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CSR PRACTICES DURING COVID-19: EVIDENCE FROM INDIA

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Abstract : The pandemic has had a global impact on organizational productivity and, as a result, has had a significant influence on their corporate social responsibility (CSR) spending strategy. India's CSR spending has dropped dramatically, from INR 18,655 crore in FY19 to INR 17,885 crore in FY20. In addition, in response to the demand for the circumstances, corporations have been busy with numerous humanitarian CSR exercises, which are very commendable. In 2014, India became the first country to legally order CSR. Since then, this field has grown tremendously. Several advancements have occurred in recent years, particularly with the approach of COVID-19 in India. This paper investigates CSR practices throughout the pandemic in relation to several COVID-19 factors. The purpose of this study is to analyze the CSR practices in various sectors with respect to the COVID-19 pandemic by the listed companies from various sectors. It instils binary distributed data (in the form of 0 and 1) wherever possible."0" means that a particular parameter is absent and "1" means that a particular parameter is present) analyzed and extracted from the Nifty50 listed company's annual report for the financial years 2020–2021.

Keywords - Corporate social responsibility (CSR), Covid-19, Nifty50, listed companies, India

I. INTRODUCTION

The corona virus produce the essentials health, economic, and social risks. From an economic and social opinion, international organizations have evaluated that the impact on the economy is unpleasant than that of the 2008 catastrophe. This situation leads to the appearance of serious social problems in many families, as well as serious liquidity problems and SME lifestyle problems. In this difficult situation, we have seen a temporary retrenchment due to possible CEO decisions. Companies CEO want to bear very less loss, or they want to plan for misery in the medium term.

The emergency that has come about because of this pandemic has made a change in the manner organizations seek after their financial, social, and natural objectives, which have been given more noteworthy significance. The job they should play in the public eye. In this new climate, firms need to involve their CSR systems to lay out business responsibility locally and in danger gatherings, particularly those nearest to them, which is a region related with the customary universe of firms or organizations where they work and have a high presence.

The pandemic has impacted organizational productivity the whole way across the globe and has naturally caused an immense effect on their Corporate Social Responsibility (CSR) spending plan. Quite, India's CSR use declined impressively from INR 18,655 crore in FY19 to INR 17,885 crore in FY20. On the other hand, corporates have been busy with various CSR exercises in reaction to the circumstances. In 2014, India became the principal nation to lawfully order CSR. Since then, this field has been rapidly expanding. Various improvements have happened in the recent past, particularly after the approach of COVID-19 in India. After the flood of the second rush of the pandemic in 2021, which took a weighty cost for countries' passing proportion, the Ministry of Corporate Affairs declared that organizations could utilize CSR assets for making wellbeing foundations for Covid-19 consideration, the foundation of clinical oxygen and capacity plants, the assembling and supply of oxygen concentrators, ventilators, chambers and other clinical hardware for countering Covid-19. CSR reserves were permitted to set up shoddy clinics and transitory Covid care offices. This set of measures presented by the Ministry could be very excellent in showing how friendly security organizations can be fabricated using the compulsory commitment of the corporate assortments of a country.

The new changes in CSR in 2020–21 will fortify the arrangements of the CSR. Moreover, these changes cast an extraordinary spotlight on the COVID-19 related regions and give help to the masses. In this manner, it has opened new roads by covering more organisations and, in this manner, giving more spending plans and space for advancement, prompting a social turn of events.

II. REVIEW OF LITERATURE

We live in a new economic and social environment that needs a social and confidential redefinition strategies, decisions, and actions to address global threats that could affect freedom of movement social status. These conditions are common in developing lands and there is a way to deal with them address. This route requires cooperation, commitment and honest practices on the side of different actors, who should direct their actions in the pursuit of the same good which addresses issues identified in the goals of sustainable development. Business the donation is combined with strategies for corporate social responsibility (CSR).

