



## SOCIAL RESPONSIBILITY OF INDIAN BUSINESS - A STUDY

*Dr. Lukman Y. Patel Associate Professor, Allana Institute of Management Studies, Mumbai.*

*Dr. Subhasish Roy Chowdhury – Visiting Professor of Finance, Vivekananda Institute of Management Studies and Research & Vijay Patil School of Management, (D Y Patil University), CEO – Realza & Associates*

*Ms. Akanksha Shedge – MMS Student, Vivekananda Institute of Management Studies and Research*

### ABSTRACT

Corporate Social Responsibility or CSR entails social and moral responsibility of corporates towards community and planet at large in a manner which will serve the most significant and healthy interests of the society. CSR has metamorphosed into accepting moral responsibilities by shareholders towards various stakeholders like customers, vendors, employees, environment, community and society. The study focuses into studying the social responsibility and business management with vivid and bulls' eye focus on how sample corporates have socially contributed during and post Covid-19 era.

**Keywords:** CSR, Sustainability, Social Development, Society, CSR Programmes.

### INTRODUCTION

Corporate Social Responsibility (CSR), long known as social duty or charity, has changed over time in its broader dimensions. The term "Corporate Social Responsibility" (CSR) refers to how businesses are evaluated in relation to the effects of their choices and actions by abiding by a set of moral, social, and environmental norms with the intention of promoting the health, happiness, and sustainable growth of society. It is understood as an accountability mechanism.

Under the Companies Act, 2013, threshold limit of any company is subject to requirements of CSR if it meets the minimal conditions i.e. (a) Net Worth of Rs.5 billion, (b) Annual Revenue of Rs.10 billion and (c) Net Profit of Rs.50 million respectively. The genesis of CSR in India follows the below phases:

- 1) **Upto 1914- Charity & Philanthropy influenced CSR:** The inspiration for the early types of CSR came from philanthropy as well as the direct impact of culture, religion, family customs, and industrialization processes
- 2) **From 1914 to 1960 - CSR aimed towards Country's social development:** Overwhelmed by the nation's battle for autonomy, it was influenced by Gandhi's hypothesis of Trust for solidifying and social turn of events. The abolition of untouchability, women's emancipation, and other goals were given top priority in Gandhi's reform plan.
- 3) **From 1960 to 1980 - CSR within the framework of a mixed economy:** The third stage of CSR in India has been impacted by the 'mixed economy' model and the advent of regulations governing labour and

environmental norms. A change from corporate self-evaluation to rigorous governmental and public oversight of commercial activity also characterises this era.

- 4) **From 1980 to 28th Aug. 2013 - CSR at the intersection of charitable and business strategies:** From the standpoint of the many stakeholders, Indian firms and stakeholders have started to renounce their long-standing charity commitments and have partially incorporated CSR into coherent and long-term commercial goals.
- 5) **From Aug. 29 2013 till date - For large businesses, the Indian government has mandated CSR investment:** After making CSR mandatory, a drastic shift was seen in compliance of it. Companies were tying up with NGOs and making their own foundation or trust to facilitate smooth CSR activities.

## LITERATURE REVIEW

1. **Arora, B., Puranik, R. (2004)** The corporate sector in India tremendously benefited from the liberalization and privatization processes, but its transition from altruistic mentality to CSR lagged behind its exceptional financial performance, they conclude after analyzing contemporary CSR trends in India.
2. **Ismail M (2009)** CSR is discussed in three theories: utilitarian theory, management theory and relational theory. It can be demonstrated via the work of other scholars in the subject of CSR that CSR is expanding internationally because of the transnational, global character of business.
3. **Kitzmueller M and Shimshack J (2012)** This article compiles research on increasing corporate social responsibility (CSR). They create a CSR taxonomy that includes several viewpoints on the subject and defines CSR in terms of economics. Also, discussion about the circumstances in which CSR is already practised is mentioned.
4. **Goyal H and Agarwal S (2014)** The term CSR isn't new in this corporate world, however its degree and importance make it to a lesser extent a humanitarian organization contrasted with corporate obligation to the rest of the world. The Indian government included the idea of CSR in the 2013 Companies Act to encourage more businesses to participate in social development through their CSR.
5. **Jayati Sarkar and Subrata Sarkar (2015)** This article examines the impact of corporate responsibility on specific incentives under the recently passed Companies Act, 2013 in India, the likely responses of companies covered by the act, the impact on resource availability and provision of social benefits, the opportunities and challenges of implementing CSR.
6. **Shah Aetal(2016)** The CSR Act's goal is to promote creative thinking and enhanced managerial abilities in corporate social responsibility, leading to more effective and superior results. The role of the CSR Committee has been discussed.
7. **Dr. Simran Kaur , Ms. Nidhi Tandon(2017)** Corporate activity and responsiveness to social concerns and sustainability demands in order to move forward into collaborative future action for incorporating sustainable future for well being of society.
8. **Upadvay N. K. & Rathee M. (2021)** The definition of corporate social responsibility, its history, relevant legal frameworks, and the global epidemic of shifting socioeconomic situations are all examined in this paper.

