research Methodology**

The study is based on the secondary data. The data has been collected from the annual reports of the public sector insurance companies. Also, the data has been collected from the government websites, company’s websites, research articles and the government reports.

**Results and Discussion**

**CSR Spending of the Public Sector Insurance companies**

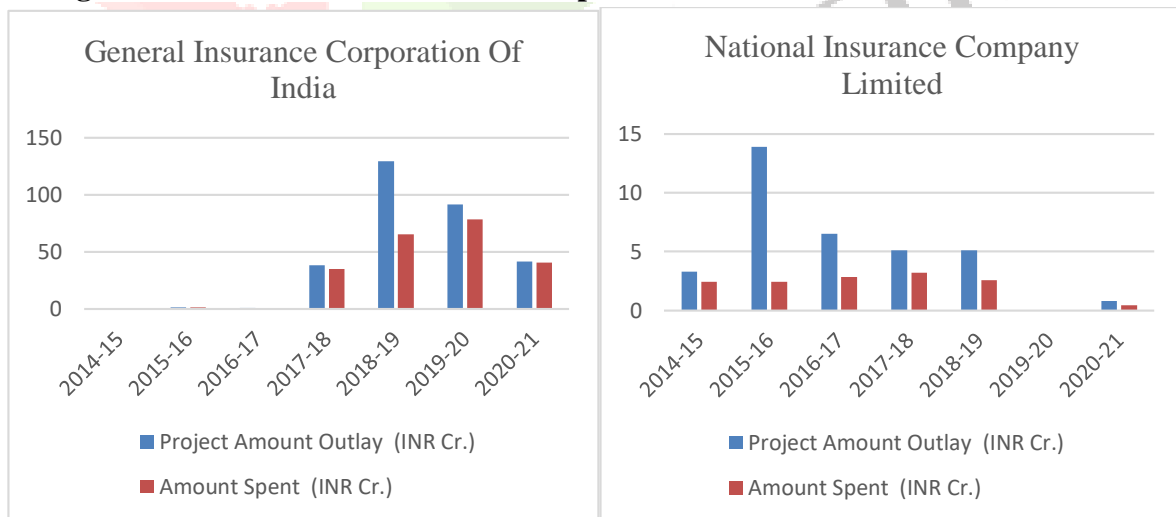


Fig (a)

Fig (b)

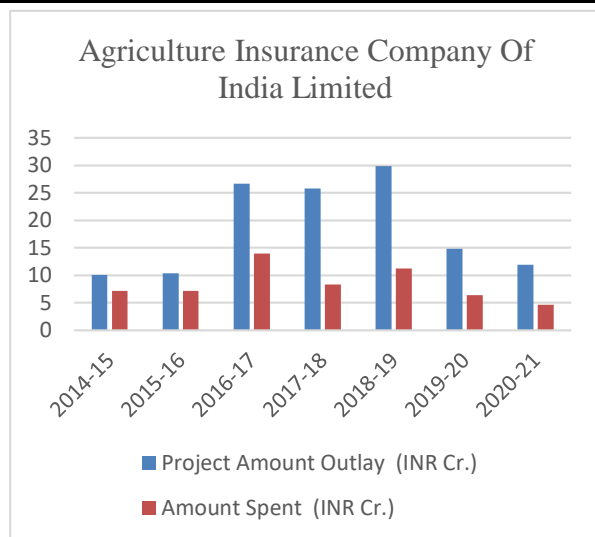


Fig (c)

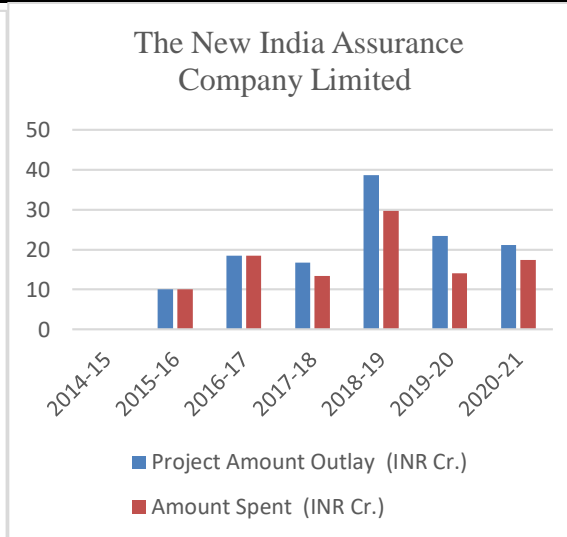


Fig (d)

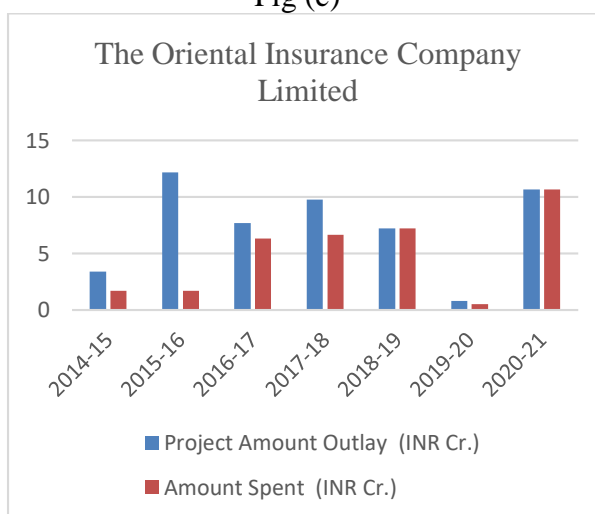


Fig (e)