In this sense, different business studies have started to show, specifically, the effect of that COVID-19 will have a different industry and a job to carry out in the business the post-COVID period. All of this, in the current structure where CSR processes as of now exist requests about their financial advantages from organizations, without interpretation truly affect the climate or society. In this sense, the aftereffects of these examinations require a full case investigation of CSR methods because of the distinctions in the reasons which could lead organizations to foster their own supportability techniques. Such reasons can be founded on self-idea in great administration; in spite of the fact that with the last option, corporate methodologies don't exist which are hurting proprietors and financial backers

According to (Qiu, S. C., Jiang, J., Liu, X., Chen, M. H., & Yuan, X. (2021).) Employees, shareholders, managers, consumers, non-governmental organizations, governments, ecosystems, suppliers, and communities are among the stakeholders involved in CSR. Strategies for corporate social responsibilities is one the useful and most effect tool to stand strongly during the world-wide problems of the Covid-19.

[García-Sánchez, I. M., &García-Sánchez, A. (2020)] concluded that Covid-19 pandemic has bring out the world-wide health, social and economic calamity which requires the commitment of private sector specially with 2030 program and aim of Sustainable Development has caused them to spread their Corporate social responsibility strategies to stand against the pandemic. Moreover from the Journal of Business Report, [Hangwei and Lloyes Harris (2020)] also stated that the COVID-19 pandemic offers some opportunities for organisations to tilt towards CSR activities that are literally pressing global social and environmental challenges. According to Hagwei and Loyes, the pandemic influenced CSR opportunities and trends, customer ethics, and catalyzed a new era of CSR development in the long run. There is a wide selection of great opportunities for those with a sensible and acuity approach to CSR. Firms that practice real and authentic CSR can build stronger affinity among their customers and also the general public. This may create strong expectations from leading brands that are active in their favorable brands.

Furthermore [Melnychenko, O. (2020)] also concluded that in times of crisis, corporate social responsibility is a must-have choice. This is a once-in-a-lifetime opportunity to define the sector and help it develop in the future by prioritizing diversity, sustainability, and accountability. Like [Goldston, J. (2020)] also mentioned organizations look forward for CSR practices that could focus more on strategic advantages for the competition in the market as they entered a crisis. Leaders of organizations should reflect on the good initiatives that have evolved as the world recovers from the COVID-19 pandemic. With social distancing and shelter-in-place laws, executives have witnessed the favor of the working from home model, which has also resulted in the higher efficiency of employees as travelling time has been exempted.

III. RESEARCH GAP

The existing literature is deficient when it talks about CSR practices during the pandemic. There are not many studies available that highlight the CSR practices with respect to the COVID-19 scenario in India.
The existing studies on the pandemic from all over the world say that this coronavirus pandemic has brought about a world-wide calamity in various sectors that requires the engagement of the private sector, particularly with the program of year 2030 with the motto of sustainable development, which has induced the spread of different corporate social responsibility strategies to stand against the pandemic. Moreover, from the Journal of Business Report, [Hangwei and Lloyes Harris (2020)] also stated that the COVID-19 pandemic offers some opportunities for organizations to tilt towards CSR activities that are literally pressing global social and environmental challenges. Furthermore, with a few exceptions, none of the studies specifically demonstrate the companies' CSR practices in relation to pandemic.
It is going to highlight the CSR activities with consideration of the COVID-19 by the companies listed on Nitfty50 in India.

IV. OBJECTIVES

4.1 To analyze the CSR parameters with respect to covid-19 practiced by the listed companies in various sectors.
4.2 To find the most focused sector to practice CSR during pandemic.
4.3 To analyze the companies from which sector focused on CSR practices w.r.t covid-19.

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V. RESEARCH METHODOLOGY

The sight of this study is to analyses the CSR practices in various sectors with respect to Covid-19 pandemic by the listed companies from various sectors. It inculcates the binary distributed data (in the form of 0 and 1where “0” means that a particular parameter is absent and “1” means that a particular parameter is present) analyzed and extracted from the Nifty50 listed company’s annual report of the financial year 2020-2021. From the data of all individual Nifty 50 companies, which mentioning about their action against covid-19. The moves executed by the corporations, categorizing them in line with the impact they've on the identified. We have considered the two major sectors Employees and Society.