9. **Vinod S et.al.(2022)** In times of crisis, CSR can also be both reactive and proactive. This paper examines CSR legislation, company responses to CSR, and the company's perspective on CSR in light of this background.
10. **Kalagnanam S. and Rajeev PN (2023)** This paper analyses CSR system in India and reports discoveries on administration, arranging and execution from a study of Non Government Organizations (NGOs). The overall results highlight some positive aspects and reveal issues that NGOs and businesses consider crucial. Review of literature (ROL) has made it possible to examine the theoretical components of corporate and its responsibilities towards the society, understand what does CSR means in practice and how it has evolved in India. Some of the key takeaways from the ROL are:-

- CSR has attracted immense interest of extensive examination over the world since the time world started witnessing massive disasters, starvation, women distress, child underdevelopment, rural non-development etc.
- Studies have been conducted in good numbers internationally and started evolving in India as well.
- Studies conducted can be majorly grouped into studies encompassing around (a) different aspects / dimensions of CSR (b) industry-based studies and (c) specific organisation-based studies
- ROL has helped the researcher derive knowledge, and direction in identifying the new scope of the further research on CSR. Indian economy has been on a steep growth curve since early 90s hence, it is a most significant necessity to study and understand eminence and prominence of the state of it's social environment and recommend measures, procedures and guidelines stemmed as an aftermath of the study which will be useful in driving development and upliftment of the social governance environment more prospectively and efficiently.

## OBJECTIVES OF THE STUDY

- 1) To analyse the contribution made by corporate towards social responsibility obligations.
  - 1.1.To analyse the social contribution made by sample corporates during Covid-19
  - 1.2.To analyse the funds contributed for CSR Activities by sample Corporates vs Turnover post Covid-19.
- 2) To understand the common challenges faced in the event of CSR contribution by corporates
- 3) To gauge how ESG helps in enhancing CSR in the business environment
- 4) To comprehend how CSR helps in national skill development
- 5) To understand about digital transformation in CSR activities
- 6) To understand about integrating CSR performance into Financial Reporting

*The fundamental justifications behind selecting the above objectives rests upon obtaining a largely comprehensive understanding about CSR practices followed by companies in India by gauging about the qualitative contributions made by the corporates towards social wellbeing, skill development, governance augmentation as well as understanding about the challenges confronted in a CSR event.*

**HYPOTHESIS OF THE STUDY**

<b>Hypothesis -1</b>	<b>H0</b>	There is no significant difference between CSR expenditure and allocation of CSR funds by 'A' class companies - Reliance Industries Ltd and Tata Motors Ltd.
	<b>H1</b>	There is significant difference between CSR expenditure and allocation of CSR funds by 'A' class companies - Reliance Industries Ltd. & Tata Motors Ltd
<b>Hypothesis -2</b>	<b>H0</b>	There is no significant difference between CSR expenditure and allocation of CSR funds by 'B' Companies - Zee entertainment Ltd & Berger Paints India Ltd.
	<b>H1</b>	There is significant difference between CSR expenditure and allocation of CSR funds by 'B' Companies - Zee entertainment Ltd & Berger Paints India Ltd.
<b>Hypothesis -3</b>	<b>H0</b>	There is no significant difference between CSR expenditure and allocation of CSR funds by 'C' Companies - Bata India Ltd. & Greenply Industries Ltd.
	<b>H1</b>	There is significant difference between CSR expenditure and allocation of CSR funds by 'C' Companies - Bata India Ltd. & Greenply Industries Ltd.

