PREFACE

The Indian Parliament passed the new Companies Act in August 2013. Section 135 of the Act mandates the Indian corporate sector Companies, whose net worth is Rupees Five Hundred Crore or more or which have earned a net profit of Rupees Five Hundred Crore or more, to spend every year at least two percent of their average net profit made during the immediately preceding three years on Corporate Social Responsibility (CSR)-related activities. It is envisaged that through Corporate Social Responsibility (CSR), Companies can contribute to equitable growth and sustainable development of the society. Each Company, which is legally mandated to follow the Act, is bound to formulate a CSR policy which will indicate the CSR activities to be undertaken by it. The activities that could be undertaken by the companies under CSR are given in the Schedule VII of the Act.

The present research examines the spending patterns of the Indian companies for CSR activities. The focus of the study is on the comparative analysis of CSR spending as a percentage of Profit After Tax (PAT) and the thematic approach of the public and private sector Companies toward their CSR responsibility.

The study employs both the primary and secondary data. Primary data is collected mainly through Questionnaire and from annual reports of the Companies for the financial years 2011-12 to 2014-15. Data collected by NGOs are used as secondary data. The study reveals that the Indian companies spend less than 2 percent of the Profit-after-tax (PAT) for CSR activities and that there is not much difference between the companies in the Public sector and those in the Private sector in the
spending pattern as well as in their respective thematic approaches to the CSR policy.

The findings are relevant to help the Indian policy makers in their efforts to ensure that the Indian companies become more responsible and increase their CSR spending. The findings of the study can also prompt the Companies to adhere to the activities mentioned under Schedule VII of the Companies Act and bring more transparency in their disclosures in Business Responsibility Reports and Annual Reports.

**Keywords:** Corporate Social Responsibility; Public Sector; Private Sector