5.1. Employees

i. Personal Loans for employees
ii. Lockdown travel allowances
iii. Stress management programs
iv. Vaccination drives
v. Health care assistance to employees and their families
vi. Work from home model
vii. Covid-19 insurance of employees
viii. Covid-19 testing centers
ix. Post recovery support Covid-19 patients

5.2. Social (society)

i. Distribution of food/ration to needy and poor people
ii. Giving temporary places to hospital.
iii. Distribution of medicine to patients/ telemedicine support
iv. PM yojna/care fund
v. Spreading awareness about the covid 19.
vi. Distributing masks, ppe kits, hygine kits etc. to the people and front liners
vii. Sanitization manufacturing/distribution.
viii. Giving rewards to front liner.
ix. Offering hotels/ parking place for quarantine.
x. Benefits to poor people who lost their job due to pandemic.
xi. Making availability of pure drinking water
xii. Eradicating (putting an end to) malnutrition, hunger &poverty
xiii. Sanitization of public places
xiv. Financial assistance(who lost jobs)
xv. (HFNO) and oxygen concentrators to COVID-19 care centers
xvi. Health care programs

The above parameters were considered after analyzing the other research reports, the news section of the company's website, and the annual reports.
After extracting the parameters from various sources, we distributed the data in the form of binary numbers to analyze which sector of parameter was considered most important and which parameter was practiced the most by the companies.

VI. RESULTS AND DISCUSSION

6.1 Results of binary distributed data of all the parameters with respect to the listed companies

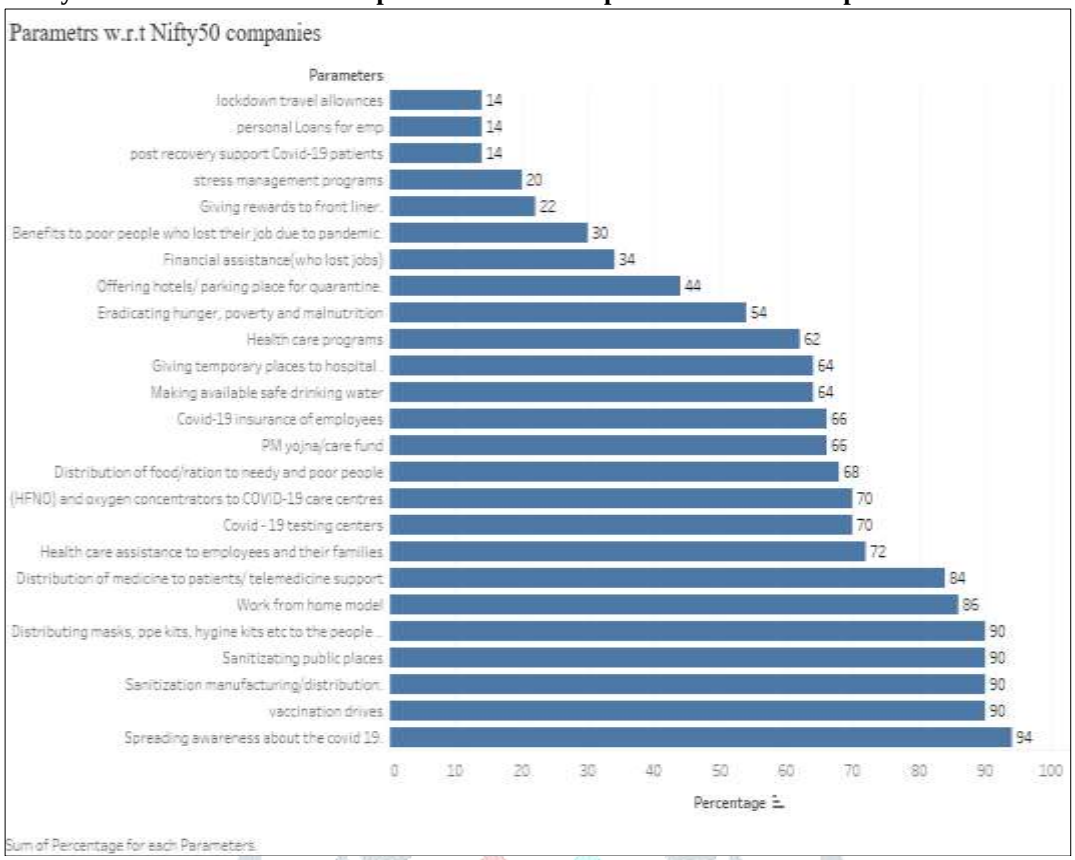

Figure 6.1: Binary distributed data of all the parameters with respect to the listed companies

In fig. 6.1, we calculated the percentage of the binary distributed data of all the parameters with respect to the listed companies to analyze which parameter has been focused most by the companies. From fig 1.1, it is clear that parameters like "spreading awareness about COVID-19", "vaccination drives" and "sanitization" were considered the most important sectors in the fight against the pandemic.