*The elemental justifications behind selecting the above hypothesis rests upon testing the relationship between allocations of funds and CSR expenditures incurred by sampled companies in the categories of 'A', 'B' and 'C'. Testing the hypothesis and the corresponding testing results will help in concluding whether allocated CSR funds have been appropriately spent on CSR activities of the sampled companies.*

**SAMPLING METHODOLOGY**

Authors have adopted "Convenient Sampling" method while selecting the samples.

**Sample selection procedure: -**

The authors have attempted to understand the topic under study based on:-

- categorising the industries into three categories based on their Turnover
- select samples of corporates (2 each for each of the three categories)
- sample corporates selected in each of the categories are mutually unlike and exclusive so that it can enable the authors to better understand about the significance of CSR in contrasting corporates

Companies selected have been divided into three categories namely:

- ◆ **Category "A" – Above Rs.10000 Crore Companies**- two companies have been selected viz. Reliance Industries Limited (RIL) and TATA Motors Ltd. as tabulated below: -

Company name	Turnover (Rs./Crores)			
	2018-2019	2019-2020	2020-2021	2021-2022
RIL	585540	591778	467669	696972
TATA Motors Ltd.	301938	261068	249795	278454

- ◆ **Category "B" – Between Rs. (5000 - 10000) Crore Companies** -two companies have been selected viz. ZEE Entertainment Ltd. and Berger Paints Ltd. as tabulated below: -

Company name	Turnover (Rs./Crores)			
	2018-2019	2019-2020	2020-2021	2021-2022
Zee entertainment	7934	8130	7730	8189
Berger Paints Ltd.	6062	6366	6818	8762

- ♦ **Category “C”- Below 5000 Crore Companies**-two companies have been selected viz. BATA Ltd. and Greenply Industries Ltd. as tabulated below:-

Company name	Turnover (Rs./Crores)			
	2018-2019	2019-2020	2020-2021	2021-2022
BATA Ltd.	2931	3056	1708	2388
Greenply Industries Ltd.	1412	1420	1165	1563

## RESEARCH METHODOLOGY

The research paper endeavours for an exploratory level of the study. In order to have better accuracy and a fuller analysis of the research study, the descriptive research design for the study has been adopted in alignment and consideration with the objectives of the investigation. Additionally, 3 hypotheses have been designed to get a much prominent understanding about CSR allocation and spends. Various literatures reviewed in course of ROL has enabled the authors to delve into and understand about the objectives. Also, financial data available in annual reports of the sample companies have been used to conduct appropriate data analytics in consonance with requirements of the objectives and hypothesis. ANOVA has been used for testing hypothesis.

## DATA SOURCING

The study's data have been extracted from papers, annual reports, diaries, journals, articles, and other media, and they are secondary in nature.

## PERIOD OF THE STUDY

The authors have selected the study period to be 2019-2020, 2020-2021 and 2021-2022 respectively.

## ANALYSIS AND INTERPRETATION

### (a) Descriptive Analysis

**Obj. # 1: To analyse the contribution made by corporate towards social responsibility obligations.**

- 1.1. Analyse the social contribution made by sample corporates during Covid-19
- 1.2. Analyse the funds contributed for CSR Activities by sample Corporates vs Profitability post Covid-19.

#### 1.1. Analyse the social contribution made by sample corporates during Covid-19

### **Category “A” – Turnover >Rs. 10000 Crore Companies**

1) **RELIANCE INDUSTRIES LTD.:** Social contributions made during COVID 19: -

- Mission Anna Seva -Delivered more than 8.5 billion free meals
- Mission Oxygen: Produces 1000 MT of oxygen per day for more than 100 patients
- Mission COVID Infra: 2000 beds have been established for COVID treatment

2) **TATA MOTORS LTD.:** Social contributions made during COVID 19: -

- The company has made it possible to produce 17,000 approved masks created at home.
- Distributed over 5,000 grocery kits
- Distributed more than 25,000 food packets (cooked meals)
- More than 25,000 food packages were given out, and two helpline numbers were established for temporary and contract workers in Lucknow.

