

'No Windfall Tax on Oil & Gas Cos after New Law Kicks In'

New Delhi: The government will not be able to impose windfall tax on oil and gas producers after a new law comes into place following the passage of the oilfield development bill by Parliament, petroleum and natural gas minister Hardeep Puri said on Wednesday.

Lok Sabha last week passed the Oilfields (Regulation and Development) Amendment Bill, 2024, aimed at boosting the country's exploration sector by ensuring policy stability, scope for international arbitration and longer lease for oil and gas companies.

After the bill becomes a law, the petroleum and natural gas ministry will formulate regulations in consultation with the industry, Puri said.

In the past, the retrospective tax and windfall tax on oil and gas producers shook investor confidence. The UK's Capricorn Energy, previously called Cairn Energy, fought a protracted legal battle to defend itself against the government's retrospective tax demand. Similarly, companies protested the imposition of windfall tax on oil and gas producers in 2022. — **Our Bureau**



Rework the CSR framework to incorporate a sliding scale of contributions and tax breaks

Give, But Why Stick to 2%?



Srinath Sridharan

‘Badalna padega, saahab... warna kuch badal nahi payega!’ — Swades
 ‘Koi bhi desh perfect nahi hota, usse behtar banana padta hai!’ — Rang De Basanti

Are Indian businesses truly giving back to society, or are they merely ticking a regulatory box? Why do most large Indian companies spend their CSR budgets on projects that reflect the personal interests of their promoter families? And could strategic tax breaks make even the hardest-nosed corporations more generous and genuine towards social causes?

In 2022-23, nearly 24,500 companies contributed around ₹30,000 cr to CSR, with most funds directed towards education and healthcare. Maharashtra and Karnataka were the top two beneficiary states, likely due to the concentration of large corporate headquarters in Maharashtra.

India's CSR framework, under Section 135 of the Companies Act 2013, made social responsibility a legal obligation. Eligible companies must spend 2% of their average net profit from the past three years on CSR activities. This fixed percentage was meant to institutionalise corporate philanthropy, but is it the best model for a country as diverse and complex as India? This does not account for differences in earning capacity, cash flow or industry cycles.

The next evolution for Indian CSR obligations could be linking profitability in a progressive manner. A sliding



It all starts at the top

scale for CSR contributions — where companies pay as low as 0.1% of their profits to up to 5% based on their profit quantum instead of a rigid 2% — could make corporate giving more equitable.

Larger corporations with substantial profits can shoulder a higher burden without affecting operations, ensuring greater social impact. This would also help bridge economic disparities, as companies benefiting most from national resources would give back proportionately.

For companies with lower profits or fluctuating revenues, reducing the CSR obligation would prevent financial strain and protect jobs. Extending CSR responsibilities to non-profitable companies and startups by introducing a minimal contribution based on turnover, such as 0.1%, could foster a culture of social responsibility from the early stages of a business.

A sliding scale may also improve compliance, as companies would see CSR as a fairer obligation rather than a rigid tax. More importantly, it could encourage early participation from startups and smaller firms, embedding social responsibility into corporate culture from the outset.

Another point to note is that CSR in India remains heavily promoter driven. Most of the country's largest listed companies are owned, controlled or oper-

ationally managed by business families. CSR funds often follow personal priorities rather than national imperatives. A disproportionate share goes into building schools, hospitals or colleges in promoters' native villages. This may be noble, but it limits the broader impact CSR can have when directed towards pressing national challenges — urban poverty, environmental sustainability, healthcare access and skilling the workforce.

Other countries offer alternative models worth considering.

► Indonesia mandates CSR for certain sectors but does not fix a percentage, allowing for flexibility.

► South Africa ties CSR to business incentives, integrating it into economic policy.

► Nigeria enforces industry-specific CSR levies, ensuring contributions are directed towards affected regions.

► Britain, while not imposing a financial threshold, has strong governance norms requiring businesses to demonstrate their impact on society.

Corporate funding sustains CSR, but true impact stems from individual vision.

► Franco Cologni, a former Cartier executive, transformed his love for traditional craftsmanship into a movement through Fondation Cartier, ensuring that artisans continued to thrive in a rapidly modernising world.

► In India, Kiran Nadar turned her deep appreciation for contemporary art into the Kiran Nadar Museum of Art, to create a space where India's modern artistic voices could be showcased and preserved.

► Sangita Jindal's vision led the JSW Foundation to champion public art projects and museum initiatives, making cultural expression more accessible to people across India.

Critics may question whether spending on art and culture is justified when poverty, inequality and basic needs remain pressing issues. But a society that invests only in survival and not in its soul risks losing both progress and identity.

