



# CORPORATE SOCIAL RESPONSIBILITY DURING COVID-19 PANDEMIC

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**Abstract:** This article is trying to do an evaluation on how the covid 19 pandemic influence the CSR initiatives undertaken by different business organizations. During the pandemic companies got enough opportunity to prove their genuinity and their concern towards the welfare of the society. In this paper we discuss about the major CSR initiatives, their impact on the society and tax exemptions related to CSR.

**Keywords:** Corporate Social Responsibility(CSR), Covid-19, objectives, Tax, companies act.

## Introduction

Corporate Social Responsibility is gaining popularity since the last decade and now it is even unavoidable for a decent firm. Corporate Social Responsibility is an initiative by organizations to help themselves for being more socially accountable - for themselves, towards their employees and towards the society/public. CSR or otherwise known as corporate citizenship helps the companies to understand the impact of their acclivities. Many companies even shut their business during the pandemic, many have lost their job due to pandemic. During these circumstances CSR is very important to be considered.

## Objectives of Corporate Social Responsibility

The main objectives of CSR are:

1. To make positive impact on the society and the betterment of people .
2. Aims at an educated economy
3. Aims at empowerment of women for bringing equality
4. Improving the living standards of public
5. To eliminate poverty from the society
6. To protect the environment from their activities.

## CSR activities that comes under Companies Act 2013

The CSR activities that comes under the schedule VII of companies act 2013 are:

1. Eradicate hunger and poverty
2. Promote education
3. Gender equality and women empowerment
4. Initiatives relating to environmental sustainability
5. Contributions relating to rural development projects
6. Combating HIV-AIDS and other diseases
7. Enhancing employment through vocational skills
8. Contribution for Prime Minister CARE fund and other social welfare funds
9. Reducing child mortality.

## Impact of pandemic on Corporate Social Responsibility

CSR is a widely discussed area during the pandemic. It plays a huge role in maintaining the economy. Many firms have come with good CSR initiatives. In the contrary some firms are taking the advantage of pandemic under CSR. Hence we can say that during pandemic CSR influence in two ways:

- I. Positive impact
- II. Negative impact.

### I. Positive impact

During the pandemic many companies around the world initiated a lot of CSR plans which will benefit their employees and society. The following are the Positive impact of CSR on pandemic:

- Decrease in unethical practices: During the covid pandemic, many companies who were into unethical practices tend to avoid their activities and come forward for showcasing their obligation towards society by adopting CSR initiatives.
- Customers attitude towards brand: Because of the good initiatives undertaken by major brands the customers attitude and expectation grow in a positive way making a lasting impression about their products.
- Better relationship and humanitarian considerations: Before pandemic people were busy in themselves and don't considers others but during pandemic everyone start thinking about others also and hence relationships become stronger. Even the relation between employees and management improves.
- Public health and employee welfare: During the pandemic companies give more importance to the welfare of their employees and also public health is given due consideration
- Mental well being: During the pandemic, the mental health of people got affected in large scale. Hence, as part of CSR many initiatives are introduced for the mental well being of employees.
- Tax benefits: CSR expenditure is given due consideration during the pandemic, thereby helping reduce tax burden.
- Accelerate post pandemic CSR: CSR initiatives now will help in guiding the companies for their post pandemic CSR implementation.

### II Negative impact

CSR initiatives are undertaken for the benefit of others but some use this as an opportunity for their personal gains. So some of the negative impact of CSR during pandemic are:

- Profit seeking: During pandemic many firms find it as a chance to more more profit rather than contributing for the welfare of the society with their ulterior motives.
- Tax evasion: Some companies find CSR as a means for avoiding payment of taxes. Tax payment is very important for the development of a nation and companies are trying to avoid paying taxes.

## Tax exemptions for relating to Covid-19 expenditure

CSR expenses relating to covid pandemic that comes under Indian corporate law are as follows:

1. Contribution made to Prime Minister CARE fund
2. Contribution to State Disaster Management Authority to fight Covid-19
3. Developing health infrastructure for providing covid care
4. Constructing oxygen generation and storage plants
5. Constructing temporary covid care centers
6. Undertaking disaster management initiatives
7. Expenses relating to research for developing drugs for covid-19

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