**Category “B” – Turnover between Rs. (5000- 10000) Crore Companies**

1) **ZEE ENTERTAINMENT LTD.:** Social contributions made during COVID 19: -

- Approximately 200 ambulances and 40,000 medical kits
- Declared a nationwide CSR initiative to improve the nation's healthcare system.
- The key areas of ZEE's CSR include women's empowerment, the environment, and health care.

2) **BERGER PAINTS LTD.:** Social contributions made during COVID 19: -

- Two medical oxygen generation systems to the states of Andhra Pradesh and Pondicherry during COVID-19
- Free distribution of masks and medicines

**Category “C”- Turnover < Rs.5000 Crore Companies**

1) **BATA Ltd.:** Social contributions made during COVID 19 :-

- The nursing staff and sanitation staff at several government hospitals in Nagpur are provided with washable closed-toe shoes.
- 4000 facial shields for use by police and medical personnel in addition to Bata employees.

2) **GREENPLY INDUSTRIES LTD.:** Social contributions made during COVID 19 :-

- Free distribution of masks and medicines
- 1,000+ beds for COVID care were put up
- Spreading covid awareness in rural area

**Interpretation**

**Category A** Companies have largely contributed during Covid 19 from providing food to creating a helpline for covid affected people. The Giants tried to reach out to the maximum people to achieve comprehensive help to citizen.

**Category B** Companies have provided various health care services through various centres by setting up to provide medical aid at cheapest possible costs. Sincere efforts from the companies were evident in overcoming the shortages of oxygen cylinders by setting two medical oxygen generation systems.

**Category C** Companies tried to give helping hand by providing their owned products like BATA Shoes. They tried to reach out at the grassroot level by spreading Covid 19 awareness in rural area which was also an equally contributory role played by such corporates in increasing the “know about” and awareness about covid so that the backward and underprivileged classes of the society were also alarmed about the satanic and demoniac effect of covid 19 .

**1.2. Analyse the funds contributed for CSR Activities by sample Corporates vs Profitability post Covid-19.****Category “A” – Turnover >Rs.10000 Crore Companies**

Company name	Parameters	2019-2020	2020-2021	2021-2022
		(Rs./Crores)	(Rs./Crores)	(Rs./Crores)
Reliance Industries Ltd.	CSR Spends	1022	1140	1186
	NP (Avg. of 3yrs)	49350	55100	55600
	%	2.07	2.07	2.13
TATA Motors Ltd.	CSR Spends	22.91	23.99	23.7
	NP (Avg. of 3yrs)	-600.07	-2106	-2542
	%	3.81	1.14	0.93

**Interpretation**

Contribution of RIL towards CSR has been marginally greater than 2% whereas TATA Motors Ltd. has spent approximately 4% in 2019-2020 however, their spent has been nearly 1% in 2020-21 and 2021-22 though in all the 3 financial years, TATA Motors Ltd. has been incurring losses.

**Category “B” – Turnover >Rs. (5000- 10000) Crore Companies**

Company name	Parameters	2019-2020	2020-2021	2021-2022
		(Rs./Crores)	(Rs./Crores)	(Rs./Crores)
Zee Entertainment Ltd.	CSR Spends	7.2	50	43.7
	NP(Avg. of 3yrs)	2430.23	2495.9	2186.5
	%	0.3	2	2
Berger Paints Ltd.	CSR Spends	16.79	15.88	17.73
	NP(Avg. of 3yrs)	674	788	876
	%	2.49	2.02	2.02

**Interpretation**

Contribution of Zee Entertainment Ltd. in CSR activities has been approximately 2% in 2020-21 and 2021-22 respectively. In 2019-20 it dropped down to 0.3%. Whereas, in the case of Berger Paints Ltd. the % of CSR contribution remained more than 2% in all three financial years.

**Category “C”- Turnover < Rs.5000 Crore Companies**

Company name	Parameters	2019-2020	2020-2021	2021-2022
		(Rs./Crores)	(Rs./Crores)	(Rs./Crores)
BATA Ltd.	CSR Spends	7.59	9.22	5.87
	NP (Avg. of 3yrs)	379	436	285
	%	2	2.11	2.06
Greenply Industries Ltd.	CSR Spends	4.69	3.42	1.52
	NP (Avg. of 3yrs)	162.67	114.57	74.76
	%	2.89	2.98	2.03

**Interpretation**

Contribution of Greenply Industries Ltd. as well as BATA Ltd. in CSR activities is more than 2% in 2019-20, 2020-21 & 2021-2022 respectively.