Altruism cannot be legislated, but tax policy can shape corporate behaviour: Strategic tax breaks on CSR could shift mindsets from compliance to genuine engagement.



CSR in India is

promoter-driven, with funds following personal priorities. This limits the broader impact CSR could have if directed towards national challenges such as urban poverty, sustainability, skilling

► Brazil's Rouanet Law allows companies to direct income tax to cultural projects, promoting corporate sponsorship of the arts.

► France's Aillagon Law offers major tax relief for cultural donations, driving private investment.

► Other nations incentivise CSR in RE, healthcare and education. India could link CSR tax benefits to high-impact areas — climate change, urban slums and water security — ensuring corporate giving addresses the nation's most urgent needs.

For India's CSR policy to truly create an impact,

it must evolve. It should drive:

► Conscious capitalism, where profit fuels purpose.

► Social innovation, where solutions scale beyond charity.

► Resilient ecosystems, where change outlives donations. A nation thrives when businesses embrace giving — not as an obligation but as a lasting investment in its future.

The writer is a corporate adviser



Corporate funding sustains CSR, but true impact stems from individual vision. In India, Kiran Nadar built an art museum to showcase and preserve modern artistic voices



**Vikas Kaushal assumes charge as
CMD of HPCL**

Vikas Kaushal assumed charge as the Chairman & Managing Director of Hindustan Petroleum Corporation Ltd, effective March 17.

Kaushal is a seasoned global leader with over three decades of experience in the energy domain. A Chemical Engineering graduate from DCET, Panjab University, he holds an MBA from the Indian Institute of Management, Ahmedabad. Kaushal started his career with ICICI Limited in Project Finance and Advisory Services before transitioning into global management consulting.

इंडियन ऑयल ने जेल के कैदियों और सुधार गृहों के लिए अपनी पहलों का किया विस्तार



वैभव न्यूज ■ हरिद्वार

भारत की सरकारी तेल कंपनी इंडियन ऑयल की तरफ से जेल में बंद कैदियों के लिए एक मिशन शुरू किया गया है। इस मिशन का नाम परिवर्तन- जेल से गौरव है। इसका 10वां फेज मंगलवार से शुरू हो गया। इसके तहत जेलों में बंद कैदियों को प्रशिक्षित करने की पहल शुरू की गई है। इन कैदियों को खेलों के लिए प्रशिक्षित किया जाएगा। बता दें कि देश भर की जेलों में बंद कैदियों को समाज की मुख्यधारा से जोड़ने के लिए इंडियन ऑयल कॉरपोरेशन लिमिटेड यानी आईओसीएल कई तरह के कार्यक्रम चला रही है। इसी क्रम में देश भर की 8 जेलों में बंद

कैदियों में खेल और अनुशासन भावना को विकसित करने के लिए तमाम संसाधन उपलब्ध कराए गए। हरिद्वार के रोशनाबाद स्थित जिला कारागार में आईओसीएल के चेयरमैन ए एस साहनी समेत कई अधिकारी मौजूद रहे। वर्चुअल तौर पर देश के अन्य राज्यों की 8 जेलों में भी इन कार्यक्रम का आयोजन किया गया। आईओसीएल के चेयरमैन ने बताया कि इस कार्यक्रम के तहत जेल में ही कैदियों को विभिन्न खेलों के सामान उपलब्ध कराने के साथ ही उनको प्री कोचिंग दी जाएगी। जिससे वे जब जेल से बाहर आने पर इन खेलों को बढ़ावा दें। 4 साल पहले शुरू की गई इस यात्रा में 200 जेलों को कवर कर चुके हैं। 10 हजार से ज्यादा कैदियों

को प्रशिक्षित कर चुके हैं। उन्होंने बताया कि आज हमने उत्तराखंड, केरल, गुजरात, असम, बिहार और मध्य प्रदेश समेत 8 जेलों में प्रशिक्षण की शुरुआत की है। एएस साहनी ने बताया कि उनका यह कार्यक्रम काफी समय से चल रहा है। आज इसका दसवां फेस है, जिसके तहत हमारा उद्देश्य है कि जिला कारागार में बंद कैदियों को एक और मौका मिले, जिससे उनकी स्किल डेवलपमेंट हो। वह अपने आप में बदलाव महसूस करें। हमारा प्रयास है कि खेलों के माध्यम से इन कैदियों को अनुशासन सिखाया जाए। उन्होंने कहा यह मुहिम हमारे देश के विभिन्न हिस्सों में चल रही है। इसका आज हमने दसवां फेस प्रारंभ किया है।