Spreading awareness by conducting various online webinars and by launching various advertisements not only makes people aware of the pandemic but also gives different sources and precautions to fight against COVID-19 (according to the annual reports of companies), and also spreads the precautions and parameters to consider if there is any corona positive case and also helps people with the hope of increasing the recovery rates. Companies also conducted the various vaccination drives, prioritizing their employees.

6.2 CSR practices with respect to Covid-19 by the Nifty50 listed companies.

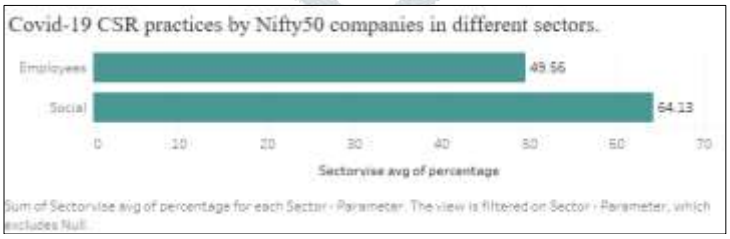

Figure 6.2: CSR practices with respect to Covid-19 by the Nifty50 listed companies in different sectors.

Fig. 6.2 demonstrates the CSR practices with respect to Covid-19 by the Nifty50 listed companies in different sectors. Here we considered two major sectors, "Employees" and "Social", where the "Employees" sector inculcated the 9 parameters and the "Social" sector inculcated the 15 parameters, so in the analysis, we calculated the overall percentage of all the listed companies like in fig 1.1 and then calculated the average of the percentage of the sectors to make their base same, which gives a more accurate result for the same.

According to fig. 6.2, it is clear that companies focused more on the society where they practiced various CSR activities to support people in the battle of the pandemic. After that, companies focused on supporting their employees and their dependents in the fight against the coronavirus.

Similarly, we distributed the data with respect to the companies from various sectors, like "automotive", "IT", "consulting", "banks" and many more. From the review of literature, we analyzed that companies from sectors like "IT & consulting", "Banking" and "Life & Health Insurance" were among those major sectors in which companies were still profitable and in the

growing phase. On the other hand, we analyzed that companies from sectors like "Automobile" and "Tourism" were among those major sectors adversely affected due to the pandemic.

We processed the data of all the nifty50 listed companies, where companies are from various sectors. We processed and considered the companies from major sectors which collectively inculcate both profitable sectors as well as adversely affected sectors during the pandemic, which were "Automobile", "Bank", "IT & Consulting", "Life & Health Insurance" and "Pharmacies & Drugs".

6.3 Companies from Banking Sector

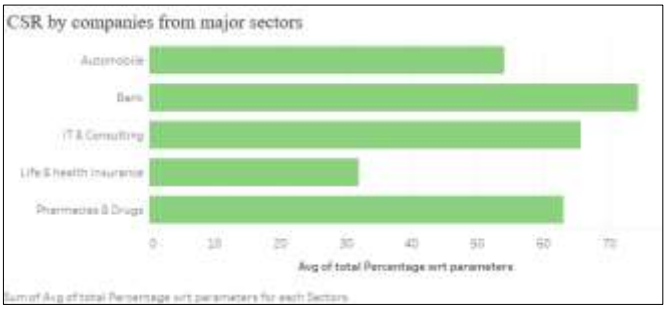

Figure 6.3 Companies from the banking sector (both public and private

Fig 1.3 shows that companies from the banking sector (both public and private) have practiced the maximum parameters of CSR with respect to COVID-19, followed by the IT sector. From a review of literature (according to previous studies of years 2020 and 2021), we observed that it was easier for companies as well as for people to switch from an offline mode of working to an online mode of working in the banking sector, as banks continued and also launched various online facilities through their various applications, either web or mobile applications. Similarly, the IT sector was one of the sectors which contributed to saving and balancing the graph of the economy during pandemics all over the world.