**Obj. #2 To understand about the common challenges faced in the event of CSR contribution by corporates**

Some of the challenges which are confronted by corporates while discharging their social responsibilities are:

- 
- Community's lack of involvement in CSR initiatives:** Lack of interest and zeal of the public in taking part in and supporting business CSR initiatives is a major challenge which is faced while discharging CSR responsibility. Indian businesses and their stakeholders have a poor understanding of CSR. Even though it is obvious that they are not, there is a make-belief that businesses already exhibit social responsibility hence, the deeper need of social upliftment through CSR activities is perceived to be a superfluous and additional cost burden on the corporates.
  - Need for strengthening the local non-governmental organizations' capacities:** Since there is a lack of capacity and effective organizations that can significantly promote CSR initiatives initiated by organizations, it is important to involve local NGOs in CSR activities so that they can use their experience and knowledge to best serve society in best possible way. Moreover, CSR funds have been converted into

public money rather than being categorized as philanthropic funds. NGOs and government organisations frequently define business CSR programmes from the perspectives of donors rather than local methods, giving them a limited perspective on the subject.

- c) **Issues of transparency:** Companies claim that local implementing bodies lack transparency as a result of their failure to disclose information about programs, audit questions, impact assessments, and fund use. Also, lack of adequate and appropriate due diligence and feasibility analysis of a CSR project has many a times led to embezzlement of CSR funds mostly by NGOs bestowed with the responsibility of undertaking CSR activities. A Delhi based NGO 'Advantage India' was booked by CBI in 2007 for misusing its CSR funds of Rs. 91 crores for personal gains by flouting various provisos of Foreign Contribution Regulation Act (FCRA) by booking bogus expenses and overpricing gadgets purchased for the activities. In 2019 an anonymous person started a pan India CSR scam worth Rs. 100 crores by forging documents of Hexaware Technologies documents and asking various corporates for charitable donations.
- d) **There is a scarce availability of well-organized NGOs available:**  
There are no organized NGOs in rural areas that can assess and identify the real demands of communities and work with companies to ensure the success of CSR initiatives. NGOs more than often face challenges regarding finance, human resources, administrative and social issues while implementing various social developmental programmes. Complicated legal processes in getting foreign donations, increasing administrative costs poses larger operational hurdles.
- e) **Media opacity about Corporate CSR activities:** Frontline Indian media haven't been actively engaged in highlighting the success anecdotes of good CSR initiatives which otherwise could have sensitised the local population about the CSR activities in progress. Contrary to this, ostensible influence of media visibility and branding of the CSR programs have moved away the key objectives of delivering social aids to the grassroot classes who should actually be the recipients of the benefits of such CSR programs.
- f) **Lack of consensus on implementing CSR programmes:**  
Local implementors do not share a common opinion on CSR initiatives. This lack of agreement frequently causes corporate houses to duplicate their intervention zones' activities thereby, leading to a competitive clash between implementors at local levels rather than acting with a collaborative approach which would otherwise foster in delivering more organic benefits to the economically destitute who look forward to such social benefits.

**Obj. #3: To gauge how ESG helps in enhancing CSR in the business environment**

Environment, Social and Governance (ESG) and Corporate Social Responsibility (CSR) helps in ascertaining the social consciousness level of a business. ESG are a set of standards which are weighed by investors while screening investment potentiality in a business. CSR evaluates the depth of consciousness of a corporate about the impact it has on enhancing the health and positivity around its wider society including environment, economy and people within the society. While ESG and CSR are both overlapping concepts, CSR is a model used by individual businesses in their own possible way and effort whereas, ESG is a criterion or a barometer



which investors use to assess whether it is worth investing in a company. The 3 components of ESG constitutes of:

Environment	Energy usage, Carbon footprint, Climate change, Waste Management, Pollution control, Natural resources conservation, Contaminated property, Hazardous waste, Toxic emissions, Compliance with environmental regulations
Social	Employee welfare, Vendor relationship, Local social welfare programs, Healthcare initiatives, Gender equality, Race equality, Religion equality, Education initiatives, Human Rights monitoring, Child / Forced labor, Community welfare
Governance	Transparent accounting practices, Investor relationships, Conflict of interest in Board decisions, Business ethics, Rights of minority shareholders / stakeholders, Political influence, Whistleblower policy