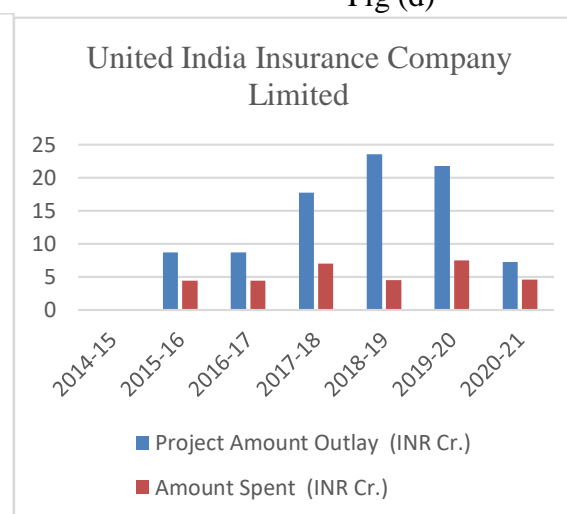


Fig (f)

Source: Authors compilation

Secondary Source: <https://www.csr.gov.in/content/csr/global/master/home/home.html>

The above figures show the data regarding the CSR spending of public sector insurance companies. It can be observed from the above graphs that all the companies are spending CSR about as per the budget allocated. United India Insurance company has spent less than the amount allocated as the budget.

### CSR activities conducted by the Public Sector Insurance Companies

The Oriental Insurance Co. Ltd. Has spent majority of the amount on the health care and education during the year 2020-21. They have focused more towards the development of the better healthcare facilities and good education system. Interesting point to note about the company is that they have incurred loss during the financial year 2020-21, besides the loss the company has spent ₹10 crores on the CSR activities towards PM CARE Fund. This shows the commitment of company towards the society. The company has spent 48% of the CSR funds towards healthcare. During the last five years the company has spent majority of the amount in developing education and healthcare facilities.

Life Insurance Corporation of India is considered as a dominant player in the insurance sector. The major contribution of LIC is they purchase the government bonds and indirectly helping towards the development of the society. Besides these they have LIC Golden Jubilee Scholarship Scheme. This is an initiative of the Foundation, which provides scholarships to children from economically weaker sections of the society to pursue higher education till they complete their graduation /professional course. LIC Golden Jubilee scholarship Scheme provides scholarship to children from economically weaker section of the society amount of ` 20,000/- p.a for regular students for pursuing higher education and ` 10,000/- p.a to special girl child for pursuing 10 + 2 education. In the financial year 2020-21, scholarship is disbursed to 7,333 students for ₹ 4.50 Crore. As on 31.03.2021, 17,319 students have benefited from the scheme”.

The National Insurance Co. Ltd has significantly contributed towards the healthcare facilities in the country. The notable activities of The National Insurance Co. Ltd are Sponsored Tailoring Unit for skill development for 40 traffic victim adolescent girls 2,03,940, Blind School Infrastructure ₹ 21,32,144, Providing an

Ambulance to the poor people for carrying patients to hospitals and to home ₹ 1,00,000, Indian Red Cross Society, Kakinada, Andhra Pradesh.

The New India Assurance Co. Ltd has spent 85% of its CSR funds on Prime Minister National Relief fund during the FY 202021. They have also contributed towards various activities among which major highlights are Funding to Thane Civil Hospital setting up 10 Beds NICU in Thane Civil Hospital under Umang Child Trust ₹ 26,47,263, for Skill Development they have contributed towards Skilling initiative for Women/men from rural & urban areas of Jammu (J&K) for ₹ 33,08,800,

United India Insurance Co. Ltd has contributed towards the education facilities and sanitation facilities. Besides these they have contributed towards the various project during the FY 2020-21 such as Project to run 300 Ekal Vidhyalayas to provide education and support to underprivileged children ₹ 30,00,000.

Agriculture Insurance Co. of India Ltd. Has contributed ₹ 365.58 lakhs towards PM- CARES Fund as directed by the Central Government for COVID-19. CSR contribution of company towards purchase of protection West Bengal 'Super Seeder' farm machinery for two Farmer Producers Organisations (FPOs), i.e., Nowda Krishi kalyan farmer Producer Company Ltd. And Hariharpara Agri Business Producer Company Limited. for ₹ 5.90 lakhs.

General Insurance Corporation of India has spent majority amount towards PM CARES fund for helping the economy to provide better healthcare facilities. They are also committed towards the environment as they have contributed ₹ 99,99,000 towards National Tiger Conservation Authority. Also, they have contributed ₹ 5,57,820 towards the Turning Opportunities for Upliftment and Child Help.

## Conclusion

The corporates should conduct developmental activities for the betterment and welfare of the society. They should work towards the upliftment of the society. It can be observed from the above analysis that most of the public sector insurance companies are spending their CSR amount. It is also observed that majority of the companies have contributed towards the PM CARES fund during the year 2020-21. The companies are sensitive towards providing the better facilities during COVID-19 period. The companies should spent the entire amount that is allocated as a budget towards CSR.

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