6.4 The approximate percentage practicing CSR with respect or covid-19 pandemic from their overall CSR practices.

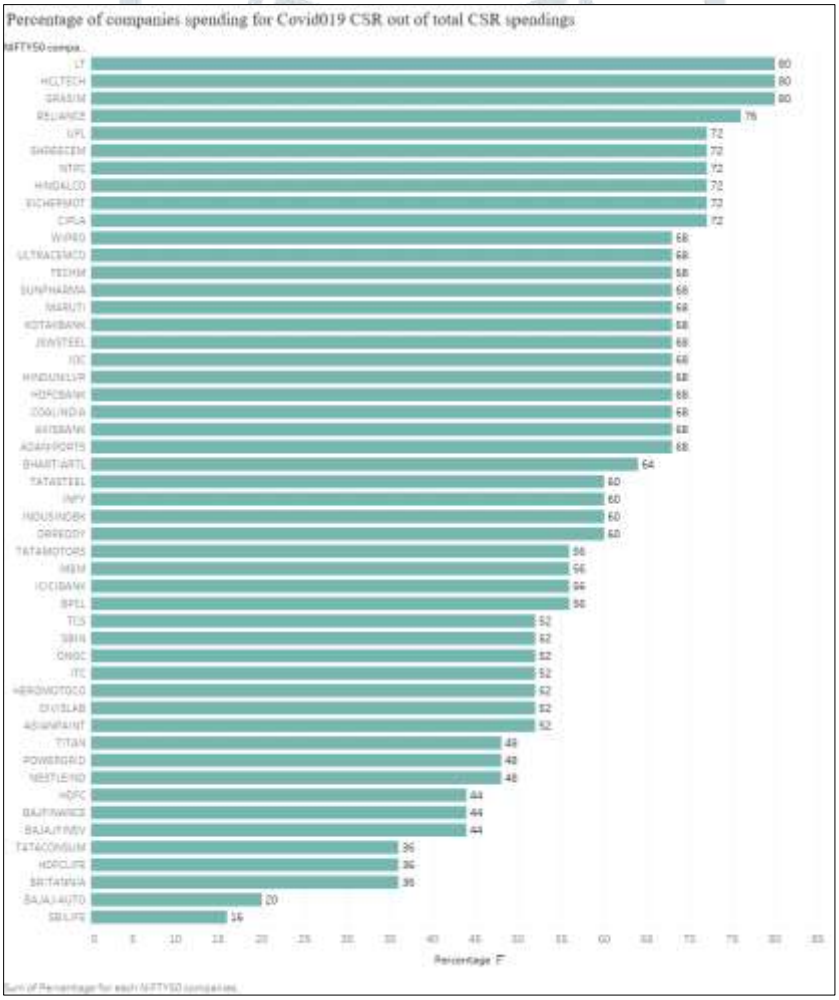

Figure 6.4 Graphical representation of CSR with respect or covid-19 pandemic from their overall CSR practices during the financial year 2020-2021.

In fig. 6.4 we calculated and demonstrated the approximate percentage practicing CSR with respect or covid-19 pandemic from their overall CSR practices during the financial year 2020-2021.

We know that under section 135 of the companies' act companies are required to spend at least 2% of their average of their net profit of the three consecutive years. From fig. 1.4 we came to know that how much percentage of total CSR practices these listed companies were practicing CSR with respect to fight against corona virus.

VII. CONCLUSION

The pandemic has had a significant influence on their corporate social responsibility (CSR) spending strategy. It is generally recognised that every calamity brings with it new chances, because nothing in this life is constant. From this study, we learned that companies from various sectors contributed, held the hands of people, and helped by engaging in various CSR activities, not only for people but also for the environment, despite suffering losses as a result of the pandemic. This study analysis that the companies from the automobile sector which were already struggling with the pandemic, but they still practiced various activities to fight against COVID-19. This study also shows that awareness about COVID-19 is very important as this parameter was performed by most of the listed companies, which is approximately 94% of the total listed companies on Nifty50.

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