ESG has become part of the KRAs of top corporate management like Marico, Vedanta, TATA Group companies like TISCO, TATA Motors, TATA Consumer, TATA Power, TATA Consultancy Services, Welspun while computing their variable pay which consequentially gathered high traction in the aftermath of Covid-19 pandemic and global climatic changes when corporates have realized the significant impact of these non-financial factors as well along with the financial factors, influencing the market risks and growth opportunities for investors. Petrochem and gas corporates like Reliance have put on radar the roadmap towards reduction in greenhouse gas emissions to zero. Along with being the first country to mandate CSR activities, Indian corporates have off late been much demanding in the sphere of ethical business commitments including ESG. Investors also shows an inclining appetite in funding innovative instruments for enhancing the standards of environmental and social initiatives.

#### **Obj. #4: To comprehend how CSR helps in national skill development**

Corporates driving CSR activities should conduct a baseline research for evaluating the talent profiles in the activity area to pinpoint the skill gaps and create befitting programs. Such programs aligned with the prevailing skills may foster, catalyse and create new social activists focusing in social causes various social difficulties like climate change affects, water issues, energy crisis, health and hygiene, education and welfare of the inhabitants. Through CSR programs, corporates should endeavour in teaching modern skills to create employment and start up opportunities thus, resurrect outdated and conventional skill sets. Corporates should establish Centre of Excellence through their CSR Projects to enhance the quality of skill development and vocational / industrial training imparted to the population also by involving their own human resource who are subject matter experts. MSMEs accounting for a large chunk of any occupations virtually lack knowledge, skills, training for their skill development to increase their productivity, future earnings and quality of their lives. Corporates through their CSR programs can join hands with the Ministry of Skill Development and Entrepreneurship to contribute to the mission and objective of the ministry. Some of the pronounced skill development initiatives undertaken through CSR off late are:

- a) Setting up 'Skill Development Institute' by Indian Oil Corporation Ltd. in Odisha for Rs.151 Crs. and having driven CSR projects exceeding Rs. 545 crores since 2019-20. The program's objective was to

opportune skilling of the unemployed and underprivileged youths of Odisha and employ them in the occupation of welders, industrial electricians, handling computer applications, fitter/fabricators, instrumentation technicians, solar PV installers and LPG mechanic.

- b) Maruti Suzuki India Ltd. has established two Japan-India institutes for manufacturing in Gujarat and Haryana for Rs. 37 Crs. and having driven CSR projects exceeding Rs. 167 crores since 2019-20. This project helped in creating skilled resources by providing technical training related to automobile industry like mini vehicle assembly line, engine assembly line, virtual welding simulators along with soft skill development.
- c) 'Upskilling Program' of Asian Paints Ltd. Colour Academy is a program for Rs. 26 Crs. and having driven CSR projects exceeding Rs. 58 crores since 2019-20. The program aimed at creating multitude of employment scope in the paint industry involving designer finishes, emulsion production, metal care, water proofing, wood finishing and wall paper installation.

#### **Obj. #5: To understand about digital transformation in CSR activities**

Digital transformation is a powerful tool to enhance CSR initiatives especially during times of crisis in addition to improving efficiency, innovation and customer experiences. With the aid of digital platform, the CSR strategies, mission, vision and value generation can be aligned with most relevant social issues and opportunities to serve for the socio cause. Digital surveys, forums and feedback mechanism can help in providing real time dashboards for qualitative understanding about the socio cause of concern more precisely and transparently and focus on apt deliverables much befitting with the socio requirement thereby, also leading to proper impact analysis of such activities. It can also help in monitoring the health of the progression curve of the CSR activities. The transformation can also help in engaging the stakeholders and create an environment of shared responsibilities so far as outcome communication and further ideation about CSR is concerned. Social media, blogs, vlogs podcasts are useful platform for expanding the canvas of CSR activities.

#### **Obj. #6: To understand about integrating CSR performance into Financial Reporting**

There is quite a deeper requirement to monitor CSR Project performances in both quantitative and qualitative terms through an appropriate and unanimous model of 'CSR Performance Reporting System' which will clearly portray the Project highlights and outcome to the betterment of the target beneficiaries. CSR performance need to be accurately integrated in the company's Financial Reporting system transparently and consistently by choosing right framework like Global Reporting Initiative (GRI), Sustainability Accounting Standards (SAS), Task Force on Climate related Financial Disclosures (TCFD) which is the best alternative (one or more) befitting with the industry, organisation's strategic goals, stakeholder's expectations. In case more than one framework is opted, there should be measures to avoid any duplication and contradiction and create a mutually complementing framework.

**(b) Inferential Analysis****Hypothesis #1:**

**H<sub>0</sub>** There is no significant difference between CSR expenditure and allocation of CSR funds by 'A' class companies - Reliance Industries Ltd and Tata Motors Ltd.

**H<sub>1</sub>** There is significant difference between CSR expenditure and allocation of CSR funds by 'A' class companies - Reliance Industries Ltd. & Tata Motors Ltd

**Analysis: -****SUMMARY**

Groups	Count	Sum	Average	Variance
Reliance Industries Ltd.	3	3348	1116	7156
Tata Motors Ltd.	3	70.6	23.53333	0.312433

**ANOVA**

Source of Variation	SS	Df	MS	F Stat	P-value	F Crit
Between Groups	1790225	1	1790225	500.3206	0.00002365318	7.708647
Within Groups	14312.62	4	3578.156			
Total	1804538	5				

**Interpretation:**

(a) F Stat. value = 500.3206 being > F Critical = 7.708647 lies in 'Rejection' area of the graph

(b) p-Value = 0.00002365318 is < 0.05

**Hypothesis #2:**

**H<sub>0</sub>** There is no significant difference between CSR expenditure and allocation of CSR funds by 'B' Companies - Zee entertainment Ltd & Berger Paints India Ltd.

**H<sub>1</sub>** There is significant difference between CSR expenditure and allocation of CSR funds by 'B' Companies - Zee entertainment Ltd & Berger Paints India Ltd.

**Analysis: -****SUMMARY**

Groups	Count	Sum	Average	Variance
Zee Entertainment Corpn. Ltd.	3	100.9	33.63333	533.9633
Berger Paints India Ltd.	3	50.4	16.8	0.8557

**ANOVA**

Source of Variation	SS	df	MS	F Stat	P-value	F Crit
Between Groups	425.0417	1	425.0417	1.589478	0.2759270458	7.708647
Within Groups	1069.638	4	267.4095			
Total	1494.68	5				

**Interpretation:**

(a) F Stat. value = 1.589478 being < F Critical = 7.708647 lies in 'Acceptance' area of the graph

(b) p-Value = 0.2759270458 is > 0.05

**Hypothesis #3:**

**H<sub>0</sub>** There is no significant difference between CSR expenditure and allocation of CSR funds by 'C' Companies - Bata India Ltd. & Greenply Industries Ltd.

**H<sub>1</sub>** There is significant difference between CSR expenditure and allocation of CSR funds by 'C' Companies - Bata India Ltd. & Greenply Industries Ltd.

**Analysis: -****SUMMARY**

Groups	Count	Sum	Average	Variance
Bata India Ltd.	3	22.683	7.561	2.801233
Greenply Industries Ltd.	3	9.6293	3.209767	2.553851

**ANOVA**

Source of Variation	SS	df	MS	F Stat	P-value	F Crit
Between Groups	28.39985	1	28.39985	10.60669	0.03117510408	7.708647
Within Groups	10.71017	4	2.677542			
Total	39.11002	5				

**Interpretation:**

(a) F Stat. value = 10.60669 being > F Critical = 7.708647 lies in 'Rejection' area of the graph

(b) p-Value = 0.03117510408 is < 0.05

**FINDINGS**

The findings of the study are as below: -

**Obj. #1:** Sample companies in the 'Category-A' have tried to reach out to the larger part of the population so that no citizen goes to sleep at night without food during the pandemic. Companies in 'Category-B' have attempted with their own means to provide medical aid like oxygen units, lifesaving drugs like Dexamethasone, Tocilizumab, Remdesivir during the pandemic which were of a dire necessity, more so during the second delta wave of the pandemic. Companies in 'Category-C' reached out to the society with their own means and effort to increase the awareness about the pandemic amongst the citizen so that they don't stay in a taboo and make undue mistakes without understanding the scientific aspects of the pandemic and increase the focused safety levels in accordance. Also, it has been noticed that the sample corporates like TATA Motors Ltd. have contributed to the CSR activities at a level of more than 2% in spite of being in loss as these companies are veterans in the sphere of Indian Inc. and are best known for their social contributions.

**Obj. #2:**

The ardent need is to build a strong, innovative and authentic CSR model to enhance serving the society. The move has to be more from a theory to a continual better delivery. A well-crafted CSR Programme followed by a 'Plan to Action' helps in driving an aware, transparent programme with purity about quality.

**Obj. #3:**

The convergence of ESG with the CSR Programs enhances business reputation, retain business associates at a reduced cost. As a part of ESG, CSR activities helps in improving all out-business associate relationships, being in gender, religion and income equalities, create initiative to improve health and education and

strengthen the spines of the underprivileged classes to understand about their rights in the society thus, generate an overall community welfare.

**Obj. #4:**

Many large and semi-large corporates have invoked the practice of skill development and corresponding employment to eradicate the life of poverty and scarcity. Such practices are slowly being brought to practice by mid-size companies as well especially in the MSME sector.

**Obj. #5:**

Driving CSR activities over a digital platform, social media will have a much larger impact and visibility about the processes and fruits of the program which can be a great source of learning and adoption by the peers. Digitisation also helps in categorical monitoring of every iota of a CSR Program.

**Obj. #6:**

An appropriate and unanimous model of 'CSR Performance Reporting System' clearly portrays the Project highlights and outcome to the betterment of the target beneficiaries in the modern reporting environment involving Global Reporting Initiative (GRI), Sustainability Accounting Standards (SAS), Task Force on Climate related Financial Disclosures (TCFD).

**Hyp. #1:**  $H_0$  is rejected thus, there is significant difference between CSR Amount spent & CSR Fund allocation in Category 'A' Companies - Reliance Industries Ltd. & Tata Motors Ltd.

**Hyp. #2:**  $H_0$  is accepted thus, there is no significant difference between CSR Amount spent & CSR Fund allocation in Category 'B' Companies - Zee entertainment Ltd & Berger Paints India Ltd.

**Hyp. #3:**  $H_0$  is rejected thus, there is significant difference between CSR Amount spent & CSR Fund allocation in Category 'C' Companies - Bata India Ltd. & Greenply Industries Ltd.

## **RECOMMENDATIONS**

Few suggested key recommendations which can induce more improvement in the sphere of CSR are as follows: -

- 1) Put in place a Business Code of Ethics for bringing in more transparency in the CSR programmes
- 2) Include SHE Programmes [Safety – Health – Environment] in workplaces and factories as a part of CSR programmes
- 3) Increase social commitment to protect the environment from pollution related issues
- 4) Onboard efficient and deployable resources who can carefully drive CSR activities objectively as laid out in the CSR policy of the corporate
- 5) Avoid manipulative promotional communication about the business through CSR programmes which will defeat the moot objective of social service of any CSR programme
- 6) Deepening social connects by the organisation so that the benefits of CSR Projects becomes an impactful program for the society at large with engagement, morale and culture
- 7) Re-imagining the risk tolerance limit of the society where CSR Projects / Programs are deployed which will help in revisiting / re-evaluate CSR strategies for betterment of such Projects during future deployment

- 8) Revitalise CSR and ESG strategies to invoke social upliftment in the post pandemic world
- 9) Drive innovative CSR Projects organically aligned with the societal requirements for faster and enriching improvement of the quality of lives of the under privileged classes in the society.
- 10) Formulate an appropriate and unanimous model of 'CSR Performance Reporting System' to evaluate CSR Project performances in both quantitative and qualitative terms as an integral part of CSR policies and practices which will aid the organisation to fulfil organisation's commitment towards environmental upliftment and report the results for the society to be appraised about.

## CONCLUSION

The possibility of corporate social obligation is currently solidly settled on the business plan across the globe. But in order to go from theory to practical application, numerous challenges must be overcome. Adopting social responsibility policies can benefit businesses in a number of ways like enhancement of brand image and reputation, garnering more social trust, faith and loyalty on the organisation, encouraging developing a green and sustainable social and environment through recyclability procedure and renewable energy mechanism.

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